



Hiring in Rural Communities

November 7, 2024

Fiscal Year 2024 Report to Congress



**Homeland
Security**

Under Secretary for Management

Message from the Office of the Under Secretary for Management

November 8, 2024

I am pleased to provide the following report, “Hiring in Rural Communities,” which was prepared by the Department of Homeland Security’s (DHS) Office of the Chief Human Capital Officer.

This report was compiled pursuant to direction in the Senate Report 118-85, accompanying the Fiscal Year 2024 Fiscal Year DHS Appropriations Act (P.L. 118-47).

This report is provided to the following Members of Congress:

The Honorable Mark Amodei
Chairman, House Appropriations Subcommittee on Homeland Security

The Honorable Lauren Underwood
Ranking Member, House Appropriations Subcommittee on Homeland Security

The Honorable Chris Murphy
Chair, Senate Appropriations Subcommittee on Homeland Security

The Honorable Katie Britt
Ranking Member, Senate Appropriations Subcommittee on Homeland Security



Sincerely,

**RANDOLPH
D ALLES** Digitally signed by
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R.D. Alles
Deputy Under Secretary for Management

Executive Summary

Hiring and retention of a qualified workforce continues to be a top priority for DHS in order to ensure mission readiness to safeguard the American people, the homeland, and our values. Although much attention is placed in areas where there is a large DHS presence, such as the Southwest Border, DHS also seeks to ensure that it can operate fully and effectively in all parts of the United States, including rural communities. Furthermore, small businesses, including Native American, Alaska Native, and Native Hawaiian ones, play a critical role in helping the Department achieve its mission, including in rural communities.

The purpose of this report is to describe the hiring efforts in rural States and U.S. Territories during Calendar Year 2023. This report contains data and analysis on these hiring challenges with filling vacant positions and the effect that vacancies have on the Department's ability to accomplish its mission in these rural communities. The report also discusses DHS efforts to increase the use of small business contracts, including in rural communities. The actions taken described in this report will help DHS hire and retain a world-class, diverse workforce to create an inclusive, representative, and trusted department.



Hiring in Rural Communities

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I. Legislative Language

This report was compiled pursuant to direction in Senate Report 118-85, accompanying the Fiscal Year (FY) 2024 Department of Homeland Security (DHS) Appropriations Act (P.L. 118-47).

Senate Report 118-85 states:

Not later than 90 days after the date of enactment of this act, the Department shall provide a report to the Committee on the challenges of recruiting and retaining Federal employees in non-contiguous and rural States. The report shall include a clear description of the obstacles related to using small businesses, information about rates of attrition, the number of unfilled positions, and the duration of time those positions have remained vacant. The report shall also provide an assessment of the effect these vacancies have on the ability of components to accomplish their statutory and administrative responsibilities and shall specifically describe steps the Department has taken to address the identified challenges or identify requirements to address the identified challenges.

II. Analysis and Discussion

A. Defining Rural Communities

This report incorporates the Federal Emergency Management Agency (FEMA) definition of a rural community, which is any State, territory, district, or eligible Pacific Island with a population of fewer than 1,500,000 individuals (See P.L. 109-295, Title VI, Section 326(b)(1), Designation of Small State and Rural Advocate).¹ On the basis of this definition, the report focuses on a total of 11 States and 5 U.S. Territories.

Table 1: Rural Communities in U.S. States and Territories

States	U.S. Territories
Alaska	American Samoa
Delaware	Guam
Hawaii	Northern Mariana Islands/Saipan
Maine	Puerto Rico
Montana	U.S. Virgin Islands
New Hampshire	
North Dakota	
Rhode Island	
South Dakota	
Vermont	
Wyoming	

B. Impact of Telework and Remote Work Flexibilities

The mission of DHS, with a civilian workforce of more than 225,000 employees, is to “safeguard the American people, our homeland, and our values.”² Since the end of the national emergency related to the Coronavirus Disease 2019 (COVID-19) pandemic³ DHS has adapted to shifting labor markets for some geographies by maintaining workplace flexibilities that include telework and remote work. These flexibilities have proven essential in enhancing DHS and its Components ability to recruit, hire, and retain talent for certain positions, especially in tight, highly competitive labor markets and rural states and territories.

The U.S. Office of Personnel Management (OPM), in its *2021 Guide to Telework and Remote Work in the Federal Government*, defines both telework and remote work. Per OPM, telework refers to arrangements where the employee is expected to report to work, both at an agency worksite and alternative worksite on a regular and recurring basis each pay period. However, remote work does not involve an expectation that the employee regularly reports to the agency

¹ P.L. 109-295, Title VI, Section 326(b)(1), Oct. 4, 2006, 120 Stat. 1453.

² [DHS Mission Statement](https://www.dhs.gov/mission), <https://www.dhs.gov/mission>.

