

"An Act relating to an annual cost-of-living and price survey; and providing for an effective date."

2/10/75

COMMITTEE REPORT

FINANCE

HOUSE

Mr. Speaker:

Date April 18, 1975

The Committee on Labor & Management has had HB 135

under consideration. A ^{and} ~~Majority~~ of the members of the Committee

() recommends it DO PASS

() recommends it DO NOT PASS

() recommends it DO PASS WITH ATTACHED AMENDMENT(S)

recommends it BE REPLACED WITH CS FOR HB 135 ^(same title) AND THAT

CS FOR HB 135 DO PASS

() "and" recommends it BE REFERRED TO THE _____

COMMITTEE

() reports it back WITHOUT RECOMMENDATION

() "other"

Members signing the Majority report:

Joe McKinnon _____
William L. Bowman _____
Ramona Kelley _____

Members NOT concurring in the Majority report:

[Signature] recommends: no rec

[Signature] recommends: no rec

_____ recommends:

_____ recommends:

_____ recommends:

Joe McKinnon Chairman

"An Act relating to an annual cost-of-living and price survey; and providing for an effective date."

COMMITTEE REPORT

4/18/75

HOUSE

Mr. Speaker:

Date _____

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under consideration. A Majority of the members of the Committee

recommends it DO PASS

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"and" recommends it BE REFERRED TO THE _____

COMMITTEE

reports it back WITHOUT RECOMMENDATION

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Members signing the Majority report:

Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

Chairman

HB 135, ANNUAL COST OF LIVING AND PRICE SURVEY

APPROACH AND PROGRAM DESCRIPTION

This analysis pertains only to those portions of HB 135 providing for an annual cost of living and price survey for each election district in the state. At a meeting with the House Labor and Management Committee on March 25, 1975, it was agreed that the survey would be conducted by the Institute of Social, Economic and Government Research of the University of Alaska and that annual reporting survey results will be by election districts (referred to as state economic analysis districts), using, as appropriate, representative communities throughout the state to also provide an understanding of variations of costs and prices between larger and smaller communities throughout the state.

The process of establishing the annual survey is extremely complex. We have had extensive discussions with the Bureau of Labor Statistics of the U. S. Department of Labor. There is no ready methodology for undertaking surveys in areas of such small populations and varying consumption patterns as will be encountered throughout the various election districts. However, we believe that the job can be carried out, and BLS has consented to provide technical assistance upon request and will assist in finding the necessary initial consultant to work with the University of Alaska.

Existing BLS methodology for large urban areas involves an intensive analysis of cost of living patterns every ten years and periodic price surveys to determine current expenditure patterns. A similar approach will be needed in Alaska to establish an initial base line to be followed by annual price

surveys. In view of the rapid changes taking place in Alaska, however, it is anticipated that the reevaluation of cost of living patterns and living standards will be undertaken every five years; the re-survey would thus fall in FY 81. Since the statewide survey will need to be tied to the Anchorage base, coordination with changes in the BLS Anchorage cost of living and price survey will also have to be carried out as required.

Year 1 (FY 76) work would consist of two major elements: (1) set-up costs (\$125,000) and (2) initial base line survey (\$250,000). Set-up costs include development of a sound methodological framework; initial delineation of a comprehensive, comparable market basket and consumption pattern for all representative Alaska communities; recruitment and training of interviewers; pretesting of samples; development of community cooperation; and related tasks. This element will utilize expert statistical aid available at the University of Alaska, supplemented by BLS and consultant assistance. The base line survey will have two components: (a) collection of data on costs of comparable consumption patterns among the various districts and representative communities, and (b) development of price level base lines so that price changes over time can be measured in subsequent surveys. Data will be collected simultaneously in all selected communities to maximize comparability.

Year 2 (FY 77) work will include (1) Year 1 survey data analysis and reporting (\$55,000) and (2) collection of Year 2 survey data (\$115,000). Survey information will be coded and analyzed, and survey results will be made available to the public, legislature, state agencies, and others. As specified in HE 135, survey results will be provided in sufficient time prior

to legislative session to permit their use in establishment of pay-step differentials in different districts. The Year 2 survey will entail simultaneous collection of price data in previously selected representative communities to measure price changes from the level of the preceding year and differences between areas.

