



TESTIMONY OF

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ON

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Introduction

Chairman Lankford, Ranking Member Heitkamp, distinguished Members of the Subcommittee, thank you for the opportunity to appear before you today to address U.S. Customs and Border Protection's (CBP) efforts to utilize pay and compensation flexibilities to recruit, hire, and retain personnel in hard-to-fill and remote locations.

With nearly 60,000 employees, CBP is responsible for securing the Nation's borders at and between ports of entry (POEs) while facilitating the efficient movement of legitimate trade and travel. CBP's border security mission is executed by frontline personnel, such as Border Patrol agents, Air and Marine agents and officers, and CBP officers, who are responsible for managing the risks and threats along our 7,000 miles of the Northern and Southern border, 95,000 miles of shoreline, and at our 328 ports of entry.

Throughout my 30 years of service with CBP and the former U.S. Customs Service, working in both frontline and operational support positions, I have seen first-hand the impact CBP's officers and agents have in fostering the Nation's security and economic prosperity. The dedicated men and women of CBP pursue this mission every day as they safeguard and manage the United States' air, land, and maritime borders with vigilance, selfless service, and unyielding integrity.

Since taking office as Assistant Commissioner of the Office of Human Resources Management in August of this year, one of my top priorities has been working to recruit, hire, and retain the frontline personnel necessary to accomplish CBP's border security mission. Maintaining workforce levels is one of the most prominent challenges facing law enforcement organizations today. Just as attrition is making it difficult to retain experienced officers and agents, the supply of qualified and suitable candidates to fill vacant positions is diminishing as a result of our rigorous hiring standards. We are competing with other Federal, state, and local law enforcement agencies for the same limited pool of qualified and suitable applicants.

CBP faces additional challenges in staffing hard-to-fill and remote locations. For the purposes of this testimony, I have characterized hard-to-fill and remote locations as being a significant distance from amenities and services such as medical care, child care and schools, and employment options for spouses. Geographically remote locations are often accompanied by challenging environmental factors, such as harsh weather conditions. Difficulty in staffing these locations may also be impacted by a lack of affordable housing choices, consumer goods and services, and local infrastructure. In addition, both hard-to-fill and geographically remote locations are sometimes associated with a higher cost of living.

The challenges CBP faces regarding hard-to-fill and remote locations include the limited pool of qualified and suitable candidates interested in working and residing in these localities. This is compounded by funding and regulatory limitations, which limit our efforts to incentivize individuals to apply for, relocate to, or remain at these locations. Due to the nature of CBP's work along the border, many of our areas of responsibility fall in this category. Staffing these locations, with both new hires and existing, experienced personnel, is critical to meeting the operational requirements involved with securing the Nation's border against a variety of different threats and adversaries.

My testimony addresses the challenges CBP confronts in attracting, hiring, and retaining frontline personnel in hard-to-fill and remote locations. I will highlight some of the current limitations regarding pay and compensation flexibilities, as well as potential solutions to address them.

Examples of Hard-to-Fill and Remote Locations

CBP is currently facing challenges recruiting and retaining frontline personnel in Northern Border locations, particularly in North Dakota and Montana. Portal, North Dakota, where both the Office of Field Operations (OFO) and the United States Border Patrol (USBP) operate, is an example of a hard-to-fill and remote location. Portal is a rural community with a population of less than 150 people. It has harsh weather in both summer and winter months, and lacks housing, educational and spousal employment opportunities, and easy access to amenities and services. While there is limited government housing, it often takes years for a unit to become available. The nearest hospital is 42 miles away; pediatric and specialty care are over 100 miles away. The nearest large, commercial retailer is 75 miles away and the closest large metropolitan city, Regina, Saskatchewan, Canada, is a 2.5 hour drive in good weather.

Portal is in the middle of the Bakken Oil Field region, where the cost of living has skyrocketed in recent years. The oil boom drastically increased demand for labor in Western North Dakota; the result was that the addition of thousands of oil workers created a housing shortage, which in turn significantly increased rental costs and home purchase prices in the surrounding areas. For example, in Williston, North Dakota, the average renter pays \$2,200 a month and in Watford City, North Dakota rent averages \$2,800 a month. For comparison, average monthly rent in New York City is \$2,895 and \$1,800 in Denver.¹ The result is a location that, at current Federal General Schedule compensation rates, becomes too expensive for CBP personnel to live. These factors threaten our Agency's ability to maintain necessary levels of manpower required to execute our mission.

Despite CBP's efforts to hire frontline personnel in these areas, the data shows that we are still experiencing difficulty recruiting qualified frontline officers and agents. For example, there are less than 30 applicants in the current hiring pipeline for Portal. Only 1.15 percent of all applicants from recent CBP officer vacancy announcements applied for positions in this POE. Furthermore, Portal is not a duty station to which experienced officers are seeking to transfer. Our field locations must include a balance of experienced and entry-level frontline personnel. Experienced personnel will have the skills, knowledge, and confidence to handle dynamic and urgent situations should they occur.