³ H.R.Res. 7 – 118th Congress (2023-2024): Relating to a national emergency declared by the President on March 13, 2020. (2023, April 10), <https://www.whitehouse.gov/briefing-room/legislation/2023/04/10/bill-signed-h-j-res-7/>.

worksite each pay period. Remote work is an arrangement that an agency, in its discretion, may choose to undertake, if the arrangement is consistent with the agency's needs and the duties of the given position. A remote work arrangement may be initiated by the agency posting the position as one that will be performed remotely or by an employee requesting the privilege of working remotely.

Some examples of telework and remote work flexibilities include:

In Calendar Year (CY) 2023, the U.S. Citizenship and Immigration Services (USCIS) had 3,358 job opportunity announcements posted on USAJOBS. Of those, 185 were in the rural communities identified or offered location negotiable upon selection. The identified communities included the States of Alaska, Hawaii, Maine, Montana, New Hampshire, North Dakota, Rhode Island, South Dakota, Vermont, as well as the territories of Guam, Northern Mariana Islands/Saipan, Puerto Rico, and the U.S. Virgin Islands. USCIS had a total of 769 selections.

For the Transportation Security Administration (TSA), most positions located in rural communities, states, and territories are screening related jobs based at airport checkpoints. Thus, remote and telework flexibilities are not applicable as these positions require on-site job performance. However, for positions based at a hub airport (e.g., Anchorage, AK; Billings, MT; and Manchester, NH) occasional telework is often offered for administrative and non-screening positions in human capital and finance. These flexibilities attract more applicants, especially post pandemic, where many employers are offering similar flexibilities.

The U.S. Coast Guard (USCG) monitors the health of the civilian workforce throughout the CY. Offering remote work and telework flexibilities is one factor in the significant improvement in reducing the overall vacancy rate, which decreased from 15% to 12% in the past year.

C. Department Vacancies and Vacancy Duration in Rural States and Territories.

At the close of CY 2023, DHS had 1,551 vacancies in rural communities. TSA accounted for the largest number of vacancies (21%), followed by FEMA (19%) and U.S. Immigration and Customs Enforcement (ICE) (17%). When examining the vacancies across the rural States and territories, approximately half (46%) were in Vermont and Puerto Rico (see Table 2).

Table 2. Number, Percentage, and Median Number of Days of Positions Vacant

Rural State and Territory	Number of Vacant Positions*	Percentage of Vacant Positions	Average Number of Days Positions Vacant**
Puerto Rico	364	23.5%	89
Vermont	354	22.8%	205
Alaska	140	9.0%	196
North Dakota	134	8.6%	167
Montana	119	7.7%	66
Hawaii	101	6.5%	174
Virgin Islands	88	5.7%	53
Maine	54	3.5%	81
Wyoming	53	3.4%	156
Rhode Island	46	3.0%	157
South Dakota	36	2.3%	143
Guam	27	1.7%	155
New Hampshire	23	1.5%	50
Delaware	8	0.5%	111
Marianas Islands	4	0.3%	49
American Samoa	0	0.0%	NA
Total⁴	1,551	100.0%	138

Note: Data as of the last pay period in 2023 (ending 12/30/2023).

*Table is sorted by the number of vacant positions.

**This year's report utilizes the average number of days positions are vacant, which is different than the Calendar Year 2021 Report, which utilized the median number of days positions were vacant.

In CY 2023, ICE petitioned and received approval by OPM to use Direct Hire Authority to fill up to 3,245 vacancies in its mission critical positions, including those in rural States and territories. ICE continues to use other recruitment options, such as its Bona Fide Occupational Qualifier for women in law enforcement positions, working with local law enforcement offices, colleges, and universities in rural communities. OPM extended the Bona Fide Occupational Qualifier through September 30, 2026.

For USCIS, the number of vacancies in rural States and territories account for 3% of the overall number. The majority are within its mission-critical occupations, such as Immigration Service

⁴ The average number of days positions vacant was calculated from the 1,464 positions with vacancy data.

Officer, Immigration Service Assistant, and Asylum Officer. With these positions remaining vacant, it is taking longer to adjudicate and process requests for immigration benefits. USCIS is committed to lowering the number of vacancies in rural communities and has implemented various strategies. These strategies include using hiring flexibilities as well as special hiring authorities granted by OPM, such as Direct-Hire Authority, Competitive Hiring, Merit Promotion, 30% or More Disabled Veterans, Schedule A, Peace Corps and AmeriCorps VISTA, and Veterans and Military Spouse appointments. In addition, USCIS is using special recruitment outreach programs, such as the Military Spouse Employment Partnership, Federal and State Vocational Rehabilitation offices, Military OneSource, Federal Exchange on Employment & Disability, Military Transition Centers, State Chamber of Commerce, Non-Paid Work Experience Programs (Department of Defense's Skillbridge, Operation Warfighter, and Veterans Affairs' Non-Paid Work Experience), and Workforce Recruitment Program.

