

# Using Price Indexes

This information brief is a nontechnical guide to the use of price indexes. It explains the difference among the three most commonly used price indexes and suggests when each index should be used. Additionally, this information brief shows how to make some common calculations using price indexes.

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## Contents

Price Indexes and Their Uses.....	2
Descriptions of the Major Price Indexes.....	2
Gross Domestic Product Chain-Weighted Price Index.....	2
Consumer Price Index (CPI).....	4
Producer Price Index (PPI).....	5
Glossary of Price Index Terms.....	7
Common Calculations Using Price Indexes.....	8
Summary of Major Price Indexes.....	10
Appendix: Examples of Minnesota Statutes that Reference a Specific Price Index.....	11

## Price Indexes and Their Uses

Price indexes are tools for comparing prices from different time periods. Analysts use price indexes to adjust for inflation, measure changes in purchasing power, and analyze changes in the economy and components of the economy. There are three major price indexes:

- The **gross domestic product (GDP) chain-type price indexes** measure changes in the U.S. economy
- The **consumer price index (CPI)** measures price changes in consumer purchases
- The **producer price index (PPI)** measures changes in the selling price of material goods

Indexes also exist for individual components of the major price indexes. More detailed information on each of the major indexes, what each is useful for, the data used in constructing each index, and the major components for which subindexes exist, appear in the descriptions beginning below.

The glossary on [page 7](#) explains several technical terms associated with price indexes, such as base year, market basket, and constant dollar. In addition, all terms that are in the glossary are italicized when they appear elsewhere in the text.

Price indexes are often used to adjust dollar values in many state programs and laws. The summary table ([page 10](#)) includes a suggested citation for each index to make the statutes more consistent and less ambiguous. The appendix lists examples from Minnesota Statutes that refer to price indexes.

## Descriptions of the Major Price Indexes

### Gross Domestic Product Chain-Weighted Price Index

The price index for Gross Domestic Product measures the change in the average level of prices paid for goods and services produced in the United States. The nation's Gross Domestic Product (GDP) is a measure of the output of the national economy; it measures the value of all the goods and services produced within the United States in a given period, including those produced by foreign citizens or firms operating in the United States. GDP comprises consumer expenditures, private and public investment, government expenditures, and exports net of imports.

#### When to Use the GDP

The GDP price index is useful for measuring *real* growth in the general economy. The state and local government subindex is particularly useful for examining the purchasing power of government. An example of a policy question that might be examined using this subindex is:

- Has the amount of resources available to finance program X changed over time?

## Data

The index is calculated quarterly, and annually, by separating the price changes within each component of GDP and summing these changes. The result is a measure of the change in prices for the goods and services produced within the United States. GDP data for a given period are typically released three times: as advance, preliminary, and final data. If need be, specific data items are revised at these times.

The GDP price index is a *chain-weighted index* because it is based on the average mix of services and goods produced in adjacent years and current prices over adjacent years.

## Time Period

The GDP price index and selected components have been calculated on a quarterly and annual basis since 1929. The year used as the *base period* for the GDP deflator (when the deflator equals 0) was recently changed to 2005.

## Available Subindexes

Besides the total GDP price index, subindexes are available for the following major components: personal consumption expenditures, fixed investment, exports and imports of goods and services, and government expenditures and investments.

A useful subindex for examining state spending is the *chain-weighted* price index for state and local government consumption expenditures and gross investment. This subindex is a more accurate reflection of inflation in government spending because most governments' mix of purchases includes mainly services, with few imported items. (This subindex does not include imports.)

## Technical Note

In addition to the *chain-weighted* price index, an implicit price deflator (IPD) is calculated for the GDP and its major components. Although similar, the IPD may vary slightly from the price index because of how it is calculated. The price index is based on weighted averages of outputs and prices for subcomponents of the index while the IPD is based on the weighted average of the price indexes of subcomponents. The IPD is the ratio of nominal GDP to chain-weighted real GDP. The GDP price index and the GDP implicit price deflator are used for similar purposes.

## Caution

Because the data are revised several times after their initial release, in the short term the GDP price index tends to be a more volatile measure of price changes than the CPI.

## Consumer Price Index (CPI)

The consumer price index or CPI generally refers to the biennial *fixed-weight* consumer price index for urban consumers (CPI-U). However the Bureau of Labor Statistics also produces the consumer price index for urban wage earners and clerical workers (CPI-W) and a *chain-weighted* consumer price index for all urban consumers (C-CPI-U). All three indexes are discussed here.

**The CPI or CPI-U** is a *fixed-weight index* that measures the average change in the prices urban consumers pay for a *market basket* of goods and services. The *market basket* is made up of items people use in daily living, and includes both items produced in the United States and imported items. The *market basket* is based on the average of consumer purchases over a two-year period and is recalculated every two years. Since 1999, the calculation of the index has included a *geometric means adjustment* to account for substitutions by consumers and to partially reduce the overstatement of inflation in this index.

