

**POTENTIAL IMPACTS OF A  
DEPARTMENT OF HOMELAND SECURITY FUNDING SHUTDOWN TO  
U.S. COAST GUARD OPERATIONS, PERSONNEL, AND ACQUISITION ACTIVITIES**

*February 23, 2015*

**There are only five calendar days and four legislative days remaining until the U.S. Department of Homeland Security (DHS), including the U.S. Coast Guard, shuts down on February 28, 2015.**

House Democrats have proposed a clean DHS funding bill that would provide funding for DHS through the remainder of the fiscal year. House Republicans have refused to allow the House of Representatives to consider this legislation because they want the DHS funding bill to include riders that change the Nation's immigration policy. With every House Democrat cosponsoring the clean DHS funding bill, it is clear that there are sufficient votes to pass this bill now.

**If Republicans shut down DHS, Coast Guard operations, personnel, and acquisition activities will suffer immediate consequences.**

**Operations**

The Coast Guard will continue vital operations authorized by law (e.g., important safety functions; response to threats and incidents; and search and rescue operations to protect life and property). These exempt missions and activities are conducted even in a lapse in appropriations.

However, all other operational activities, such as vessel safety inspections, maritime license and credentialing activities, environmental and fisheries enforcement, maintenance of aids to navigation, and icebreaking operations, will be suspended or terminated.

**Personnel**

**If Congress does not enact legislation to fund DHS, uniformed, civilian, and retired Coast Guard personnel will be immediately and directly impacted:**

- **None of the Coast Guard's 41,141 Coast Guard active-duty military personnel will receive pay after they receive their February 28 paycheck** (regardless of the fact that they are required to report to duty);
- **Approximately 6,300 civilian employees – more than 75 percent of the Coast Guard's civilian workforce – will be furloughed on February 28;** and
- **None of the Coast Guard's 49,022 retirees and survivors will receive their retired pay after they receive a February 27 pension check.**

In addition, almost 27,000 (or 86 percent) of the Coast Guard's enlisted workforce live in the general community, not in government or military housing. The enlisted personnel will face immediate financial hardships of having to pay rent, buy groceries, or pay back a loan with no income. These military personnel may be required to report to duty but they will not receive any back pay until Congress acts.

### **Acquisition Activities**

A DHS shutdown will significantly disrupt the Coast Guard's recapitalization and acquisition activities. The civilian acquisition workforce – approximately 50 percent of the Coast Guard's civilian workforce – will be furloughed and, thus, unavailable to continue mission support. The furloughed employees will include almost all contracting officers and business financial specialists across the Coast Guard.

As a result, the Coast Guard will no longer have the ability to make or process invoices and payments, award contracts and execute contract modifications, administer and oversee contractor performance, and provide sufficient project oversight. Major, multi-billion dollar system acquisition programs for the National Security Cutter, Offshore Patrol Cutter, and Fast Response Cutter, will grind to a crawl.

Without sufficient civilian personnel in Coast Guard contracting, finance, and acquisition positions, disbursements to vendors will cease and responses to requests for information from audit and oversight entities may be delayed or curtailed.

Moreover, depending on the length of the shutdown, the Coast Guard may incur interest payments associated with late invoice payments, and would be unable to take advantage of discounts for early payment of invoices.