USCIS also attends career fairs (including those at Historically Black Colleges and Universities and Hispanic Serving Institutions) to recruit veterans and military spouses, students and recent graduates, cybersecurity experts, and individuals with disabilities. Lastly, USCIS uses social media to advertise job vacancies and critical positions on Facebook, Instagram, and LinkedIn, as well as job bulletins posted on third-party job sites for colleges, universities, and professional organizations.

One last consideration regarding the vacancies in rural communities is duration. Two key factors appear to account for vacancy duration. First, DHS Components may make strategic decisions to keep positions vacant for reallocation in other areas to meet mission priorities. The second, and more relevant factor, is the time that it takes to hire many of these positions because of the extensive pre-employment process. The long hiring process is especially true for law enforcement positions. This process includes several steps, such as a medical and physical qualification determination, background investigation to determine suitability, drug screening, and, in some cases, a polygraph examination.

D. Hiring in Rural States and Territories.

The ability for Components to backfill vacated positions and/or to fill any newly established positions to meet mission requirements has a direct impact on vacancy rates. Although the difficulty to hire in rural areas is influenced by multiple factors, Components share these commonalities:

- **Extended hiring process and suitability considerations:** The lengthy and arduous hiring and onboarding process for Federal employees is a hindrance to hiring hard-to-fill positions. For many positions across the Department, including those in rural communities, employees must be able to secure and maintain a Top-Secret security clearance. Additionally, all DHS law enforcement positions require a full scope polygraph exam. Applicants are likely to find other employment opportunities while undergoing the hiring and onboarding process at DHS.

U.S. Customs and Border Protection (CBP) faces challenges with employee relocations. Relocations to rural locations can be especially disruptive to employees and their

families. In an effort to better support employees and their families during the relocation process, CBP is drafting legislation for a spouse hiring authority. CBP also notes that in some rural States, private industry offers highly competitive wages and benefits to leverage the available workforce.

U.S. Secret Service has a different challenge given that a significant number of job vacancies are located in the Washington, DC area. Frequently, rural candidates are not willing to relocate due the high cost of living and relocation.

ICE experiences hiring challenges in Guam and Puerto Rico. Some candidates do not meet suitability requirements. For other positions, the selectee does not reside in the area where positions are located. The amount of time it can take for the selectee to relocate, coupled with the lengthy security clearance process, contributes to these higher declination rates.

- **Brand awareness and competition with private industry:** Past sentiment analysis efforts have shown that there are many rural areas where some DHS Components are not well known and face challenges from other employers. Also, current recruitment efforts, specifically within CBP, are focused on filling positions in the Southwest Border region. Recruiting individuals from “middle America” for positions in remote areas along the Southwest Border, where there are considerable cultural differences, is a challenge. Currently, CBP is establishing and expanding recruitment partnerships in rural areas to create brand awareness. CBP believes that there are people, specifically in many rural areas, with traits or attributes (e.g., outdoor lifestyles) that might make them a good fit for CBP’s positions.

On the other hand, FEMA has very strong brand recognition, which brings interested candidates to their positions. For example, FEMA’s brand image and network connections with local emergency management offices, allow the agency to successfully recruit and hire for permanent full-time positions in rural States and territories. In addition, FEMA’s strong branding and relationships with State, local government, tribes, and territories allow the agency to successfully fill their vacancies.

- **Challenging public relations:** Recent negative media attention on law enforcement has made hiring for these positions an industry-wide concern for all law enforcement agencies, including DHS. There are additional challenges that DHS faces because of the widespread media attention concerning immigration policies and migration events along the Southwest Border.
- **Higher technical knowledge, skills, requirements, and abilities requirements for the jobs:** Applicants not having the knowledge, skills, and abilities to apply for technical and more advanced positions affect DHS recruiting for positions in remote areas. For example, Marine Interdiction Agent positions at CBP can be a challenge to fill due to the limited numbers of applicants possessing both maritime vessel experience, a USCG-issued Merchant Marine Certificate, and the required law enforcement experience.

Many of FEMA's positions in rural communities are in emergency management and logistics fields, which do not require formal education for qualification and generally are not difficult to fill. A handful of FEMA's more technical positions (i.e., attorney, environment protection, and financial management) require more skill and competency and take additional time and management to recruit and hire for.

For TSA, the Transportation Security Officer (TSO) position is the most challenging to hire for in small markets. There is considerable entry-level employment competition especially post the COVID-19 pandemic. Private sector employers in rural areas can offer higher hourly wages and/or full-time positions for entry-level positions in rural communities. Moreover, there is stringent work schedule requirements for the TSO position. It often requires non-traditional work hours to align with commercial airline flight schedules (i.e., early morning or late in the day), and part-time employment to match infrequent flight schedules. Additionally, there are relatively small local populations in many of the States where smaller airports are located (e.g., Adak, AK).