Years 3, 4, and 5 (FY 78, 79, and 80) will involve the same procedures and costs (in constant FY 76 dollars) as the Year 2 program. A complete review of cost of living and consumption patterns, including a comprehensive statewide survey, would be scheduled in FY 81, with the work program and costs similar to those projected for FY 76.

The Legislature of the State of Alaska
FISCAL NOTE

First Session - Ninth Legislature

I. REQUEST

Bill Identification: HB 135

Title: ANNUAL COST OF LIVING AND PRICE SURVEY

Requested by: House Labor and Management Date: 3/25/75

Return Date Requested: ASAP

Agency: University of Alaska Program: ISEGR

II. FISCAL DETAIL

Budget Request Unit(s) Affected: University of Alaska/ISEGR

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 75	FY 76	FY 77	FY 78	FY 79	FY 80
100 PERSONAL SERVICES	0	225	120	120	120	120
200 TRAVEL	0	83	24	24	24	24
300 CONTRACTUAL	0	5	16	16	16	16
400 COMMODITIES	0	20	10	10	10	10
500 EQUIPMENT	0	12	0	0	0	0
600 LAND & STRUCTURES	0	0	0	0	0	0
700 GRANTS, CLAIMS, ETC.	0	0	0	0	0	0
TOTAL	0	375	170	170	170	170

B. FUNDING: (Thousands of dollars)

GENERAL FUND	0	375	170	170	170	170
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0

C. POSITIONS:

PERMANENT/TEMPORARY	0/0	3/90	3/45	3/45	3/45	3/45
MAN MONTHS (P./T.)	0/0	24/180	18/90	18/90	18/90	18/90

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

IV. ATTACHMENTS

HB 135, APPROACH AND PROGRAM DESCRIPTION

V. DATE: April 10, 1975

PREPARED BY: V. Fischer

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

The Legislature of the State of Alaska
FISCAL NOTE

First Session - Ninth Legislature

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 Requested by: House Labor and Management Date: 3/25/75
 Return Date Requested: ASAP
 Agency: University of Alaska Program: ISEGR

II. FISCAL DETAIL

Budget Request Unit(s) Affected: Department of Labor

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 75	FY 76	FY 77	FY 78	FY 79	FY 80
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL	0	375	170	170	170	170
400 COMMODITIES						
500 EQUIPMENT						
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700 GRANTS, CLAIMS, ETC.						
TOTAL	0	375	170	170	170	170

B. FUNDING: (Thousands of dollars)

GENERAL FUND	0	375	170	170	170	170
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0

C. POSITIONS:

PERMANENT/TEMPORARY	0 / 0	0 / 0	0 / 0	0 / 0	0 / 0	0 / 0
MAN MONTHS (P./T.)	0 / 0	0 / 0	0 / 0	0 / 0	0 / 0	0 / 0

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Fiscal detail is premised on the cost of living and price survey being contracted by DOL to UA/ISEGR. Budget projections are in constant FY 75 dollars.

IV. ATTACHMENTS

UA/ISEGR Fiscal Note under HB 135.

V. DATE: April 10, 1975 PREPARED BY: V. Fischer

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

Original sponsor: Bradner and Miller

Offered: 4/18/75
Referred: Finance

1 IN THE HOUSE

BY THE LABOR AND
MANAGEMENT COMMITTEE

2 CS FOR HOUSE BILL NO. 135

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to an annual cost-of-living and price
7 survey; and providing for an effective date."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 * Section 1. AS 44.31.020(4) is amended to read:

10 (4) annually gather, analyze and publish data reflecting the
11 cost of living in the various election districts of the state in accor-
12 dance with sec. 30 of this chapter [UPON REQUEST OF THE DIRECTOR OF
13 PERSONNEL UNDER AS 39.27.030 - 39.27.040].

14 * Sec. 2. AS 44.31 is amended by adding a new section to read:

15 Sec. 44.31.030. COST-OF-LIVING AND PRICE SURVEY. (a) It is the
16 purpose of this section to provide a basic cost-of-living monitoring
17 system for Alaska as a guide to labor and management in determining
18 appropriate levels of compensation. Furthermore, the development of a
19 cost and price monitoring system or index is useful to consumer protec-
20 tion agencies and in presenting the interests of Alaska consumers
21 before federal, state and local legislative and administrative bodies.