Air and Marine Operations (AMO) is experiencing similar challenges in meeting staffing requirements for the National Air Security Operations Center (NASOC-GF), located in Grand Forks, North Dakota. This location, which operates both manned and unmanned aircraft, is facing particular difficulties attracting pilots for our Unmanned Aircraft Systems (UAS). UAS

¹ <http://inewsnetwork.org/2015/04/03/oil-prices-are-low-but-housing-rentals-in-the-bakken-are-still-sky-high/> (April 2015)

pilots are generally difficult positions to fill, and CBP currently requires UAS pilots to also be licensed helicopter and airplane pilots. This requirement, although often difficult to fulfill, grants CBP the flexibility to rapidly re-deploy its pilots and aircraft throughout the Nation and meet the needs of the CBP mission. However, there is a great deal of competition for UAS pilots, and they can often make two to three times the salary working for private contractors. This competition, coupled with extreme weather conditions and rising housing prices in North Dakota, makes NASOC-GF particularly hard-to-fill.

Raymond, Montana is another example of a hard-to-fill, remote location within CBP. Raymond is a rural community with a population of less than 700 people. It experiences hot, humid summers with harsh, frigidly cold winters. Like Portal, North Dakota, Raymond is impacted by the Bakken Oil Fields. What little housing there is available is in high demand due to the influx of oil workers. The surrounding community lacks amenities and services. Although there is basic medical care within 8 miles, pediatric and specialty care is over 70 miles away. The nearest large, commercial retailer is also 70 miles away. Like Portal, the closest large metropolitan city, Regina, Saskatchewan, Canada, is 2.5 hours away. The Raymond POE operates 24 hours a day, seven days a week and has seen an increase in truck traffic associated with the oil fields. Despite offering applicants to recent vacancy announcement a 25 percent recruitment incentive, less than one percent of the overall applicants applied to Raymond, resulting in less than 60 active applicants in the hiring pipeline for the Raymond POE.

Hard-to-fill locations are not specific to the Northern Border. Another example of a remote, hard-to-fill location is Lukeville, Arizona. Although much of the Arizona border locations are both remote and hard-to-fill, Lukeville is particularly challenging. Lukeville is an isolated outpost along the Mexican border. The local community has less than 50 people. It has only one small grocery store and gas station. The closest school and medical clinic is in Ajo, Arizona, another remote location 39 miles away. The nearest metropolitan city with adequate community amenities and services is Phoenix, which is 150 miles away. Lukeville's climate and environment is especially harsh. During the summer months, many of the local roads are impassible because of monsoons. Furthermore, the ground water in Lukeville requires significant treatment prior to drinking due to traces of arsenic. Currently, less than 1 percent of recent applicants to the CBP officers vacancy announcements have applied to Lukeville.

The Port of Nogales, Arizona, one of the Nation's busiest ports, is an example of a duty location that is not necessarily remote, but is hard-to-fill. It is in the top 10 busiest ports based on the number of border crossings, drugs seizures, land border arrests, and inadmissibility cases processed. Only 3.7 percent of applicants applied to recent CBP officer vacancy announcements for positions in Nogales. Further, 16 percent of experienced officers currently working at the port have requested reassignment to another duty location, whereas there are only six officers who have sought reassignment to the port.

Pay and Compensation Flexibilities

Recruitment, Retention, and Relocation Incentives

One of the traditional mechanisms available to Federal agencies to hire and retain personnel in hard-to-fill locations is recruitment, retention, and relocation incentives. Pursuant to Office of Personnel Management (OPM) regulations, Federal agencies may offer recruitment and relocation incentives not to exceed 25 percent of the employee's annual rate of basic pay times the number of years in the employee's service agreement (i.e., an incentive worth up to 100 percent of the annual rate of basic pay for a 4-year service agreement). With a waiver from OPM, an agency may offer recruitment and relocation incentives of up to 50 percent of the employee's annual rate of basic pay times the number of years in the employee's service agreement (i.e., up to 100 percent of the annual rate of basic pay for a 2-year service agreement). Federal agencies may offer retention incentives not to exceed 25 percent of basic pay for an individual employee or 10 percent for a group of employees. With a waiver from OPM, an agency may offer retention incentives for an individual or group of employees of up to 50 percent of basic pay.² In some cases, CBP has used these incentives in recruiting CBP officers to small, remote and hard-to-fill POEs. In Presidio, Texas, for example, recruitment incentives have been utilized in 77 percent of Fiscal Year 2015 hires to help fill that critical port.

As previously stated, remote locations need an appropriate balance of experienced and newly-hired personnel at each of CBP's locations. To staff these locations with senior leaders, for example, we have utilized relocation incentives to fill OFO leadership vacancies in Alcan, Alaska, and other remote areas. Additionally, in recent years, the U.S. Border Patrol offered relocation incentives in an effort to fill first-line Supervisory Border Patrol Agent vacancies on the Southwest Border, specifically in Sanderson and Presidio, Texas. A lump-sum payment, up to 25 percent of basic pay, was offered if the selected agents completed a one-year service agreement to remain at the station. However, due to the remoteness of these locations, it is difficult to retain these employees at the end of the one-year commitment.