**The CPI-W** measures changes for a *market basket* based on purchases of urban consumers whose main source of income is wages. It is calculated in the same manner as the CPI-U.

**The C-CPI-U** is a *chain-weighted* version of the CIP-U that continually adjusts for changes in consumer purchases between item categories. The C-CPI-U should eliminate virtually all of the overstatement of inflation due to consumer substitution. However, because the C-CPI-U is based on contemporaneous purchases, there are two revisions of those numbers and there is a two-year lag between “preliminary” C-CPI-U numbers and the final numbers. The final C-CPI-U for the 12 months of 2006 became available February 2008. For the last several years, the change in the December to December CPI-U has been 0.3 to 0.4 percent higher than the change in the C-CPI-U for the same period.

### When to Use the CPI

The CPI-U is useful when the general policy goal is to adjust income threshold levels or payment rates in government programs. Since the index measures the purchasing power of individuals and households, it is used as a proxy for measuring the increase or decrease in the general standard of living.

Examples of policy issues in which the CPI-U is useful are:

- Setting policy goals for health care spending or
- Establishing changes in government salary limits.

Although the C-CPI-U numbers may be a “better” measure of inflation, the delay in finalizing this index number makes it better suited for analysis purposes rather than for program funding adjustments.

The CPI-W is primarily used for labor negotiations since it is based on purchases by persons who receive most of their income from wages.

## Data

The data are collected monthly for two groups: all urban households (CPI-U and C-CPI-U), and urban households in which the main source of income is from wages (CPI-W). The CPI-U covers about 80 percent of U.S. households and is the measure most often used in general policy analysis. The CPI-W covers a subset of about 32 percent of U.S. urban households and is mainly used in wage negotiations. Data are not collected for rural markets because the costs are too high. CPI-U published numbers are final and are not revised after they are released; C-CPI-U data is adjusted several times before it is finalized.

## Time Period

The CPI-W has been calculated since the late 1930s. The CPI-U was introduced in 1978, but has been calculated for earlier years. Both series are available on a monthly, quarterly, and yearly basis. The current *base period* for the CPI-U (the time period when the CPI equals 100) is an average based on three years, 1982 through 1984. The C-CPI-U has been calculated since July 2002.

## Available Subindexes

Besides the overall indexes, subindexes are available for the following major components: food, housing, transportation, clothing, medical care, entertainment, and other goods and services. Further indexes on some subgroups of these major components are also available. In addition, special indexes exist that include only some of the major components (i.e., all items except food). The CPI-U and CPI-W also exist for some individual urban areas, including the Twin Cities, but these indexes are based on small, infrequent samples and therefore tend to be inaccurate.

## Caution

The CPI may slightly overstate inflation because it is based on a *fixed market basket*. Although the C-CPI-U allows for good substitution and reduces the overstatement of inflation, there is a significant lag before final data is available. The Twin Cities CPI is based on a small sample and is only collected twice a year. For this reason, it is an unreliable measure of inflation.

## Producer Price Index (PPI)

The producer price index (PPI) reflects the average changes in prices that domestic producers receive for their goods at all stages of the manufacturing process, from crude materials to finished products. The index includes the output from the goods-producing sectors: manufacturing; agriculture; forestry; fishing; mining; and gas, electricity, and waste and scrap materials. The PPI provides limited coverage of the output of the service sectors.

## When to Use the PPI

The PPI is useful when the general focus is on manufacturing inputs and outputs. Often the PPI is used for calculating price increases in long-term sales contracts. In addition, the PPI is used as

a leading indicator of future changes in the economy. Examples of policy questions that might be examined using the PPI as the price index are:

- Adjusting for price changes, how has the output of Minnesota's food processing industry changed over time?
- Have revenues from the tax imposed on the production of commodity Y kept pace with that commodity's price changes?

## **Data**

The data are currently collected by mail questionnaire from more than 25,000 establishments, providing more than 100,000 price quotations monthly. New products are being added over time, particularly in the nongoods-producing sectors, such as transportation and professional services. The prices are reported directly by producing companies on a voluntary and confidential basis. The reported price changes for a commodity are averaged and weighted. For this *fixed-weight index*, the weight is determined by the portion of total net sales of all commodities made up by that commodity in a given year. Current weights are based on shipment values from the 2002 economic census.

## **Time Period**

Data is available on a monthly and an annual basis. Historical data exist back to 1890, although prior to 1978 the PPI was called the Wholesale Price Index (WPI). Along with the name change, the methodology used in constructing the index was changed dramatically. Historical data for all detailed subindexes may not be available, and current PPI are not comparable to the older WPI. The year used as the *base period* for the PPI (year when the PPI equals 100) is 1982.