- **Limited resident populations:** In rural markets with small populations, it can take longer to backfill vacancies because there is such a small local applicant pool from which to recruit. For ICE, USCG, and the Cybersecurity and Infrastructure Security Agency, many Science, Technology, Engineering, and Math and cyber security positions are more difficult to fill due to DHS's inability to compete with higher private sector salaries. The most qualified talent in many of these rural areas have multiple employment options.
- **Remote locations and high cost of living:** In some rural States and territories, private sector employers offer above average wages and benefits to recruit the available workforce. For example, in Hawaii, Wyoming, and North Dakota, the tourism and natural resources industries attract a small number of people living in the communities. For TSA and ICE, many candidates decline employment offers because of the salary. For some Components, such as USCG, CBP, and TSA, in rural communities with a high cost of living, such as in Alaska, Hawaii, North Dakota, and the U.S. Virgin Islands, there are instances where candidates must self-fund to relocate upon receiving a job offer. This makes it difficult to attract applicants based on current locality pay rates. Remote duty locations for CBP can also result in long commutes if an agent wants to live in an area with better schools, medical facilities, and shopping centers, resulting in losing candidates to other Components or agencies that can offer duty locations with better services. Budgetary constraints limit funding to offer relocation allowance, recruitment incentives, or special salary rates to offset high cost of living. In addition, in rural communities, such as those in Alaska and North Dakota, there can be a delay in receiving DHS equipment, such as a laptop and/or traveling a significant distance into a DHS office to receive an identification card. Some rural areas may have limited network connectivity, which make it challenging for remote work even if offered by Components, such as DHS Headquarters, Office of Inspector General, and USCIS. For other rural areas where network connectivity is more readily available, some positions do not allow for remote or telework, such as for ICE.

E. Attrition in Rural States and Territories.

In CY 2023, Department-wide attrition rates for rural States ranged from a low of 3.7% in the U.S. Virgin Islands to a high of nearly 22% in American Samoa.⁵ Of the 16 rural States and U.S. territories, seven had attrition rates higher than the average DHS-wide attrition rate of 8.25% for the same period. Overall, the attrition rate for CY 2023 was 8.5%, which was more than one percentage point less than the 9.7% in CY 2022.

Table 3. CY 2022 and CY 2023 Attrition Rates in Rural States

Rural State and Territory	Attrition Rates		Separations
	CY 2022	CY 2023*	CY 2023
American Samoa	3.3%	21.7%	7
Wyoming	13.0%	17.2%	26
South Dakota	12.2%	16.9%	26
Puerto Rico	11.5%	12.1%	467
Rhode Island	9.0%	10.5%	38
Delaware	7.7%	10.3%	12
Montana	13.0%	9.7%	71
North Dakota	10.8%	9.1%	63
Alaska	12.8%	8.4%	89
Hawaii	10.6%	7.6%	153
Guam	5.8%	7.0%	26
New Hampshire	13.4%	6.8%	20
Maine	9.2%	6.3%	66
Northern Marianas Islands/Saipan	6.3%	4.7%	7
Vermont	5.2%	4.3%	115
U.S. Virgin Islands	6.4%	3.7%	16
Overall⁶	9.7%	8.5%	1,202

* Table is sorted by CY 2023 attrition rate; separations include retirements, resignations, terminations, and deaths.

Components that have employees in rural States and territories continue to cite competition with the private sector as one of the main challenges to retaining staff. For most Federal salaries, even when augmented by special pay rates and incentives, the average purchasing power of wages increased in rural areas but remain behind private-sector salaries.⁷ The lucrative marketability of employees' skills and experience across the law enforcement community also

⁵ Attrition rate is computed by dividing the number of total separations by the average number of onboards for the fiscal year and multiplying that quotient by 100.

⁶ Attrition Rates determined by the number of separations divided by the average onboard at the beginning of the Calendar Year and the end of the Calendar Year in each of the 16 rural states and territories.

⁷ January 31, 2022. Retrieved from [Price and Wage Growth in Rural Areas | Congressional Budget Office \(cbo.gov\)](https://www.cbo.gov/publications/2022/01/price-and-wage-growth-in-rural-areas)

factors into their decisions to leave Federal service. Examples from Components of employees leaving for private-sector positions and higher-grade federal positions include:

- ICE faces retention challenges in rural communities due to the office having a smaller number of employees. When there is a vacancy, it's more impactful to the mission. Also in some rural locations, competition is high with other federal agencies offering more flexibilities, higher grades, and workplace flexibilities. Additionally, employees will relocate to a rural area just to get into the Federal government and subsequently transfer to another agency where they can move to a perceived more desirable location and more career progression and career development opportunities.