22 (b) Subject to legislative appropriation, the department shall
23 contract with the Institute of Social, Economic and Government Research
24 of the University of Alaska to conduct an annual cost-of-living survey
25 throughout the state. This survey shall reflect the increases or
26 decreases in the cost of living in each economic analysis district and
27 shall be related to the current base year established by the Bureau of
28 Labor Statistics for Anchorage, Alaska. This survey, including an
29 explanation of the methodology used, shall be made available to the

COMMITTEE COPY

1 public at nominal cost and annually submitted to the director of the
2 division of personnel, Department of Administration, under AS 39.27.030,
3 and to the members of the legislature not later than 60 days before the
4 convening of each regular session of the legislature.

5 (c) The institute shall publish the data collected under (b) of
6 this section in whatever other form it considers useful for consumer
7 interest purposes, subject to legislative appropriation.

8 (d) In this section, "economic analysis district" means an elec-
9 tion district designated in the governor's proclamation of reapportion-
10 ment and redistricting of December 7, 1961 and retained as to the house
11 of representatives by the governor's proclamation of September 3, 1965.

12 * Sec. 3. AS 39.27.030 is repealed and re-enacted to read:

13 Sec. 39.27.030. ANNUAL SALARY SURVEY. (a) The director shall
14 conduct an annual salary survey in the manner prescribed by secs. 30 -
15 40 of this chapter, and make recommendations in base pay and classifi-
16 cation ranges to be applied to all classes of positions in the state's
17 classified and partially exempt service.

18 (b) The cost-of-living survey conducted under AS 44.31.030 shall
19 be employed by the director as a guide for establishing pay step differ-
20 entials in each economic analysis district, as defined by AS 44.31.030(d).

21 (c) The director, in compiling the survey required under (a) of
22 this section shall reflect the competitive position of the state, first,
23 by comparing state salary levels with the salary levels of comparable
24 classes in private industry, in other governmental agencies throughout
25 the state, and in other states constituting the prime recruiting areas,
26 using "bench-mark" classes based on the principle of like pay for like
27 work, from as many employment categories as is necessary to reflect
28 accurately the competitive position of the state salary levels with
29 those of other employees under this subsection; and secondly, by com-

1 paring fringe benefits in the state service with other governmental
2 agencies and major employers throughout the state.

3 (d) The director shall use a method of formal statistical analysis
4 in arriving at the conclusions drawn by the annual salary survey.

5 (e) The director shall, on a regular basis, report to all bar-
6 gaining agencies representing public employees in the state and to the
7 Legislative Affairs Agency by providing a summary of the information
8 accumulated during the data-gathering process; he shall consult with all
9 bargaining agencies representing public employees in the state and the
10 Legislative Affairs Agency before his final recommendations.

11 (f) The Legislative Affairs Agency, through the Legislative
12 Council, shall, on a regular basis, review the work of the division of
13 personnel relating to the annual salary survey to ensure that the
14 director is proceeding in accordance with law.

15 * Sec. 4. The cost-of-living survey conducted under AS 44.31.030 shall
16 continue to be conducted for the economic analysis districts as defined in
17 AS 44.31.030(d) until the University of Alaska's Institute of Social, Econo-
18 mic and Government Research determines that a redefinition of districts would
19 make them more appropriate for the analysis of economic data. A change, if
20 any, in districts may be submitted by the institute to the first session of a
21 legislature, no later than 10 days after that legislature convenes. The
22 legislature may, by concurrent resolution, reject the proposed economic
23 analysis districts; if the legislature has not acted on the proposal within
24 45 days of its submission, the proposal becomes effective. If the legisla-
25 ture rejects the proposal, AS 44.31.030(d) remains in effect. If the pro-
26 posal is permitted to become law it constitutes an amendment to AS 44.31.-
27 030(d), and the revisor of statutes shall incorporate the amendment into that
28 section and change references to "election districts" in AS 44.31.030 and
29 AS 39.27.030 to "state economic analysis districts".

1 * Sec. 5. The first cost-of-living survey under AS 44.31.030 is not due
2 until November 1, 1976.

