**Calculating the Rate of Inflation**

Note: If the fee has not been increased in over a year, you may calculate the equivalent of adjusting for inflation for each year that the fee was held steady.

1. Use the *Consumer Price Index – Urban Wage Earners and Clerical Workers* table. This is found on the U.S. Bureau of Labor Statistics website:
	* + Go to : <http://data.bls.gov/cgi-bin/surveymost?cw>
		+ Choose “Los Angeles All Items, 1982-84=100 - CWURA421SA0”
2. Find the index number associated with the Month and Year that the fee was last approved by APB.
3. Find the index number associated with the Month and Year that you would like to adjust for inflation.
4. Subtract the index number in Question 2 from the index number in Question 3.
5. Divide the difference by the index number found in Question 2. This gives you the percent by which to calculate the increase in fee due to inflation.

**For example**:

 A fee implemented in 2006 is $5.00. Want to adjust this fee to April, 2013 dollars.

* Index for 2006: 203.0 (See Annual column)
* Index for April, 2013: 232.03
* Difference: 29.03
* To get the percentage: 29.03 / 203.03 = 14.3%
* Fee in CPI adjusted terms:
	+ $5.00 \* 14.3% = $0.72. This is the amount to increase the fee to adjust for inflation.
	+ New Fee in April, 2013 adjusted dollars = $5.00 + $0.72 = **$5.72**

**EXCEL TABLE CALCULATION**

**First close all Excel applications. Then DOUBLE CLICK** ON TABLE BELOW to input numbers into the **yellow boxes** to help you calculate the CPI adjusted fee. Do **NOT** adjust any of the other numbers since they will update automatically as you input numbers in the **yellow boxes**.