Compounding the issue of Federal personnel departing for more lucrative private-sector positions, Components that employ law enforcement personnel in rural communities also experience attrition due to retirement, including mandatory retirement, and the limited ability to timely backfill positions.

The final challenge is the location itself. Employees in these rural States and U.S. territories face significant economic difficulties, such as finding affordable housing and/or good public schools, which – especially for noncontiguous States – can be exacerbated further by natural disasters, such as hurricanes. In Hawaii and Guam, many employees leave because of their desire to move back to the contiguous United States. CBP experiences retention issues in some of these locations due to the challenges that come with the remoteness. Many remote locations experience higher than average losses and experience gaps as these locations often rely on a large number of entry- and junior-level employees for staffing. The more senior employees leave for opportunities in other locations with higher compensation and career growth.

Additionally, some DHS occupations, such as ICE's criminal investigator position, require mobility as part of their career paths, which means employees who hold these positions cannot advance within the agency without operating in different locations. Many employees will look to transfer to another location as soon as they are eligible, creating another vacancy. Consequently, even if a Component succeeds in filling a rural State vacancy with a candidate from outside the local area, the agency will be challenged to retain that individual in that location because the employee will look to transfer to another location to advance their career.

F. Use of Small Business in Rural States and Territories.

Since the inception of DHS, small businesses have served a vital role in support of Component missions and the overall Department mission, providing innovative solutions, and adapting quickly to complex problems. They offer DHS access to accelerated technology, a broader industrial base, a stronger supply chain, and diversity in capability and perspective that encourages innovation, agility, and affordability.

Maximizing the participation of small business – the backbone of the U.S. economy – is crucial to the success of DHS. Achieving small business goals and providing them opportunities is the responsibility of all DHS acquisition personnel. The DHS small business program is managed by the Office of Small and Disadvantaged Business Utilization (OSDBU) who works with DHS

Components to maximize practicable opportunities in procurement to small businesses, to include those owned by women, socially and economically disadvantaged individuals and groups, service-disabled veterans, and firms located in historically underutilized business zones. Through this, DHS also promotes equity, consistent with the aims of Executive Order 13985, *Advancing Racial Equity and Support for Underserved Communities Through the Federal Government*⁸.

DHS small business contracting in FY 2023 yielded incomparable results. Highlights included the following:

- Small Business Administration awarded DHS an A+ on its Small Business Procurement Scorecard. This is the Department’s 15th consecutive fiscal year of receiving a grade of “A” or higher and 8 consecutive fiscal years with an “A+” grade.
- 43%, or \$4 billion of the \$9.3 Billion Total Strategic Sourcing Vehicle and Best-In-Class Contract Spend went to Small Businesses prime contractors.
- 72%, or 1,243 of the 1,728 first-time businesses working with DHS were small businesses.
- 38.2% of DHS prime contracting eligible dollars were awarded to small business in FY 2023; the DHS Goal was 35.5%. This far exceeded the 23% goal for the Federal government.
- \$9.9 billion was the total small business spend in FY 2023, which is \$1 billion more than the \$8.9 billion in FY 2022.
- Over \$4.7 billion was awarded to small, disadvantaged businesses in FY 2023.

In addition to working with small businesses across the country, DHS makes every effort to engage in rural communities. In FY 2023,⁹ through the Federal Procurement Data System (FPDS), there were 2,305 unique contracts, by principal place of performance, in the 11 rural States and 972 contracts in the 5 rural U.S. territories. The total for FY 2023¹⁰ was 3,277 unique contracts, which is an increase of 17.4% from FY 2022 with 2,791 contracts made up of 1,887 in rural States and 904 in U.S. territories.

⁸ Executive Order 13985, Feb. 16, 2023. [Executive Order on Further Advancing Racial Equity and Support for Underserved Communities Through The Federal Government | The White House](#)

⁹ Data on prime contracts for FY 2022 and FY 2023 downloaded from FPDS on June 26, 2024. Data on FY 2024, which ends on September 30, 2024, will be available in November 2024. DHS use of small businesses in rural states and territories as of June 25, 2024. Data on FPDS is publicly available on www.fpds.gov.

