

## **Testimony**

Before the Subcommittee on Coast Guard and Maritime Transportation, Committee on Transportation and Infrastructure, House of Representatives

# **COAST GUARD**

# Recruitment and Retention Challenges Persist

Accessible Version

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Page i GAO-23-106750

# **GAO** Highlights

Highlights of GAO-23-106750, a testimony before the Subcommittee on Coast Guard and Maritime Transportation, Committee on Transportation and Infrastructure, House of Representatives

#### Why GAO Did This Study

The Coast Guard, a branch of the armed forces located within the Department of Homeland Security (DHS), is responsible for protecting and defending more than 100,000 miles of U.S. coastline and inland waterways. It safeguards an economic region covering 4.5 million square miles. The service also assists people in distress or those affected by natural and human-made disasters. To accomplish its missions, the Coast Guard must balance recruiting new members and retaining already trained service members.

This statement discusses, among other things, (1) Coast Guard's assessments of its workforce needs, (2) recruitment and retention issues for certain segments of the Coast Guard workforce, and (3) challenges identified related to Coast Guard workforce retention.

This statement is based primarily on reports published from November 2019 to April 2023. For that work, GAO analyzed Coast Guard and DOD documents and data and interviewed agency officials. For a full list of the reports, see Related GAO Products at the conclusion of this statement.

#### What GAO Recommends

GAO made 29 recommendations in the reports covered by this statement, including to improve workforce planning processes and data monitoring and collection. The Coast Guard and DOD generally concurred with the recommendations. As of April 2023, the agencies had implemented five of these 29 recommendations. GAO continues to monitor agencies' progress in implementing them.

View GAO-23-106750. For more information, contact Heather MacLeod at (202) 512-8777 or MacLeodH@gao.gov.

#### May 11, 2023

#### **COAST GUARD**

#### **Recruitment and Retention Challenges Persist**

#### What GAO Found

The Coast Guard—a multi-mission military service employing more than 55,000 personnel—has reported that it is about 4,800 members short and has missed its recruiting targets for the past four fiscal years. The Coast Guard has conducted limited assessments of its workforce needs. Such assessments could help inform its recruiting goals. Specifically, as of March 2023, the service reported completing workforce requirements determinations for 15 percent of its units.

The Coast Guard has also faced recruitment and retention issues within its cyberspace workforce, specialized forces, and marine inspectors. Competition with higher paying jobs in the private sector, limited opportunities for promotion, and long work hours have made it challenging to recruit and retain these personnel. The Coast Guard has taken steps to address these challenges by, for example, creating career paths for certain workforces. GAO has recommended that the service take steps to fully address its workforce needs. Until it does so, the service will likely continue to miss recruiting and retention opportunities.

#### **U.S. Coast Guard Recruiting Center**



Source: GAO. | GAO-23-106750

Challenges related to quality of life factors in health care and housing, among others, may also affect the Coast Guard's ability to retain personnel. In April 2023, GAO found that Coast Guard personnel stationed in remote areas may experience challenges accessing medical care. Specifically, 17 of 43 Coast Guard clinics were located in medically underserved areas and 11 of 43 were located in at least one type of health provider shortage area. GAO recommended the Coast Guard obtain and monitor heath care access data. Doing so would better position the Coast Guard to identify and address potential access concerns, which could affect retention.

Additionally, military personnel may receive housing allowances to help cover the cost of housing, but in January 2021 GAO found that the Department of Defense (DOD)—which determines allowances for all the services—had not consistently relied on quality data to set accurate allowance rates. For example, DOD had not consistently monitored housing cost trends over time and compared them against the allowance. GAO recommended DOD establish and implement a process for using quality information to set housing allowance rates, which would help DOD ensure that rates reflect current housing costs.

Chairman Webster, Ranking Member Carbajal, and Members of the Subcommittee:

Thank you for the opportunity to discuss our work on U.S. Coast Guard recruitment and retention efforts. The Coast Guard—a multi-mission, maritime military service within the Department of Homeland Security (DHS)—is responsible for conducting 11 statutory missions, such as marine safety and law enforcement operations.¹ Coast Guard personnel are responsible for protecting and defending more than 100,000 miles of U.S. coastline and inland waterways, and safeguarding an economic region covering 4.5 million square miles. The service also assists people in distress or those affected by natural and human-made disasters.

