



U.S. COAST GUARD



Homeland Security

Flag Voice 207

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CONUS COLA RATE ADJUSTMENTS FOR 2004

Cost of Living Allowance, or COLA, is paid to those members residing in a geographic area or city in which the local cost of living has been determined to be in excess of a national average, thereby placing the members at a financial disadvantage. While we may all, from time to time, feel as though we are living in a high cost area, there are actually only 71 cities within the continental United States eligible for CONUS COLA.

CONUS COLA rates are based on a market basket of cost data that is purchased annually from Runzheimer International by the Department of Defense Per Diem Committee. These city/area costs for non-housing goods and services are then indexed to a CONUS average known as Standard City, to establish the annual CONUS COLA rates.

The statutory payment level limit is currently 108%. That is, the cost of non-housing goods and services in an area/city must exceed 108% of those in Standard City for CONUS COLA to apply. A city/area above 108% receives one percent of CONUS COLA for each percent that they are above 108%. The income level used to calculate CONUS COLA is based on an E6 with 10 years service and three dependents. For example, this equates to approximately \$29 of COLA per percentage point for an E6 over 10 with dependents. The actual CONUS COLA received by each eligible service member is based on pay grade, time in service, and dependent status.

The new CONUS COLA rates for all Services go into effect on 1 January 2004. Affected service members and their families will see a difference in their 30 January paycheck. This year's national calculations resulted in a general trend of higher rates on the west coast and somewhat lower rates in the northeast. However, there were increases and decreases throughout the country. It is important to note that, while the cost of living may well have increased throughout the entire United States, it is the relationship between Standard City and all other cities/areas that determines CONUS COLA rates.

Unlike the Basic Allowance for Housing (BAH), there are no provisions in law that allows for COLA rate protection. As military pay continues to increase and improve the quality of life for the hypothetical E-6 living in Standard City, USA, the need for CONUS COLA is going to decline elsewhere in the country (except in extreme cases).

This year, 24 cities experienced a CONUS COLA reduction. Conversely, 35 cities experienced CONUS COLA increases. Finally, 12 of the cities entitled to CONUS COLA remained unchanged. A listing of those cities with Coast Guard populations, and experiencing a change in FY04, [is below this Flag Voice](#). A complete listing of all U.S. cities can be found at <http://www.dtic.mil/perdiem/ccform.html>

CONUS COLA has long been, and will continue to be, a very dynamic allowance. Because the new rates are not typically approved and released by the Department of Defense until the last week of December, it will likely be this time of the year before I can share the new rates with the field each year. I will continue to make every effort to advise you of the new rates as soon as possible.

Regards,

RADM Kenneth T. Venuto
Ken Venuto

CONUS COLA 2004 COMPARED TO 2003			
Location	CC 2003 Rate	CC 2004 Rate Difference	
Locations with Increases			
Petaluma (Marin/Sonoma)	0%	5%	+5%
Riverside	1%	5%	+4%
Santa Clara County (San Jose)	2%	6%	+4%
Los Angeles	4%	7%	+3%
Oakland	7%	10%	+3%
San Francisco	7%	10%	+3%
Detroit	3%	5%	+2%
San Bernadino	5%	7%	+2%
Westchester County	9%	11%	+2%
Miami/Ft Lauderdale	0%	2%	+2%
West Palm Beach	0%	2%	+2%
Palmdale	2%	4%	+2%
Seattle	3%	4%	+1%
Ventura/Port Hueneme	0%	1%	+1%
San Luis Obispo	0%	1%	+1%
Fort Bragg	0%	1%	+1%
Boulder	0%	1%	+1%
Port Huron	0%	1%	+1%
Ann Arbor	0%	1%	+1%
Tacoma	0%	1%	+1%
Fresno	1%	2%	+1%
Stockton	1%	2%	+1%
Tahoe City	1%	2%	+1%
Long Island	10%	11%	+1%
Locations with Decreases			
Hartford	1%	0%	-1%
Pittsfield	1%	0%	-1%

Lansing	1%	0%	-1%
Grand Rapids	1%	0%	-1%
Saginaw	1%	0%	-1%
Buffalo	1%	0%	-1%
Northern New Jersey	4%	3%	-1%
Perth Amboy	5%	4%	-1%
Brockton	7%	6%	-1%
Staten Island	13%	12%	-1%
Philadelphia	7%	6%	-1%
Worcester	3%	1%	-2%
Martha's Vineyard	3%	1%	-2%
Springfield	4%	2%	-2%
Nantucket	5%	3%	-2%
Boston	8%	6%	-2%
Atlantic City	8%	6%	-2%
Cape May	3%	0%	-3%
New Haven/Fairfield	9%	5%	-4%

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