¹⁰ *ibid.*

Table 4. DHS Use of Small Business in Rural Communities During FY 2022 and FY 2023

DHS Use of Small Business in Rural Communities Number of Unique Contracts FY 2022 and FY 2023		
Principal Place of Performance	FY 2022	FY 2023
U.S. State		
Alaska	587	825
Hawaii	342	510
Vermont	241	243
Maine	126	147
Rhode Island	111	141
Montana	150	125
New Hampshire	148	107
Delaware	71	74
South Dakota	26	50
North Dakota	33	42
Wyoming	<u>52</u>	<u>41</u>
Subtotal - Rural States	1,887	2,305
U.S. Territory		
Puerto Rico	558	657
U.S. Virgin Islands	156	118
Guam	71	116
Northern Mariana Islands	110	76
American Soma	<u>9</u>	<u>5</u>
Subtotal - Rural U.S. Territories	904	972
Grand Total - Rural States and U.S. Territories	2,791	3,277

Native American, Alaska Native, and Native Hawaiian Small Business

In addition to rural communities, DHS is very committed to doing more to support small business participation, such as encouraging new entrants to federal contracting and providing outreach to businesses, including Native American, Alaska Native, and Native Hawaiian small businesses. In FY 2023,¹¹ Native American, Alaska Native, and Native Hawaiian small businesses made up 14.0% of the number of small businesses that worked with DHS and 38.0% of Small Business Dollars Obligated in the 11 rural States and 5 U.S. territories.

Table 5. DHS Use of Native American, Alaska Native, and Native Hawaiian Small Business in Rural Communities During FY 2022 and FY 2023

DHS Use of Native American, Alaska Native, and Native Hawaiian Small Business in Rural Communities FY 2022 and FY 2023		
Small Business	FY 2022	FY 2023
% of Small Business Contracts	15.7%	14.0%
% of Small Business Dollars Obligated	31.3%	38.0%

Moreover, an example of outreach to Native American, Alaska Native, and Native Hawaiian Small Business is from FEMA. In FY 2024, FEMA participated in the Third Annual Tunica-Biloxi Procurement Conference on June 11–12, 2024 hosted by the Tunica-Biloxi Tribe of Louisiana and Louisiana’s Apex Accelerators, where FEMA’s industry liaison specialist and small business specialist met with Native American and rural vendors to provide information and guidance in one-on-one matchmaking sessions. FEMA’s Industry Liaison Program has also been coordinating with the Bureau of Indian Affairs small business specialist and the National Center for American Indian Enterprise Development to share information about upcoming industry days, webinars, and other events that would benefit the Native American, Alaska Native, and Native Hawaiian small businesses.

In addition, the DHS OSDBU attends many events nationwide to support small businesses in rural communities. In FY 2024, the DHS OSDBU Director attended the ELEVATE Summit 2024 in San Juan, Puerto Rico organized by the Department of Economic Development and Commerce of Puerto Rico. The event focused on business growth opportunities, as well as local and federal contracting for businesses located in Puerto Rico.

Continued Support of Small Business in Rural States and Territories

Each fiscal year, the DHS OSDBU, as part of the Small Business Outreach Program, conducts 10 sessions of 15-minute, pre-arranged virtual meetings with small businesses. These Vendor Outreach Sessions (VOS) are conducted by DHS Small Business Specialists (SBS) from each operational contracting Component and large businesses (“counselors”). Four of the sessions are exclusively reserved for women-owned, service-disabled veteran-owned, small disadvantaged

¹¹ *ibid.* Data as of June 25, 2024. Pulled from the System of Award Management (SAM) on June 26, 2024. This data is publicly available. FY 2024 ends on September 30, 2024. Information will be available by November 2024.

(including 8(a)), and HUBZone small businesses. The VOS provide small businesses with the platform to discuss their capabilities and learn about DHS procurements and large business subcontracting and partnering opportunities.

As part of the DHS Outreach Program, the OSDBU also hosts virtual Vendor Outreach Matchmaking Events (VOME). The VOME is a business-to-business platform that helps small businesses connect with other small businesses to assist with increasing capabilities. The VOME is also held between small and large businesses to forge and maintain prime-subcontractor relationships, increase teaming opportunities and joint ventures, and possible mentor-protégé partnerships. The OSDBU has hosted VOMEs specifically for small, disadvantaged businesses and Historically Black Colleges and Universities/Minority Servicing Institutions.

For VOS and VOME, small businesses that are interested in participating and register, are matched to Component SBS, other small businesses, and large businesses by North American Industry Classification System (NAICS) codes and/or core competencies. The purpose of matching by NAICS is to maximize meeting opportunities and to provide companies in a common industry a platform to meet and engage in discussions that may lead to follow-on meetings and partnerships. After being matched by the registration system, small businesses must request a meeting(s) with a counselor (for VOS) or are matched. Before the meeting, a counselor reviews the small business capabilities and core competencies provided. If those capabilities match with the needs of the counselor, the meeting request may be accepted, and a confirmation email will be sent to the small business primary email address. After the initial meeting, a follow-up discussion outside of VOS can be scheduled. This allows more opportunities for other small businesses who have not met with DHS to request a meeting and discuss their capabilities.¹²

G. Strategies to Improve Recruitment and Retention in Rural States and Territories.

DHS continues to exercise its discretionary authority to provide additional compensation and leave benefits to support recruitment, relocation, and retention efforts in rural communities. Some pay flexibilities include critical position pay; superior qualifications and special needs pay-setting authority; recruitment, retention, and relocation incentives; federal student loan repayment; dual compensation waivers for reemployed annuitants; and creditable service for annual leave accrual for nonfederal work experience and experience in the uniformed service, to name a few.