The Coast Guard employs more than 55,000 personnel across the U.S.—including active duty, reserve, and civilian.² These include, for example, operational field staff responsible for conducting missions and support personnel responsible for managing Coast Guard policy, planning, and logistics to meet mission needs. However, the Coast Guard is approximately 4,800 members short across the entire service and has missed its recruiting targets for the past four fiscal years, according to the service's fiscal year 2024 congressional budget justification. The Coast Guard's workforce strategic plan, *Ready Workforce 2030*, states that attracting enough qualified young women and men to serve is one of the biggest challenges facing each of the U.S. military services today.³ As shown in figure 1, a number of factors influence the Department of Defense's (DOD) ability to recruit and retain active-duty personnel, many of which Coast Guard officials have stated also apply to its personnel.

Page 1 GAO-23-106750

<sup>&</sup>lt;sup>16</sup> U.S.C. § 468(a). For further information on the Coast Guard's 11 missions, see appendix I. By statute, the Coast Guard is at all times a military service and branch of the armed forces. It is required to maintain a state of readiness to function as a specialized service in the Navy in time of war or when directed by the President. See 14 U.S.C. §§ 101-103.

<sup>&</sup>lt;sup>2</sup>As of April 2022, Coast Guard officials stated that the agency had a total workforce of 55,236—including 46,235 military (i.e., active duty and reserve) and 9,001 civilian personnel. Active-duty personnel are full-time enlisted and officer personnel responsible for carrying out the Coast Guard's missions. The military workforce also includes reserve personnel. These are part-time enlisted and officer personnel. They are trained and qualified to take duty in times of war or national emergency and to augment Coast Guard forces and provide surge capacity to respond to natural or human-made disasters, accidents, and all other hazards.

<sup>&</sup>lt;sup>3</sup>U.S. Coast Guard, *Ready Workforce* 2030 (Washington, D.C.: April 2022).

Retention Recruitment Commercial sector employment opportunities **Aptitude** Dependent care Citizenship **Deployments** Commercial sector Family planning employment opportunities Job dissatisfaction **Criminal history Declining interest** Organizational in military culture **Education level** Quality of life Medical qualifications Sexual harassment

Figure 1. Factors Influencing Active-Duty Personnel Recruitment and Retention

and substance abuse

Physical fitness,

height and weight

Source: GAO analysis of Department of Defense, Congressional Research Service, and GAO information; dovla982/stock.adobe.com (illustration). | GAO-23-106750

To maintain its active-duty levels, the military services, including the Coast Guard, must balance recruiting new members and retaining already trained service members. The military's ability to recruit and retain qualified enlisted personnel and officers is critical to maintaining unit

Work schedules

and sexual assault

Page 2 GAO-23-106750

readiness and morale, ensuring sufficient levels of experienced leaders, and avoiding unnecessary costs.<sup>4</sup>

My statement today discusses our prior work on (1) Coast Guard's assessments of its workforce needs, (2) recruitment and retention issues for certain segments of the Coast Guard workforce, and (3) challenges identified related to Coast Guard workforce retention. This statement is based primarily on reports published from November 2019 to April 2023 related to Coast Guard and broader military workforce issues as well as selected updates to those reports that we conducted through May 2023 regarding Coast Guard efforts to address our previous recommendations. For these products, we analyzed Coast Guard and DOD documents and data and interviewed agency officials. This statement also includes additional recruitment and retention information based on interviews we held and Coast Guard documents we obtained during the course of our prior reviews. In addition, for our selected updates through May 2023, we reviewed Coast Guard and DOD documentation and met with Coast Guard officials.

We made 29 recommendations to Coast Guard and DOD in the reports covered by this statement, including to improve workforce planning processes and data monitoring and collection.<sup>5</sup> The Coast Guard and DOD generally concurred with the recommendations. As of April 2023, Coast Guard and DOD have taken actions to fully implement five of these 29 recommendations, and 24 remain unaddressed. GAO continues to monitor the agencies' progress in implementing them.

More detailed information on the objectives, scope, and methodology for our work can be found in the issued reports listed in Related GAO Products at the conclusion of this statement. We conducted the work upon which this statement is based in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our

Page 3 GAO-23-106750

<sup>&</sup>lt;sup>4</sup>In March 2023, we reported on recruitment and retention challenges for active-duty personnel facing the Department of Defense (DOD). See GAO, *National Security Snapshot: DOD Active-Duty Recruitment and Retention Challenges*, GAO-23-106551 (Washington, D.C.: Mar. 28, 2023).