3 * Sec. 6. This Act takes effect immediately in accordance with AS 01.10.-
4 070(c).

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12.4

Introduced: 2/10/75
Referred: Labor & Management
and Finance

BY BRADNER AND MILLER

1 IN THE HOUSE

2 HOUSE BILL NO. 135

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to an annual cost-of-living and price
7 survey; and providing for an effective date."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 * Section 1. AS 44.31.020(4) is amended to read:

10 (4) annually gather, analyze and publish data reflecting the
11 cost of living in the various election districts of the state in
12 accordance with sec. 30 of this chapter [UPON REQUEST OF THE DIRECTOR
13 OF PERSONNEL UNDER AS 39.27.030 - 39.27.040].

14 * Sec. 2. AS 44.31 is amended by adding a new section to read:

15 Sec. 44.31.030. COST-OF-LIVING AND PRICE SURVEY. (a) It is the
16 purpose of this section to provide a basic cost-of-living monitoring
17 system for Alaska as a guide to labor and management in determining
18 appropriate levels of compensation. Furthermore, the development of a
19 cost and price monitoring system or index is useful to consumer protec-
20 tion agencies and in presenting the interests of Alaska consumers
21 before federal, state and local legislative and administrative bodies.

22 (b) Subject to legislative appropriation, the department shall
23 contract with the Institute of Social, Economic and Government Research
24 of the University of Alaska, or some other recognized, independent
25 research agency expert in economic analysis, to conduct an annual cost-
26 of-living survey for each election district in the state employing the
27 data developed by the Bureau of Labor Statistics of the United States
28 Department of Labor. This survey shall reflect the increases or
29 decreases in the cost-of-living in each election district by employing

1 the current base year established by the Bureau of Labor Statistics for
2 Anchorage, Alaska. This survey shall be made available to the public
3 free-of-charge or at nominal cost and annually submitted to the
4 director of the division of personnel, Department of Administration,
5 under AS 39.27.030, and to the members of the legislature not later than
6 60 days before the convening of each regular session of the legislature.

7 (c) The agency conducting the survey under (b) of this section also
8 shall publish data in whatever other form it considers useful for
9 consumer interest purposes, subject to legislative appropriation.

10 (d) In this section, "election district" means an election
11 district designated in the governor's proclamation of reapportionment
12 and redistricting of December 7, 1961 and retained as to the House of
13 Representatives by the governor's proclamation of September 3, 1965.

14 * Sec. 3. AS 39.27.030 is repealed and re-enacted to read:

15 Sec. 39.27.030. ANNUAL SALARY SURVEY. (a) The director shall
16 conduct an annual salary survey in the manner prescribed by secs. 30 - 40
17 of this chapter, and make recommendations in base pay and classification
18 ranges to be applied to all classes of positions in the state's
19 classified and partially exempt service.

20 (b) The cost-of-living survey conducted under AS 44.31.030 shall
21 be employed by the director as a guide for establishing pay step
22 differentials in each election district.

23 (c) The director, in compiling the survey required under (a) of
24 this section shall reflect the competitive position of the state, first,
25 by comparing state salary levels with the salary levels of comparable
26 classes in private industry, in other governmental agencies throughout
27 the state, and in other states constituting the prime recruiting areas,
28 using "bench-mark" classes based on the principle of like pay for like
29 work, from as many employment categories as is necessary to reflect

1 accurately the competitive position of the state salary levels with
2 those of other employees under this subsection; and secondly, by
3 comparing fringe benefits in the state service with other governmental
4 agencies and major employers throughout the state.

5 (d) The director shall use a method of formal statistical analysis
6 in arriving at the conclusions drawn by the annual salary survey.

7 (e) The director shall, on a regular basis, report to the state
8 public employees association and to the Legislative Affairs Agency by
9 providing a summary of the information accumulated during the data-
10 gathering process; he shall consult with the public employees association
11 and the Legislative Affairs Agency and consider its findings before
12 his final recommendations.

13 (f) The Legislative Affairs Agency, through the legislative
14 council, shall, on a regular basis, review the work of the division of
15 personnel to assure that the director is proceeding in accordance with
16 law.