While CBP is afforded these opportunities to incentivize its workforce, we must work within the confines of both fiscal and regulatory constraints. On November 1, 2013, OPM and the Office of Management and Budget (OMB) issued a memorandum establishing limits on agency expenditures for recruitment, retention, and relocation incentives. Annual cumulative spending on these three incentives combined for the Department of Homeland Security may not exceed Calendar Year (CY) 2010 spending levels, which for CBP amounts to \$618,000. As we continue to make progress toward our hiring goals, we suggest that CBP, DHS and OMB explore the possibility of increasing the cap in order to provide more meaningful incentives to attract and retain a highly qualified workforce in a variety of operational and mission support positions.

Moreover, pursuant to OPM regulations, retention incentives for individual employees are permitted only if the employee is likely to leave Federal service in the absence of the incentive.³ Often, current officers and agents, particularly at the GS-5, 7, 9, and 11 grades, in these

² 5 C.F.R. Part 575, Subparts A, B, and C.

³ 5 C.F.R. Part 575, Subpart C.

geographic locations seek to transfer to other locations within CBP by applying to entry-level vacancy announcements. Under these circumstances, CBP is not able to offer the employees a retention incentive to remain at their current hard-to-fill location because they are not leaving Federal service.

In order to expand CBP's utilization of these incentives, we are working closely with the Department, and OMB to determine the appropriate amount of funding for incentives. Additionally, we will work with DHS and OPM to explore the range of flexibility provided by the regulations and the possibility of seeking waivers to offer incentives up to 50 percent of the employee's annual rate of basic pay for unique situations. CBP may be better able to address staffing deficiencies in hard-to-fill locations if we could offer more meaningful incentives to a greater number of applicants and employees.

We recognize that changes to these incentive structures could have a financial impact on the Agency. Therefore, we will continue to assess our hiring and staffing needs along with other needs to support our mission.

Special Salary Rate

In addition to utilizing incentives, CBP is exploring other flexible compensation practices to recruit and retain personnel in hard-to-fill or remote locations. Pursuant to regulation, OPM may establish higher rates of basic pay, or special salary rates, for a category of employees in one or more areas or locations, grades or levels, occupational groups and series, classes, or subdivisions in order to address existing or likely significant handicaps in recruiting or retaining well-qualified employees. These rates can be established to address staffing challenges caused by factors such as: significantly higher non-Federal pay rates than those payable by the Federal Government within the area, location, or occupational group involved; the remoteness of the area or location involved; the undesirability of the working conditions or nature of the work involved; or any other reason OPM considers appropriate.⁴ CBP is looking to initiate a compensation benchmark study with other comparable law enforcement entities within and external to DHS and to build a comprehensive package to support CBP's use of a special salary rate for specific occupational series within its hard-to-fill and remote locations.

Temporary Rotational Assignments

CBP is studying the expansion of its temporary rotational assignment program as a means to facilitate the movement of senior frontline personnel to remote and hard-to-fill locations. Although it is difficult to attract employees to permanently transfer to these locations, they may be willing to accept a Not-to-Exceed (NTE) assignment in order to enhance their career development by working in a new environment. The finite length of the assignment, coupled with a relocation incentive, could be a useful mechanism to attract senior level personnel to these hard-to-fill locations.

⁴ Office of Personnel Management, "Special Salary Rates," <http://apps.opm.gov/SpecialRates/Index.aspx>; see also 5 C.F.R. Part 530, Subpart C.

Conclusion

As the Nation's largest Federal law enforcement organization, we have a number of challenges in hiring and retaining qualified and suitable applicants in broad geographic areas across the country. This is not a phenomenon unique to CBP given that other Federal, state, and local law enforcement organizations are facing similar challenges. The societal views and changing generational values are making it more difficult to attract qualified and suitable applicants.

The public scrutiny of law enforcement in general, combined with the requirement to work variable schedules, long shifts, and in remote areas, are some of the reasons why individuals under the age of 37 may be reluctant to apply to law enforcement positions.⁵ With that said, CBP is working aggressively to employ the pay and compensation flexibilities afforded to Federal agencies to fill positions in mission critical locations.

In addition, CBP has created a Program Management Office, consisting of an integrated team of experts from across the Agency, dedicated to addressing these and other hiring activities to support the onboarding of frontline personnel. I am confident this will provide the holistic and strategic approach to address long-term sustainment of CBP hiring objectives.

We look forward to our continued collaboration with our Federal partners to explore other pay and compensation flexibilities that will facilitate hiring and retention in these unique areas.

Chairman Lankford, Ranking Member Heitkamp, and distinguished Members of the Subcommittee, thank you for this opportunity to testify today. I look forward to answering your questions.

⁵ Age 37 is the cut-off age for law enforcement applications with exceptions for veterans.