<sup>&</sup>lt;sup>5</sup>One report also included a matter for congressional consideration, which has been implemented. See GAO, *Military Housing: Actions Needed to Improve the Process for Setting Allowances for Servicemembers and Calculating Payments for Privatized Housing Projects*, GAO-21-137 (Washington, D.C.: Jan. 25, 2021).

audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

# Limited Assessments of Workforce Needs Conducted

The Coast Guard has conducted limited assessments of its workforce needs. Such assessments could help inform its recruiting goals. We have previously reported that the Coast Guard had taken some steps to assess its workforce needs, including developing a Manpower Requirements Plan in 2018 that established a goal of completing workforce requirements determinations for all units.<sup>6</sup> However, since the Coast Guard began using its workforce requirements determination process in 2003, it has assessed only a small portion of its workforce needs through the requirements determination process.<sup>7</sup> Specifically, in February 2020, we found that the Coast Guard had completed workforce requirements determinations from calendar years 2003 through 2019 for 6 percent of its workforce.

We also found several limitations affecting the Coast Guard's ability to effectively implement its workforce requirements determination process. Specifically, it lacks time frames for how it will achieve its workforce assessment goal—notably, to assess the workforce requirements for all of its positions and units.<sup>8</sup> Among other things, we recommended that the

Page 4 GAO-23-106750

<sup>&</sup>lt;sup>6</sup>GAO, Coast Guard: Increasing Mission Demands Highlight Importance of Assessing Its Workforce Needs, GAO-22-106135 (Washington, D.C.: July 27, 2022); Coast Guard: Actions Needed to Evaluate the Effectiveness of Organizational Changes and Determine Workforce Needs, GAO-20-223 (Washington, D.C.: Feb. 26, 2020).

<sup>&</sup>lt;sup>7</sup>In April 2018, the Coast Guard reported to Congress that it faced challenges meeting its daily mission demands because it was operating below the workforce level necessary to meet all of its mission requirements. In this report, the Coast Guard set a goal to complete workforce requirements determinations—its preferred tool for assessing needed workforce levels—for all of its units. U.S. Coast Guard, *Manpower Requirements Plan, Report to Congress* (Apr. 13, 2018).

<sup>&</sup>lt;sup>8</sup>GAO-20-223. The Coast Guard's workforce requirements determination process uses a structured analysis to determine the number and types of personnel needed to effectively perform each mission to a specified standard. The process takes into account the effect of existing, new, or modified requirements on Coast Guard's workforce and is to conclude with a documented determination of the results.

Coast Guard update its Manpower Requirements Plan with time frames and milestones for doing so.<sup>9</sup>

DHS concurred with our recommendations and described actions planned to address them. Among them, the Coast Guard was required to submit this plan to Congress in fiscal year 2022, but did not do so until March 2023. In the plan, the Coast Guard reported that it had completed workforce requirements determinations for 15 percent of its workforce. As of May 2023, Coast Guard officials said they had not determined time frames and milestones to fully implement its workforce requirements plan, but indicated it could be feasible to develop a rough estimate of how many positions it plans to assess in the next five years. We will continue to monitor actions the service takes to implement our recommendations.

## Certain Workforce Segments Have Experienced Recruitment and Retention Issues

We have previously reported that the Coast Guard has faced issues related to the recruitment and retention of certain specialized personnel such as its cyberspace workforce, Deployable Specialized Forces, and marine inspectors. These issues include competition with higher paying opportunities in the private sector, limited opportunities for promotion, and long work hours. The Coast Guard has taken some steps to address these challenges, but additional steps remain to ensure that it recruits and retains the specialized staff necessary to complete its missions.

**Cyberspace Workforce.** We reported in September 2022 that the service has faced persistent challenges filling certain cyberspace

Page 5 GAO-23-106750

<sup>&</sup>lt;sup>9</sup>We made a total of six recommendations, four of which addressed limitations with Coast Guard's workforce requirements determination process. As of April 2023, the Coast Guard implemented three of these recommendations by updating its guidance, determining necessary personnel to conduct the workforce determination process, and tracking the extent to which it completed this process for its units.