17 * Sec. 4. The cost-of-living survey conducted under AS 44.31.030 shall
18 continue to be conducted by election districts as defined in AS 44.31.030(d)
19 until the University of Alaska's Institute of Social, Economic and Government
20 Research determines that there are districts more appropriate for the
21 analysis of economic data. A change, if any, in districts may be submitted
22 by the institute to the first session of a legislature, no later than 10
23 days after that legislature convenes. The legislature may, by concurrent
24 resolution, reject the proposed economic analysis districts; if the legisla-
25 ture has not acted on the proposal within 45 days of its submission, the
26 proposal becomes effective. If the legislature rejects the proposal,
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4 until December 1, 1976.

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6 AS 01.10.070(c).

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ALASKA STATE LEGISLATURE

.. NINTH Legislature ... FIRST Session

HOUSE BILL NO. 135..

By BRADNER AND MILLER.....

"An Act relating to an annual cost-of-living and price survey and providing for an effective date."

Cost-of-living & price survey

Introduced in the House 2/10/75, 19 75

HISTORY IN THE HOUSE

19 75	Read first time and referred to Committee on																						
Feb 10	Labor & Management and Finance																						
	Reported back with recommendation that																						
	Read second time and																						
	Read third time and																						
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CHIEF CLERK OF THE HOUSE																							

HISTORY IN THE SENATE

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	Reported correctly engrossed																						
	Signed by President																						
	Returned to House																						
SECRETARY OF THE SENATE																							

HISTORY IN THE HOUSE

19	Received from Senate
	Reported correctly enrolled
	Sent to Governor
 By Governor
	Filed with Lt. Governor
	Chapter No.

Introduced: 2/10/75
Referred: Labor & Management
and Finance

1 IN THE HOUSE

BY BRADNER AND MILLER

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22 by the institute to the first session of a legislature, no later than 10
23 days after that legislature convenes. The legislature may, by concurrent
24 resolution, reject the proposed economic analysis districts; if the legisla-
25 ture has not acted on the proposal within 45 days of its submission, the
26 proposal becomes effective. If the legislature rejects the proposal,
27 AS 44.31.030(d) remains in effect. If the proposal is permitted to become
28 law it constitutes an amendment to AS 44.31.030(d), and the revisor of
29 statutes shall incorporate the amendment into that section and change

1 references to "election districts" in AS 44.31.030 and AS 39.27.030 to
2 "state economic analysis districts".

3 * Sec. 5. The first cost-of-living survey under AS 44.31.030 is not due
4 until December 1, 1976.

5 * Sec. 6. This Act takes effect immediately in accordance with
6 AS 01.10.070(c).

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Original sponsor: Bradner and Miller

Offered: 4/18/75
Referred: Finance

1 IN THE HOUSE

BY THE LABOR AND
MANAGEMENT COMMITTEE

2 CS FOR HOUSE BILL NO. 135

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to an annual cost-of-living and price
7 survey; and providing for an effective date."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 * Section 1. AS 44.31.020(4) is amended to read:

10 (4) annually gather, analyze and publish data reflecting the
11 cost of living in the various election districts of the state in accor-
12 dance with sec. 30 of this chapter [UPON REQUEST OF THE DIRECTOR OF
13 PERSONNEL UNDER AS 39.27.030 - 39.27.040].

14 * Sec. 2. AS 44.31 is amended by adding a new section to read:

15 Sec. 44.31.030. COST-OF-LIVING AND PRICE SURVEY. (a) It is the
16 purpose of this section to provide a basic cost-of-living monitoring
17 system for Alaska as a guide to labor and management in determining
18 appropriate levels of compensation. Furthermore, the development of a
19 cost and price monitoring system or index is useful to consumer protec-
20 tion agencies and in presenting the interests of Alaska consumers
21 before federal, state and local legislative and administrative bodies.

22 (b) Subject to legislative appropriation, the department shall
23 contract with the Institute of Social, Economic and Government Research
24 of the University of Alaska to conduct an annual cost-of-living survey
25 throughout the state. This survey shall reflect the increases or
26 decreases in the cost of living in each economic analysis district and
27 shall be related to the current base year established by the Bureau of
28 Labor Statistics for Anchorage, Alaska. This survey, including an
29 explanation of the methodology used, shall be made available to the

1 public at nominal cost and annually submitted to the director of the
2 division of personnel, Department of Administration, under AS 39.27.030,
3 and to the members of the legislature not later than 60 days before the
4 convening of each regular session of the legislature.

