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# Highlights

Highlights of [GAO-04-704](#), a report to the Subcommittees on Homeland Security, Senate and House Committees on Appropriations

## Why GAO Did This Study

The Coast Guard conducts homeland security and search and rescue operations from nearly 200 shoreside stations along the nation's coasts and waterways. After several rescue mishaps that resulted in the deaths of civilians and station personnel, Congress recognized a need to improve performance at stations and appropriated additional funds to increase stations' readiness levels. For fiscal year 2003, the Coast Guard received designated funds of \$15.7 million specifically to increase spending for stations' staffing, personal protection equipment (such as life vests and cold weather protection suits), personnel retention, and training needs. Congress directed GAO to determine if the Coast Guard's fiscal year 2003 outlays for stations increased by this amount over fiscal year 2002 expenditure levels. GAO also assessed the adequacy of the processes used by the Coast Guard to account for the expenditure of designated funds.

## What GAO Recommends

To provide greater assurance that appropriated funds are spent as Congress directs, GAO recommends that the Coast Guard develop processes to accurately and completely account for the obligation and expenditure of designated appropriations. The Coast Guard agreed with the need for such processes and said it would examine ways to implement them.

[www.gao.gov/cgi-bin/getrpt?GAO-04-704](http://www.gao.gov/cgi-bin/getrpt?GAO-04-704).

To view the full product, including the scope and methodology, click on the link above. For more information, contact Margaret Wrightson at (415) 904-2200 or [wrightsonm@gao.gov](mailto:wrightsonm@gao.gov).

## COAST GUARD

### Station Spending Requirements Met, But Better Processes Needed to Track Designated Funds

#### What GAO Found

According to our analyses of available data, and anecdotal and other information, it appears that the Coast Guard spent at least \$15.7 million more to improve readiness at its multimission stations in fiscal year 2003 than it did the previous year. However, this statement cannot be made with certainty, because the Coast Guard's databases do not fully identify expenditures at the station level. GAO worked with the Coast Guard to develop expenditure estimates for the stations, using budget plans and available expenditure data, and this effort produced full or partial estimates for three of the four categories—staffing, personal protection equipment, and personnel retention efforts. For these three categories, fiscal year 2003 expenditure estimates were at least \$20.5 million more than the previous year, or about \$4.8 million more than the \$15.7 million designated appropriation. Although estimates could not be developed for training expenditures, other available information indicates that training levels increased in fiscal year 2003. Taken together, these results suggest that the Coast Guard complied with Congress' direction to increase spending for stations by \$15.7 million.

Federal management guidelines and internal control standards call for greater accountability for designated—earmarked—appropriations than was provided by the processes the Coast Guard had in place to track these funds. The purpose of an earmark is to ensure agencies spend a certain amount of their appropriated funds for a specific purpose. Guidelines and standards indicate that agencies should account for the obligation and expenditure of earmarked appropriations—a step the Coast Guard thoroughly implemented only for personal protection equipment. Coast Guard officials developed a plan showing how they planned to spend the earmark, but such a plan, while useful as an indication of an agency's intentions, is not sufficient to show that the earmark was expended in accordance with congressional direction.

#### Coast Guard Response Boat and a Multimission Station



Source: GAO.



Source: Coast Guard.