In addition, DHS relies on many hiring strategies to recruit in rural communities. These hiring flexibilities include those special hiring authorities granted by OPM such as Direct-Hire Authority, Competitive Hiring, Merit Promotion, 30% or More Disabled Veterans, Schedule A, Peace Corps and AmeriCorps VISTA, Veterans and Military Spouse appointments.

Moreover, the DHS Office of the Chief Human Capital Officer (OCHCO) executes strategic tracking of recruitment, outreach, and marketing resources by relying on a standardized method of collecting Component data on thousands of recruitment activities. OCHCO's Strategic

¹² (June 26, 2024). *Small Business Vendor Outreach Sessions*. <https://www.dhs.gov/osdbu/small-business-vendor-outreach-sessions>.

Marketing, Outreach, and Recruiting Engagement tool, which went live at the start of FY 2020, is a comprehensive recruitment software solution that provides DHS with the automated capability to measure and track activities and applicants, to integrate with agency human resource systems, and to utilize database dashboards to produce real-time data analytics and hiring and recruitment forecasts. However, due to limited funding and shifting of budgetary priorities, it is unclear if OCHCO will be able to continue to maintain and grow this innovative, cost-saving system.

DHS also leverages Handshake, a job search platform, through an enterprise-wide, multi-year contract. Through Handshake, Components have direct access to a diverse pool of college and university students. DHS can use advanced search options to target and connect with candidates who meet specific criteria, such as geographic location, college major, graduation year, skills, and interests. Handshake also offers data-driven insights that helps measure the effectiveness of outreach and recruitment strategies.

Adding to the Department's overall strategies, specific Components have taken measures to meet their unique hiring and retention challenges, including:

- CBP continues to leverage recruitment, relocation, and retention incentives in specific locations, in addition to its Direct-Hire Authority for specific positions, as well as reemployed annuitants, Schedule A, and other hiring flexibilities where relevant. Other efforts to combat these hiring challenges include mapping out nationwide existing recruitment and hiring ecosystems to identify areas where concentrated liaison and outreach may improve hiring pipelines, streamlining the offer process to concentrate new hires to critical need locations, and increasing recruiter training on the selling points of hard-to-fill locations. CBP has also implemented a virtual onboarding process and continues to improve its virtual hiring process where appropriate.

CBP seeks to improve retention of staff in all locations by rolling out programs that provide mentorship and support for underrepresented populations within the workforce, thereby empowering employees to seek out opportunities to enhance their work lives. An example of this type of initiative is the Law Enforcement, Leadership, and Legacy Alliance Program sponsored by the Office of Field Operations.

- FEMA supervisors offer increased virtual contact to employees in rural communities to enhance employee engagement and inclusion. These additional responsibilities add to the workload of the supervisors; however, FEMA is developing more resources for supervisors and employees, such as Stay Interviews, Employee Engagement Action Plans, and participation in FEMA Employee Resource Group activities, to strengthen engagement in rural communities.
- USCG leverages the use of incentives such as permanent change of station, superior qualifications, relocation, retention, and recruitment incentives, as well as student loan repayment to attract and retain talent in its remote locations.

Since FY 2018, USCG has been using a Department of Defense (DoD) 12% pay differential for all Coast Guard, Federal Wage System employees in Alaska. The request and approval came as a result of recruitment and retention challenges. Implementation has minimized salary competition as a hindrance to effective staffing, so essential Coast Guard programs can be managed in a productive economical way. In response to the high cost of living in Alaska, USCG negotiated to get civilian employees access to the USCG commissary.

Moreover, since FY 2019, USCG has used a revised policy on its Civilian Awards Program. The policy provides detailed information on procedures for Coast Guard Honorary Awards, Monetary Awards, Quality Step Increases, Performance Awards, Career Service Recognition (also known as Length of Service), and Retirement Recognition. The objective of this updated policy is to help address retention challenges.

- ICE has increased its outreach efforts to include partnering with Community Relations Officers (CRO) and field recruiters and have included a training program for the CROs and field recruiters to provide them with tools and information for virtual outreach events. ICE has also focused on personalized and timely communications with candidates who have applied to jobs with the goal of ultimately increasing offer yield rates.
- USCIS has used special recruitment outreach programs, such as the Military Spouse Employment Partnership, Federal and State Vocational Rehabilitation offices, Military OneSource, Federal Exchange on Employment & Disability, Military Transition Centers, State Chamber of Commerce, Non-Paid Work Experience Programs, and Workforce Recruitment Program. USCIS also attends college and veteran recruitment fairs, coordinating via the Handshake tool on a regular basis with colleges and universities.