5 (c) The institute shall publish the data collected under (b) of
6 this section in whatever other form it considers useful for consumer
7 interest purposes, subject to legislative appropriation.

8 (d) In this section, "economic analysis district" means an elec-
9 tion district designated in the governor's proclamation of reapportion-
10 ment and redistricting of December 7, 1961 and retained as to the house
11 of representatives by the governor's proclamation of September 3, 1965.

12 * Sec. 3. AS 39.27.030 is repealed and re-enacted to read:

13 Sec. 39.27.030. ANNUAL SALARY SURVEY. (a) The director shall
14 conduct an annual salary survey in the manner prescribed by secs. 30 -
15 40 of this chapter, and make recommendations in base pay and classifi-
16 cation ranges to be applied to all classes of positions in the state's
17 classified and partially exempt service.

18 (b) The cost-of-living survey conducted under AS 44.31.030 shall
19 be employed by the director as a guide for establishing pay step differ-
20 entials in each economic analysis district, as defined by AS 44.31.030(d).

21 (c) The director, in compiling the survey required under (a) of
22 this section shall reflect the competitive position of the state, first,
23 by comparing state salary levels with the salary levels of comparable
24 classes in private industry, in other governmental agencies throughout
25 the state, and in other states constituting the prime recruiting areas,
26 using "bench-mark" classes based on the principle of like pay for like
27 work, from as many employment categories as is necessary to reflect
28 accurately the competitive position of the state salary levels with
29 those of other employees under this subsection; and secondly, by com-

1 paring fringe benefits in the state service with other governmental
2 agencies and major employers throughout the state.

3 (d) The director shall use a method of formal statistical analysis
4 in arriving at the conclusions drawn by the annual salary survey.

5 (e) The director shall, on a regular basis, report to all bar-
6 gaining agencies representing public employees in the state and to the
7 Legislative Affairs Agency by providing a summary of the information
8 accumulated during the data-gathering process; he shall consult with all
9 bargaining agencies representing public employees in the state and the
10 Legislative Affairs Agency before his final recommendations.

11 (f) The Legislative Affairs Agency, through the Legislative
12 Council, shall, on a regular basis, review the work of the division of
13 personnel relating to the annual salary survey to ensure that the
14 director is proceeding in accordance with law.

15 * Sec. 4. The cost-of-living survey conducted under AS 44.31.030 shall
16 continue to be conducted for the economic analysis districts as defined in
17 AS 44.31.030(d) until the University of Alaska's Institute of Social, Econo-
18 mic and Government Research determines that a redefinition of districts would
19 make them more appropriate for the analysis of economic data. A change, if
20 any, in districts may be submitted by the institute to the first session of a
21 legislature, no later than 10 days after that legislature convenes. The
22 legislature may, by concurrent resolution, reject the proposed economic
23 analysis districts; if the legislature has not acted on the proposal within
24 45 days of its submission, the proposal becomes effective. If the legisla-
25 ture rejects the proposal, AS 44.31.030(d) remains in effect. If the pro-
26 posal is permitted to become law it constitutes an amendment to AS 44.31.-
27 030(d), and the revisor of statutes shall incorporate the amendment into that
28 section and change references to "election districts" in AS 44.31.030 and
29 AS 39.27.030 to "state economic analysis districts".

1 * Sec. 5. The first cost-of-living survey under AS 44.31.030 is not due
2 until November 1, 1976.

3 * Sec. 6. This Act takes effect immediately in accordance with AS 01.10.-
4 070(c).