<sup>&</sup>lt;sup>10</sup>In addition, we have an ongoing review examining the culture within the U.S. Coast Guard as it pertains to the sexual orientation and gender identity of active duty servicemembers, which may provide insights on the recruitment and retention of lesbian, gay, bisexual, transgender, and queer individuals. We expect to report on the results of our work in early 2024.

positions it considers as critical, or understaffed. 11 Like other federal agencies, the Coast Guard is increasingly dependent upon its cyberspace workforce, which includes both military and civilian personnel, to maintain and protect its information systems and data from threats. Coast Guard data as of September 2021 showed the service's civilian cyberspace workforce had a greater share of vacancies than its military cyberspace workforce. On the civilian workforce side, the Coast Guard has faced particular challenges in filling positions within its civilian IT Management series, its largest civilian cyberspace workforce position category. According to an April 2021 Coast Guard memorandum, the service has had difficulty filling and retaining personnel for these positions because many were leaving for higher paying positions in the private sector. 12 The memorandum describes the vacancies in these positions as leading to a "retention and morale problem" that is approaching an "unmanageable level." It further states that retaining these personnel is mandatory to remain resilient against cyber threats.

In addition, we reported on the extent to which the Coast Guard implemented eight selected leading practices related to recruitment and retention.<sup>13</sup> We found that the Coast Guard fully implemented three practices, partially implemented three, and did not implement two (see fig. 2).

Page 6 GAO-23-106750

<sup>&</sup>lt;sup>11</sup>GAO, Coast Guard: Workforce Planning Actions Needed to Address Growing Cyberspace Mission Demands, GAO-22-105208 (Washington, D.C.: Sept. 27, 2022).

<sup>&</sup>lt;sup>12</sup>Coast Guard, *FY22 Workforce Planning Team Intervention Requests for Civilian Cyberspace Workforce*, (Apr. 5, 2021).

<sup>&</sup>lt;sup>13</sup>To select these leading practices, we reviewed those identified in prior GAO reports, as well as two guidance documents from the Office of Personnel Management and the Office of Management and Budget on strategic workforce planning, recruiting and hiring efforts, retention incentives, employee morale, and training and development. See GAO-22-105208 for more information.

Figure 2: Coast Guard Implementation of Selected Recruitment and Retention Leading Practices for Its Cyberspace Workforce, as of September 2022



#### Recruitment



#### Retention



 Establish and maintain a strategic workforce planning process, including developing strategies and implementing activities to address all competency and staffing needs.



6. Use data to determine key performance objectives and goals which enable the agency to evaluate the successes of its retention approaches.



2. Use data to inform workforce planning and strategic recruitment.



7. Establish and track metrics of success for improving employee morale, and report to agency leadership on progress improving morale.



3. Recruit continuously and start the hiring process early in the school year.



8. Provide financial incentives—such as retention allowances—to workers who obtain job-related degrees and certifications, provide student loan repayments, work-life programs, and other existing pay authorities.



4. Leverage available hiring incentives such as recruitment bonuses, relocation expenses, and student loan repayments.



5. Establish and track metrics to monitor the effectiveness of the recruitment program and hiring process, including their effectiveness at addressing skill and staffing gaps, and report to agency leadership on progress addressing those gaps.



Fully implemented



Partially implemented



Not implemented

Coast Guard information demonstrated all aspects of the applicable leading practice.

Coast Guard information demonstrated some, but not all, aspects of the applicable leading practice.

Source: GAO analysis of Coast Guard data; GAO (clip art). | GAO-23-106750

Coast Guard information did not demonstrate any aspects of the applicable leading practice.

Page 7 GAO-23-106750

To address the gaps in implementation for these recruitment and retention leading practices, we made five recommendations to the Coast Guard, including for the service to: 1) establish a strategic workforce plan for its cyberspace workforce, 2) develop and analyze metrics for recruitment of civilian cyberspace personnel, 3) and set and quantify retention goals and objectives.<sup>14</sup>

The Coast Guard concurred with these recommendations and has taken some steps toward implementing them. For example, as of March 2023, the Coast Guard reported it was drafting a workforce management plan, with a projected completion date in September 2023. Additionally, the service reported it plans to track cyberspace workforce health metrics and consider retention goals and incentives. Until the Coast Guard implements its workforce plan, it will likely miss opportunities to recruit for difficult to fill cyberspace positions. Further, setting and quantifying specific retention goals and objectives for its cyberspace workforce would help the service better evaluate the success of its retention approaches.

