

SB 182
Cost of Living Differential
Background
AS 23.40.210

- CBAs must include a pay plan designed to provide for a cost of living differential between employees residing in the state and employees residing outside the state
- The 1977 amendments targeted the marine units. The salaries paid to employees residing outside the state were to remain unchanged until the difference between those salaries and the salaries paid to employees residing in the state reflects the difference between the cost of living in Alaska and Seattle, WA. Essentially, in 1977 the cost of living in Alaska was much higher than Seattle.
- Subsequently, COLD was negotiated into the agreements. It provides a differential to those living in Alaska.
- Currently rates for:
 - MMP/MEBA range from \$453.80 to \$664.40 per pay period (since 2007) (1980 \$100/mo)
 - IBU additional \$4.06 to 5.14/hr
- The Geographic Differential Study conducted in 2008 indicates the cost of living in Seattle and Anchorage are about equal.

Note: When originally implemented Seattle was not decreased, within AK increased.

Bargaining Unit	Total Members	Alaska Residents	% of AK Residents	Estimated Cost*
Marine Engineers	104	74	71%	\$965.0
Masters, Mates & Pilots	99	76	77%	\$1,083.0
Inlandboatmen's	664	603	91%	\$5,640.0

*MEBA and MMP members receive COLD payments each pay period which total between \$11,800 and \$17,260 annually. IBU members receive an increased hourly rate which ranges from \$4.06 to \$5.14 per hour.