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The Legislature of the State of Alaska
FISCAL NOTE

First Session - Ninth Legislature

I. REQUEST

Bill Identification: HB 135
 Title: ANNUAL COST OF LIVING AND PRICE SURVEY
 Requested by: House Labor and Management Date: 3/25/75
 Return Date Requested: ASAP
 Agency: University of Alaska Program: ISEGR

II. FISCAL DETAIL

Budget Request Unit(s) Affected: University of Alaska/ISEGR

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 75	FY 76	FY 77	FY 78	FY 79	FY 80
100 PERSONAL SERVICES	0	225	120	120	120	120
200 TRAVEL	0	83	24	24	24	24
300 CONTRACTUAL	0	35	16	16	16	16
400 COMMODITIES	0	20	10	10	10	10
500 EQUIPMENT	0	12	0	0	0	0
600 LAND & STRUCTURES	0	0	0	0	0	0
700 GRANTS, CLAIMS, ETC.	0	0	0	0	0	0
TOTAL	0	375	170	170	170	170

B. FUNDING: (Thousands of dollars)

GENERAL FUND	0	375	170	170	170	170
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0

C. POSITIONS:

PERMANENT/TEMPORARY	0/0	3/90	3/45	3/45	3/45	3/45
MAN MONTHS (P./T.)	0/0	24/180	18/90	18/90	18/90	18/90

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

IV. ATTACHMENTS

HB 135, APPROACH AND PROGRAM DESCRIPTION

V. DATE: April 10, 1975 PREPARED BY: *V. Fischer*

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

The Legislature of the State of Alaska
FISCAL NOTE

First Session - Ninth Legislature

I. REQUEST

Bill Identification: HB 135
 Title: ANNUAL COST OF LIVING AND PRICE SURVEY
 Requested by: House Labor and Management Date: 3/25/75
 Return Date Requested: ASAP
 Agency: University of Alaska Program: ISEGR

II. FISCAL DETAIL

Budget Request Unit(s) Affected: Department of Labor

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 75	FY 76	FY 77	FY 78	FY 79	FY 80
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL	0	375	170	170	170	170
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	0	375	170	170	170	170

B. FUNDING: (Thousands of dollars)

GENERAL FUND	0	375	170	170	170	170
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0

C. POSITIONS:

PERMANENT/TEMPORARY	0 / 0	0 / 0	0 / 0	0 / 0	0 / 0	0 / 0
MAN MONTHS (P./T.)	0 / 0	0 / 0	0 / 0	0 / 0	0 / 0	0 / 0

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Fiscal detail is premised on the cost of living and price survey being contracted by DOL to UA/ISEGR. Budget projections are in constant FY 75 dollars.

IV. ATTACHMENTS

UA/ISEGR Fiscal Note under HB 135.

V. DATE: April 10, 1975

PREPARED BY: V. Fischer

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

HB 135, ANNUAL COST OF LIVING AND PRICE SURVEY

APPROACH AND PROGRAM DESCRIPTION

This analysis pertains only to those portions of HB 135 providing for an annual cost of living and price survey for each election district in the state. At a meeting with the House Labor and Management Committee on March 25, 1975, it was agreed that the survey would be conducted by the Institute of Social, Economic and Government Research of the University of Alaska and that annual reporting survey results will be by election districts (referred to as state economic analysis districts), using, as appropriate, representative communities throughout the state to also provide an understanding of variations of costs and prices between larger and smaller communities throughout the state.

The process of establishing the annual survey is extremely complex. We have had extensive discussions with the Bureau of Labor Statistics of the U. S. Department of Labor. There is no ready methodology for undertaking surveys in areas of such small populations and varying consumption patterns as will be encountered throughout the various election districts. However, we believe that the job can be carried out, and BLS has consented to provide technical assistance upon request and will assist in finding the necessary initial consultant to work with the University of Alaska.

Existing BLS methodology for large urban areas involves an intensive analysis of cost of living patterns every ten years and periodic price surveys to determine current expenditure patterns. A similar approach will be needed in Alaska to establish an initial base line to be followed by annual price

surveys. In view of the rapid changes taking place in Alaska, however, it is anticipated that the reevaluation of cost of living patterns and living standards will be undertaken every five years; the re-survey would thus fall in FY 81. Since the statewide survey will need to be tied to the Anchorage base, coordination with changes in the BLS Anchorage cost of living and price survey will also have to be carried out as required.