**Deployable Specialized Forces.** In November 2019, we reported that the Coast Guard had taken steps to improve retention among its Deployable Specialized Forces (Specialized Forces) personnel—units with the capabilities needed to handle drug interdiction, terrorism, and other threats to the U.S. maritime environment. Frior to a 2007 reorganization, active-duty Coast Guard personnel working in Specialized Forces units could not remain in those units and be competitive for promotions, according to Coast Guard officials we interviewed for that review. Officials told us that this was because the Coast Guard has certain requirements for career progression, including personnel working in various assignments within a given career path.

After the reorganization, the Coast Guard created a maritime law enforcement career path within Specialized Forces in response to challenges the service faced in retaining law enforcement personnel.

Page 8 GAO-23-106750

<sup>&</sup>lt;sup>14</sup>We also made a sixth recommendation, not related to the recruitment and retention leading practices, for the Coast Guard to determine the cyberspace staff needed to meet its mission demands.

<sup>&</sup>lt;sup>15</sup>Specialized Forces include a mix of active-duty, reservist, and civilian personnel. GAO, Coast Guard: Assessing Deployable Specialized Forces' Workforce Needs Could Improve Efficiency and Reduce Potential Overlap or Gaps in Capabilities, GAO-20-33 (Washington, D.C.: Nov. 21, 2019).

Coast Guard officials we spoke with told us that the career path has helped them retain qualified Specialized Forces personnel.

**Marine Inspectors.** The Coast Guard has faced long-standing challenges maintaining an adequate staff of experienced marine inspectors who board vessels to determine whether they meet safety, security, and environmental requirements. In January 2022, we reported on marine inspection workforce issues. In particular, marine inspectors we met with reported a number of factors that could negatively affect retention, including long work hours, the ability to obtain higher pay in the private sector, the requirement to move to undesirable locations, and limited promotion opportunities.

We found that the Coast Guard had taken several steps to increase both military and civilian marine inspector recruitment and retention.

- In 2018, the Coast Guard completed plans to establish a program that trains senior enlisted personnel to become marine inspectors sooner in their careers. This allows the Coast Guard to retain its more experienced marine inspectors for additional years before they retire.
- In addition, the Coast Guard has taken efforts to recruit civilians from industry. However, from 2009 through 2021, the retention rate of these civilians was only 67 percent, according to the Coast Guard.<sup>18</sup> In response, the Coast Guard implemented a higher paygrade starting point, among other things, which should increase retention, according to Coast Guard officials.

However, we also found that the Coast Guard did not regularly collect and analyze certain industry and workforce data, such as future potential

Page 9 GAO-23-106750

<sup>&</sup>lt;sup>16</sup>Coast Guard marine inspectors generally conduct inspections on U.S.-flag vessels and examinations on foreign-flag vessels, which are registered in jurisdictions other than the United States. The depth and scope of inspections and examinations differ. Unless otherwise stated, this statement uses the term "inspection" to refer to both inspections and examinations that marine inspectors conduct.

<sup>&</sup>lt;sup>17</sup>GAO, Coast Guard: Enhancements Needed to Strengthen Marine Inspection Workforce Planning Efforts, GAO-22-104465 (Washington, D.C.: Jan. 12, 2022).

<sup>&</sup>lt;sup>18</sup>The Coast Guard had hired 85 civilian apprentice marine inspectors since inception of the program in 2009 through April 2021, according to Coast Guard data. From the 62 that had completed the program, the Coast Guard had retained about 61 percent, about 11 percent had been dismissed, and about 27 percent had resigned.

retirements of Coast Guard personnel, which could affect retention of marine inspectors.

As a result, we recommended that the Coast Guard collect additional data to forecast future workforce needs. Collecting additional data, such as information on marine inspection retirement rates and industry trends, would enhance the Coast Guard's ability to identify potential future workforce needs and develop plans to address them. DHS concurred with the recommendation. The Coast Guard awarded a contract in February 2022 to study and fully model the marine inspection workforce. According to the Coast Guard, the project is to be completed by the summer of 2025.

# Retention Challenges Related to Quality of Life Persist

We have reported on persistent challenges related to quality of life factors, including health care, housing, and child care, which may affect the Coast Guard's ability to retain personnel. The Coast Guard considers its ability to support its workforce's quality of life as a vital part of recruiting and retaining its workforce looking forward. 19 Challenges include the availability of health care, appropriateness of the housing allowance for military personnel, sufficient access to child care services, and the education opportunities of Coast Guard dependent children.

