



DHS PROPOSED HR SYSTEM

FACT SHEET

What are the goals of the new personnel system?

The goals of the new HR system are to:

- Enable DHS to act swiftly and decisively in response to mission needs
- Allow DHS to be easily adaptable to the changing nature of our work
- Attract and maintain a highly skilled and motivated workforce
- Recognize and reward performance
- Ensure due process and protect basic employee rights

Who will be affected by the new system?

DHS is proposing that most employees will be covered by the new HR system, with the following exceptions:

- Military Personnel
- TSA Screeners
- Executive Schedule (EX, PAS)
- Employees of the Office of Inspector General
- Administrative Law Judges

Note: Wage Grade employees, Senior Executive Service (SES) employees, and members of the Uniformed Division of the Secret Service will keep their current pay and classification systems (but all other provisions of the new HR system will apply)

Will employees lose their jobs? Will pay or benefits change?

- No jobs will be eliminated as a result of the transition to the new system
- There will be no reduction in current pay or benefits for employees as a result of the transition to the new system
- The proposed HR system will not change the rules regarding retirement, health or life insurance benefits, or leave entitlements
- The proposed HR system will not address or change current overtime policies and practices, however DHS continues to review these policies and practices
- Our pledge to include fundamental merit principles, to prevent prohibited personnel practices, and to honor and promote veterans preference will not change

How will the proposed new system affect pay and performance management?

The proposed system will ensure a stronger correlation between pay and performance and more sensitivity to changes in the market. The proposed system provides employees with greater control over their earning potential. All employees who meet organizational expectations will receive a performance-based increase and outstanding performers will receive higher increases.

PAY

Key aspects of the proposed pay system include:

- Wide bands that are open (e.g., no steps) and based on local labor market rates
- Other individual adjustments (like current “special rates”) also available for unusually difficult assignments, special skills, or recruiting/retention
- Within each cluster, promotion to another band (e.g., full performance to senior expert) requires assessment and/or competition
- No reduction in employees’ current pay or benefits as a result of transition to the new system
- Annual rate adjustments are based on labor market conditions, mission, availability of funds, the level of pay adjustments received by employees of other Federal agencies, and other factors
- Market adjustments may differ by occupational cluster and by locality
- Gainsharing/goalsharing, special act awards, and performance bonuses are also available

PERFORMANCE MANAGEMENT

The proposed system includes a revamped performance management system designed to more accurately measure employees’ competencies and contributions.

Key aspects of the proposed performance management system include:

- Traditional performance elements and standards are now optional, allowing performance expectation to better reflect assignment-specific standards
- No quotas or forced ratings distribution
- Substantial investment in managerial training and oversight by a Performance Review Board will help to ensure fairness and consistency
- Performance ratings/pay consequences are grievable and unacceptable performance ratings that result in adverse actions may be appealed

How will the proposed new system affect labor relations?

LABOR RELATIONS

The proposed labor relations changes address the Department’s need to accomplish its mission. They also recognize the importance of union involvement and encourage consultation and collaboration with unions where it is appropriate and feasible.

Key aspects of the proposed labor relations system include:

- Allows DHS to act swiftly and decisively in response to mission needs by removing the requirement for collective bargaining over the impact and implementation of core management rights (e.g., deployment of personnel, assignment of work, use of new technology). Impact and implementation bargaining may be done at DHS’ discretion
- Maintains the right to bargain collectively over the impact and implementation of other management rights below the Departmental level (i.e. appropriate arrangements/procedures for lay-offs, staffing, discipline, leave, and pay reductions) that significantly impact a substantial portion of the bargaining unit
- Speeds up collective bargaining by imposing a 30-day time limit on all mid-term bargaining and 60-day deadline for term agreements
- Encourages consultation and collaboration with unions

- Establishes an independent DHS Labor Relations Board to resolve all bargaining matters and disputes— ensuring quick resolution and a focus on the Department’s mission while maintaining fairness

How will the proposed new system affect adverse actions and appeals?

The proposed changes to the adverse actions and appeals process are intended to create a faster, streamlined process that better supports the DHS mission, while ensuring fairness for employees.

ADVERSE ACTIONS

Key elements of the proposed adverse action system include:

- Retains the same definitions for what constitutes an adverse action
- Establishes a single process for taking either a performance-based or a conduct-based action
- Eliminates the requirement for a Performance Improvement Plan
- Includes a standard 15-day notice period of failure/proposed action and a 5-day right to reply (performance or conduct)
- Authorizes the Secretary to identify specific offenses for which removal is mandatory

APPEALS

The proposed changes to the appeals process will create a simpler and faster appeals process that will lead to a quicker resolution of issues while maintaining an avenue to independent due process.

Key elements of the proposed appeals system include:Retains an independent review by allowing employees to appeal to MSPB, except for mandatory removal offenses

- Establishes an independent DHS panel to review appeals of actions based on mandatory removal offenses
- No changes have been made to EEOC-related appeals
- Streamlines MSPB appeals through shortened processing and filing times for appeals, accelerated decision timeframes, etc.
- Eliminates authority of MSPB or other parties to mitigate agency selected penalty except in cases of discrimination or other prohibited personnel practices
- Encourages the use of Alternative Dispute Resolution (ADR)

What is the timeline for the proposed system?

The proposed system will be implemented in phases to allow for detailed design, training, and careful implementation. DHS proposes that labor relations, adverse actions, and appeal systems will be effective no sooner than 30 days after the final regulations are published.

Performance management and pay conversions will be phased in (by component) with DHS headquarters, IAIP, S&T, and USCG beginning in Fall 2004. All others beginning in Fall 2005.

Is there going to be the appropriate funding and training available to implement the proposed system?

The Administration recognizes the importance of funding this major reform effort. They have requested over \$10 million for a performance pay fund to cover the first phase of implementation (affecting approximately 8,000 employees) to recognize those who meet or exceed expectations.

In addition, the Administration has requested \$100 million in FY 2005 to fund training and the development of the performance management and compensation systems.

Will employees have a voice in final system regulations and implementation?

Yes. Employees are encouraged to voice their concerns and recommendations during a 30-day public comment period. Details on the public comment period will be posted in the Federal Register, and guidance on public comment procedures will be provided on the DHS Internet (www.dhs.gov), intranet (www.dhsonline.dhs.gov) and in DHS Today, the weekly employee electronic newsletter.

Are there other human capital priorities being addressed by DHS, in addition to the implementation of the new HR system?

Yes. In addition to the detailed design and implementation of the new HR system for DHS, as specified in the draft regulations, the Department is pursuing many other human capital initiatives. Among other activities, DHS plans to:

- Establish a Department-wide human capital strategic plan and metrics, working with all of the components to ensure strategic integration
- Develop and initiate several programs to enhance leadership capability throughout the Department
- Deliver management training to increase supervisory skills
- Develop various programs to support employees (e.g., child care reimbursement, flexible work schedules, employee assistance)
- Address recruiting and staffing issues (e.g., through the use of innovative staffing techniques)
- Implement new technology to support human resources needs (e.g., HR IT, applicant tracking)
- Conduct an employee survey to gauge employee satisfaction and needs, so that the Department can better understand and respond to organizational and cultural issues