Along the general and Component-specific strategies, there are new possibilities around pay, special salary rates, dual recruitment for select positions, sharing of federal facilities for training and development, and additional Direct-Hire Authorities. The possibilities can increase recruitment and retention in rural communities. The proposals include the following:

- Review of the pay structure for rural communities, which is currently set at the OPM 'Rest of the U.S.' Pay Rate.
- Consider special pay considerations for hard-to-place positions in rural communities. Some employees may relocate to a rural area to obtain employment in the federal government, then subsequently transfer to another agency, relocate, and/or apply for higher graded positions.

Share the use of other federal department facilities without significant administrative approval cycles, mobility agreements, or exemptions for learning and development. For example, sharing of learning facilities, such as the DoD language schools. This would support Components with employees who require language acquisition, refinement, and skills development in their jobs.

Another instance is to identify opportunities across federal departments for shared temporary and/or seasonal housing for employees.

H. Effect of Vacancies on Components' Ability to Accomplish Statutory and Administrative Responsibilities.

All vacancies, especially ones in rural communities, impact the Department's ability to meet mission demands. Vacancies, particularly in law enforcement positions, negatively affect overtime, travel, work-life balance, and mission-critical training for current employees. Vacancies at rural locations require the deployment (i.e., reassignment) of employees from other areas to fill gaps, which can be both costly and impact morale, until the Component can recruit, hire, and train new personnel to staff these positions.

The specific effects of vacancies vary widely across the Components, given their diverse mission sets and unique statutory responsibilities. For Components operating in rural communities, the staffing requirements typically are smaller in comparison to urban areas. While the overall fill rate goals for these positions in urban areas are often not heavily impacted by vacancies, they are very pronounced at the local level in more rural communities. For instance, for TSA, at some airports in rural States and territories, the staffing may be less than 10 employees. For any vacancy, TSA must reassign employees to backfill positions, even temporarily, to fill these positions which increases costs.

For USCIS, vacancies, especially ones in its mission critical occupations, such as Immigration and Asylum Officers, extend the timeline to adjudicate and process requests for immigration benefits within the required timeframes.

III. Conclusion

Recruiting and retaining qualified and engaged employees in rural territories pose unique challenges. Although some challenges are location-specific, other challenges are shared by states with similar environmental realities. More remote locations may face quality-of-life factors (e.g., childcare, access to medical treatment/facilities, caliber of schools, elder care, work commute, spouse employment, etc.). Additionally, remote locations may have a limited local applicant pool from which to recruit; and in general, law enforcement job interest remains a challenge nationally. Other rural locations may face greater competition with private sector companies and other federal agencies.

Some of the challenges are not unique to rural communities. Finding qualified candidates who can clear the necessary pre-employment requirements and who are willing to accept longer hiring timelines and lower-than-market salary levels is a common challenge, regardless of location.

DHS continues to pursue strategies to address these challenges and is exploring several solutions such as childcare subsidies and elder care options to help employees meet their family needs. DHS has leveraged the use of strategic relocation, retention, and recruitment incentives to the maximum extent allowable by federal regulation, and Components have offered other monetary incentives, such as student loan repayment and tuition assistance, to attract candidates to rural areas.

In addition, DHS promotes the use of small businesses, especially Native American, Alaska Native, and Native Hawaiian ones, to support both the Department's overall mission, as well as Component missions. Small businesses provide innovative solutions, new technologies, stronger supply chains, and products. It is through the OSDBU that DHS promotes and develops strategies for small business participation in the contracting and procurement program.

DHS works tirelessly to ensure that vacancies are filled when and where required, regardless of location or population density. With the support of Congress, DHS will continue to ensure that it can hire effectively and maintain appropriate staffing levels in all duty stations to meet its mission.

IV. Appendix

Abbreviation	Definition
CBP	U.S. Customs and Border Protection
COVID-19	Coronavirus Disease 2019
CY	Calendar Year
DHS	U.S. Department of Homeland Security
DOD	Department of Defense
FEMA	Federal Emergency Management Agency
FPDS	Federal Procurement Data System
FY	Fiscal Year
ICE	U.S. Immigration and Customs Enforcement
OCHCO	Office of the Chief Human Capital Officer
OPM	U.S. Office of Personnel Management
OSDBU	Office of Small and Disadvantaged Business Utilization
SBS	Small Business Specialists
TSA	Transportation Security Administration
USCG	U.S. Coast Guard
USCIS	U.S. Citizenship and Immigration Services
VOME	Vendor Outreach Matchmaking Events
VOS	Vendor Outreach Sessions