**Health care.** In April 2023, we found that Coast Guard personnel, particularly those located in remote areas, may experience challenges in accessing medical and dental care through TRICARE—DOD's health plan.<sup>20</sup> For instance, Coast Guard active duty personnel and their dependents are more than twice as likely as the personnel and dependents from the other military services to be enrolled in TRICARE

Page 10 GAO-23-106750

<sup>&</sup>lt;sup>19</sup>Ready Workforce 2030.

<sup>&</sup>lt;sup>20</sup>GAO, Coast Guard Health Care: Additional Actions Could Help Ensure Beneficiaries' Access, GAO-23-105574 (Washington, D.C.: Apr. 4, 2023).

Prime Remote (see fig. 3).<sup>21</sup> Such enrollment means they are stationed in an area that is more than 50 miles away from a military medical treatment facility.

Figure 3: Percent of U.S. Coast Guard Beneficiaries Enrolled in TRICARE Prime Remote Compared to Beneficiaries of Other Military Services, as of October 2022



Source: GAO analysis of TRICARE managed care support contractor data; GAO (clip art). | GAO-23-106750

Notes: Beneficiaries may be eligible to enroll in TRICARE Prime if they work or live inside a Prime Service Area, which is generally within 40 miles of a military medical treatment facility (medical facility), or within 100 miles of a primary care manager. TRICARE Prime Remote extends the TRICARE Prime benefits to those beneficiaries who live more than 50 miles, or 1-hour driving time, from a medical facility. In this figure, "personnel" refers to active-duty personnel and "dependents" refers to dependents of active-duty personnel.

Four of the six Coast Guard clinics selected in our review reported difficulty recruiting or retaining providers and Coast Guard health officials noted that these difficulties were particularly present in remote areas. Further, we found that almost 40 percent of Coast Guard clinics (17 of 43 clinics) were located in medically underserved areas, and 25 percent (11 of 43 clinics) were located in at least one type of geographic health provider shortage area (primary care, mental health, or dental).<sup>22</sup>

Page 11 GAO-23-106750

<sup>&</sup>lt;sup>21</sup>For any medical or dental care that is not available through the Coast Guard health services program, Coast Guard active duty personnel and their dependents are eligible for DOD's TRICARE health plan. Beneficiaries with a sponsor who lives and works more than 50 miles, or more than a 1-hour driving time, from a DOD medical facility may be eligible for the benefits of TRICARE Prime if they enroll in TRICARE Prime Remote, available in designated locations.

<sup>&</sup>lt;sup>22</sup>Medically underserved areas are those in which beneficiaries may lack ready access to primary care. The Health Resources and Services Administration within the Department of Health and Human Services reports areas that have been designated shortage areas, including medically underserved areas and health professional shortage areas. We used this publicly available data from <a href="https://data.hrsa.gov/tools/shortage-area/by-address">https://data.hrsa.gov/tools/shortage-area/by-address</a>, accessed May 17, 2022, to conduct analyses on which Coast Guard clinics were located in medically underserved areas and geographic health professional shortage areas.

We found that the Coast Guard conducts ad hoc monitoring of its beneficiaries' access to TRICARE, but it does not routinely analyze data from DOD and its contractors to monitor access. In particular, no formal agreement exists between the Coast Guard and DOD to facilitate the sharing of data for care provided at DOD medical facilities. As a result, we made seven recommendations to DHS and DOD, including that the Coast Guard and DOD agree to share access data and that the Coast Guard monitor access to TRICARE for Coast Guard beneficiaries. DHS concurred with our recommendations and identified planned actions to implement them, including increasing coordination on data sharing with DOD. The Coast Guard estimates completing planned actions by March 2024. Obtaining and routinely monitoring TRICARE access data would better position the Coast Guard to identify and address potential access concerns to help ensure that its beneficiaries are receiving timely care.

**Housing.** We have reported on issues with the appropriateness of the housing allowance for military personnel, including Coast Guard personnel. Military personnel may receive housing allowances to help cover the cost of suitable housing—such as apartments or rental units. However, in January 2021, we found that DOD's method for calculating housing compensation may not accurately represent housing costs.<sup>23</sup> We found that DOD did not collect enough data on 44 percent (788 of 1,806) of locations and housing types to estimate the total housing costs. Specifically, these locations and housing types had fewer than DOD's minimum sample-size target, which it uses to help set the rate for the housing allowances.