Year 1 (FY 76) work would consist of two major elements: (1) set-up costs (\$125,000) and (2) initial base line survey (\$250,000). Set-up costs include development of a sound methodological framework; initial delineation of a comprehensive, comparable market basket and consumption pattern for all representative Alaska communities; recruitment and training of interviewers; pretesting of samples; development of community cooperation; and related tasks. This element will utilize expert statistical aid available at the University of Alaska, supplemented by BLS and consultant assistance. The base line survey will have two components: (a) collection of data on costs of comparable consumption patterns among the various districts and representative communities, and (b) development of price level base lines so that price changes over time can be measured in subsequent surveys. Data will be collected simultaneously in all selected communities to maximize comparability.

Year 2 (FY 77) work will include (1) Year 1 survey data analysis and reporting (\$55,000) and (2) collection of Year 2 survey data (\$115,000). Survey information will be coded and analyzed, and survey results will be made available to the public, legislature, state agencies, and others. As specified in HB 135, survey results will be provided in sufficient time prior

to legislative session to permit their use in establishment of pay-step differentials in different districts. The Year 2 survey will entail simultaneous collection of price data in previously selected representative communities to measure price changes from the level of the preceding year and differences between areas.

Years 3, 4, and 5 (FY 78, 79, and 80) will involve the same procedures and costs (in constant FY 76 dollars) as the Year 2 program. A complete review of cost of living and consumption patterns, including a comprehensive statewide survey, would be scheduled in FY 81, with the work program and costs similar to those projected for FY 76.

The Legislature of the State of Alaska
FISCAL NOTE

First Session - Ninth Legislature

I. REQUEST

Bill Identification: HB 135

Title: ANNUAL COST OF LIVING AND PRICE SURVEY

Requested by: House Labor and Management Date: 3/25/75

Return Date Requested: ASAP

Agency: University of Alaska Program: ISEGR

II. FISCAL DETAIL

Budget Request Unit(s) Affected: University of Alaska/ISEGR

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 75	FY 76	FY 77	FY 78	FY 79	FY 80
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300 CONTRACTUAL	0	35	16	16	16	16
400 COMMODITIES	0	20	10	10	10	10
500 EQUIPMENT	0	12	0	0	0	0
600 LAND & STRUCTURES	0	0	0	0	0	0
700 GRANTS, CLAIMS, ETC.	0	0	0	0	0	0
TOTAL	0	375	170	170	170	170

B. FUNDING: (Thousands of dollars)

GENERAL FUND	0	375	170	170	170	170
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0

C. POSITIONS:

PERMANENT/TEMPORARY	0 / 0	3 / 90	3 / 45	3 / 45	3 / 45	3 / 45
MAN MONTHS (P./T.)	0 / 0	24 / 180	18 / 90	18 / 90	18 / 90	18 / 90

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

IV. ATTACHMENTS

HB 135, APPROACH AND PROGRAM DESCRIPTION

V. DATE: April 10, 1975

PREPARED BY: *V. Fischer*

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

The Legislature of the State of Alaska
FISCAL NOTE

First Session - Ninth Legislature

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GENERAL FUND	0	375	170	170	170	170
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0

C. POSITIONS:

PERMANENT/TEMPORARY	0 / 0	0 / 0	0 / 0	0 / 0	0 / 0	0 / 0
MAN MONTHS (P./T.)	0 / 0	0 / 0	0 / 0	0 / 0	0 / 0	0 / 0

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Fiscal detail is premised on the cost of living and price survey being contracted by DOL to UA/ISEGR. Budget projections are in constant FY 75 dollars.

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surveys. In view of the rapid changes taking place in Alaska, however, it is anticipated that the reevaluation of cost of living patterns and living standards will be undertaken every five years; the re-survey would thus fall in FY 81. Since the statewide survey will need to be tied to the Anchorage base, coordination with changes in the BLS Anchorage cost of living and price survey will also have to be carried out as required.

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to legislative session to permit their use in establishment of pay-step differentials in different districts. The Year 2 survey will entail simultaneous collection of price data in previously selected representative communities to measure price changes from the level of the preceding year and differences between areas.

Years 3, 4, and 5 (FY 78, 79, and 80) will involve the same procedures and costs (in constant FY 76 dollars) as the Year 2 program. A complete review of cost of living and consumption patterns, including a comprehensive statewide survey, would be scheduled in FY 81, with the work program and costs similar to those projected for FY 76.