DOD officials stated that improperly determining which properties should be included in this calculation could have serious retention issues at locations in which the model produces inaccurate results. Without the correct sample sizes, it risked providing housing cost compensation that does not accurately represent the cost of suitable housing for personnel, including Coast Guard personnel who are stationed in such locations. We recommended that DOD review its sampling methodology to increase sample size.

DOD implemented our recommendation by piloting a program in 2021 to use a subscription-based commercial data set to augment housing sample sizes as part of the data collection for the 2022 allowance rates.

Page 12 GAO-23-106750

<sup>&</sup>lt;sup>23</sup> GAO-21-137. Although the Coast Guard is a component of DHS, DOD has responsibility for managing these housing issues. 37 U.S.C. §§ 101(3), 403.

According to DOD, this resulted in a dramatic increase in the quantity and quality of units collected for the sample. DOD officials stated that, as a result, they plan to use the external data for the 2023 housing allowance rates. Additionally, DOD implemented the use of a data smoothing technique to supplement housing data to meet sample size requirements in areas where there is low housing stock.

In addition, we found that DOD had taken some steps to collect and monitor data used for setting housing allowance rates; however, DOD had not consistently relied on certain key types of data used in monitoring to set accurate rates. For example, DOD had not consistently monitored housing cost trends over time and compared them against the basic allowance for housing. As a result, we recommended that DOD establish and implement a process for using quality information to set allowance rates and ensure timely remediation of any identified deficiencies. Doing so would help DOD ensure that the rates are appropriate for servicemembers' rank and that rates reflect the current costs of housing in the private sector. DOD concurred with our recommendation and, as of March 2022, was working toward implementing it.

We have ongoing work related to Coast Guard housing access, affordability, and related challenges. We expect to report on the results of our review in early 2024.

**Child care.** In June 2022, we reported that the Coast Guard was working to increase access to quality child care by planning facility improvements and centralizing information to help families find child care in their communities.<sup>24</sup> To support its personnel in balancing work and family life, the Coast Guard provides a variety of child care programs, both on-base and in local communities. We found that the Coast Guard operated nine facilities for child care (i.e., child development centers), but its ability to provide on-base care was limited to about 700 children.<sup>25</sup> As of March 2022, over 300 children were on waitlists for Coast Guard child development centers.

Page 13 GAO-23-106750

<sup>&</sup>lt;sup>24</sup>GAO, *Military Child Care: Coast Guard is Taking Steps to Increase Access for Families*, GAO-22-105262 (Washington, D.C.: June 30, 2022).

<sup>&</sup>lt;sup>25</sup>The Coast Guard reported having capacity to serve up to 704 children in its nine child development centers, while the Department of Defense reported a total capacity of approximately 104,000 children in 761 child development centers.

We also found that the Coast Guard relied on community-based providers who participated in its Fee Assistance program for the majority (82 percent) of children enrolled in childcare. Families enrolled in Fee Assistance programs, like many families seeking child care, may face challenges obtaining care when there are limited spaces available at community-based providers in their area.

In 2020, the Coast Guard assessed the child care needs of its personnel and found that the rising cost of child care nationwide was among the most formidable challenges Coast Guard families face. In a March 2022 report to Congress, the Coast Guard stated that it planned to build four new child development centers and to renovate existing ones, which will provide access to on-base child care for more families. The Coast Guard has also centralized and updated online information to help families find child care in their communities. In addition, the Coast Guard increased subsidy amounts to help make child care more affordable, especially for families who live in high-cost areas. However, Coast Guard officials acknowledged that its efforts may not relieve the challenges faced by Coast Guard families in remote or geographically isolated areas that could continue to struggle to find child care. Officials also noted that the Coast Guard would continue to try to recruit and certify additional child care providers. <sup>27</sup>

**Education.** In February 2021, we reported that military families frequently cited education issues for their children as a drawback to military service, according to DOD.<sup>28</sup> For example, children in military families transfer schools up to nine times, on average, before high school graduation.

In addition, we reported that traditional public schools—schools where children are generally assigned based on where they live—were most commonly available to military families, with fewer choices available in

Page 14 GAO-23-106750

<sup>&</sup>lt;sup>26</sup>U.S. Coast Guard. *Procurement, Construction, and Improvements Spend Plan, Fiscal Year 2022 Report to Congress*. (Washington, D.C.: March 15, 2022).

<sup>&</sup>lt;sup>27</sup>GAO-22-106135.

<sup>&</sup>lt;sup>28</sup>Offices of the Secretaries of the Army, Navy, and Air Force, Memorandum for the National Governors Association (Washington, D.C.: Feb. 23, 2018). GAO, K-12 *Education: U.S. Military Families Generally Have the Same Schooling Options as Other Families and Consider Multiple Factors When Selecting Schools*, GAO-21-80 (Washington, D.C.: Feb. 4, 2021).

rural areas.<sup>29</sup> Traditional public schools comprised a majority of schooling options near most Coast Guard units (435 out of 454).<sup>30</sup>

We also found that, similar to U.S. schools in general, rural areas where Coast Guard units were located had fewer public schools and fewer types of public school options—including charter schools and magnet schools—nearby compared to units in more highly populated urban areas. Within 454 Coast Guard units, 137 were rural and 317 were urban. Rural Coast Guard units had a median of 32 schools nearby, while urban Coast Guard units had a median of 186 schools nearby. As a result, Coast Guard personnel with school-age children had fewer educational options in many rural locations, which may affect the service's ability to retain these personnel.

Ensuring the U.S. has a sufficient number of qualified military personnel is a matter of national and homeland security. However, according to DOD officials, the department is facing its most challenging recruitment environment in 50 years. Moreover, according to Coast Guard officials, it can be particularly challenging for the Coast Guard to recruit because it is smaller and less well known than the other military services. Further, the Coast Guard Master Chief Petty Officer reported in an April 2023 congressional hearing that all Coast Guard units were facing personnel shortfalls.<sup>31</sup> While DOD has a combined force of active-duty, reserve, and civilian personnel of over 2.8 million, the Coast Guard's combined force numbers about 55,000. We plan to initiate a review of the Coast Guard's efforts to recruit and retain its workforce, and related challenges, in summer 2023.

Chairman Webster, Ranking Member Carbajal, and Members of the Subcommittee, this completes my prepared statement. I would be pleased to respond to any questions that you may have at this time.

Page 15 GAO-23-106750

<sup>&</sup>lt;sup>29</sup>Children are generally assigned to traditional public elementary and secondary schools based on where they live. GAO-21-80.

<sup>&</sup>lt;sup>30</sup>For the purposes of our report, schooling options near Coast Guard units referred to the average commuting distances in rural and urban areas of 20 miles and 16 miles, respectively.

<sup>&</sup>lt;sup>31</sup>U.S. House of Representatives, *Review of Fiscal Year 2024 Budget Request for the U.S. Coast Guard.* (Washington, D.C.: Apr. 18, 2023).

# **GAO Contacts and Staff Acknowledgements**

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Page 16 GAO-23-106750

# Appendix I: Information on the Coast Guard's 11 Missions

This appendix details the Coast Guard's 11 missions (see table 1).

Mission	Description
Aids to Navigation	Mitigate the risk to safe navigation by providing and maintaining more than 51,000 buoys, beacons, lights, and other aids to mark channels and denote hazards.
Defense Readiness	Maintain the training and capability necessary to immediately integrate with Department of Defense forces in both peacetime operations and during times of war.
Drug Interdiction	Stem the flow of illegal drugs into the United States.
Ice Operations	Establish and maintain tracks for critical waterways, assisting and escorting vessels beset or stranded in ice, and remove navigational hazards created by ice in navigable waterways.
Living Marine Resources	Enforce laws governing the conservation, management, and recovery of living marine resources, marine protected species, and national marine sanctuaries and monuments.
Marine Environmental Protection	Enforce laws which deter the introduction of invasive species into the maritime environment, stop unauthorized ocean dumping, and prevent and respond to oil and chemical spills.
Marine Safety	Enforce laws which prevent death, injury, and property loss in the marine environment.
Migrant Interdiction	Stem the flow via maritime routes of unlawful migration and human smuggling activities.
Other Law Enforcement	Enforce international treaties, including the prevention of illegal fishing in international waters and the dumping of plastics and other marine debris.
Ports, Waterways, and Coastal Security	Ensure the security of the waters subject to the jurisdiction of the United States and the waterways, ports, and intermodal landside connections that comprise the marine transportation system—and protect those who live or work on the water or who use the maritime environment for recreation.
Search and Rescue	Search for, and provide aid to, people who are in distress or imminent danger.

Source: 6 U.S.C. § 468(a); GAO summary of Coast Guard information. | GAO-23-106750

Page 17 GAO-23-106750

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Page 18 GAO-23-106750

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Page 19 GAO-23-106750

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