## **Available Subindexes**

The PPI is available under three major classification structures: (1) stage of processing; (2) commodity; and (3) industry. Each classification structure provides a different level of detail. The industry structure groups production by North American Industry Classification System (NAICS), which replaced the Bureau of Census standard industrial classification (SIC) code in 2004, is useful with industry-specific data. The commodity structure groups production output by similarity of end use or material composition. The commodity groups are based on a variety of ad hoc factors and do not match data collected from any other source; the primary use is historical. There are three major stage-of-processing groups: finished goods, intermediate goods, and crude material. Detailed indexes exist for subgroups within each stage of processing.

## **Caution**

The weights used in calculating the commodity price indexes are based on gross shipment values, including shipments between firms in the same commodity groups. This leads to double counting and an exaggeration of inflation in these indexes. Stage-of-processing and industry indexes do not have this problem and therefore are a better indication of general price trends.

## Glossary of Price Index Terms

**Base Year (or Period):** The base year (or period) is the year when the index number is set equal to 100. To calculate an index for a period, the change in prices for a market basket for any one period is compared to the prices for the market basket in the base year. For instance, if 1982 is the base year (index = 100), and the price of the index's 1986 market basket is 15 percent higher than the price of the 1982 market basket, then the 1986 index value is 115 ( $100 + 15$ ).

**Chain-Weighted Index:** A chain-weighted index is a hybrid between a fixed-weight index and an index based on current output or purchases. The index for each year is based on a market basket, which is the average mix of goods and services produced in the current year and in the prior year. The "weighted" market basket, which is a moving average, is multiplied by current prices. The Gross Domestic Product (GDP) index is an example of a chain-weighted index. It measures the growth in the economy, adjusted for changes in relative prices, and the composition of output over time.

**Constant (Real) Dollar Values:** The constant (real) dollar value is the price of something after adjusting for the effects of the changing purchasing power of the dollar. For example if, in 1960, a person had to work five minutes to pay for a 5-cent candy bar, and the same person had to do the same work for five minutes in 1990 to pay for a 50-cent candy bar, the "real" price of the candy bar has not changed. Converting from current prices to constant prices is called **deflation**, and it is done using a price index (see page 8 for steps involved in the calculation). The terms "constant dollars" and "real dollars" are interchangeable.

**Current (Nominal) Dollar Values:** The current (nominal) dollar value is the price actually demanded or paid in any given time period, without any adjustment for changes in the purchasing power of the dollar. For example, in 1960 the current price of a candy bar was 5 cents; the current price for a candy bar in 1992 is 50 cents. The terms "current dollars" and "nominal dollars" are interchangeable.

**Fixed-Weight Index:** A fixed-weight index is a price index that is based on prices for an unchanging mix of goods and services. The amount and types of goods and services (called the market basket) are usually based on actual production or purchases for the base year of the index. Fixed-weight indexes measure only price changes, uninfluenced by technology changes or changes in demand. Fixed-weight indexes are useful for measuring price changes (inflation). An example of a fixed-weight index is the Producer Price Index (PPI).

**Geometric-Means Adjustment:** A geometric-means adjustment is a refinement of a fixed weight index. Despite regular recalculation, a fixed-weight index tends to overstate total price changes because declining relative prices usually result in the amount of goods and services being a growing portion of total production or purchases. The adjustment partially reduces the upward distortion by averaging prices across an item category, thereby recognizing substitution **within** item categories (i.e., hamburger for steak), but not **between** item categories (i.e., chicken for beef). The Consumer Price Index (CPI) is an example of a geometric-means adjusted index.

**Market Basket:** The market basket refers to the amounts and types of goods and services that are used in calculating a price index. The contents of the market basket are determined by what

is produced or what is purchased by the group of interest. A fixed market basket contains a mix of goods and services that does not change over time and is used in calculating a fixed-weight index. A variable-weight market basket contains a mix of goods and services that changes for each time period based on actual production or purchases; it is used in calculating a variable weight index.

## Common Calculations Using Price Indexes

These methods may be used with any of the price indexes.

### A. Calculating a Percentage Price Change for Any Time Period

Method	Example									
1. Decide the beginning and ending years	1. <u>CPI (base year = 1982)</u> <table style="margin-left: 20px;"> <thead> <tr> <th></th> <th>Year</th> <th>Index</th> </tr> </thead> <tbody> <tr> <td>Beginning Year:</td> <td>1999</td> <td>166.0</td> </tr> <tr> <td>Ending Year:</td> <td>2008</td> <td>215.3</td> </tr> </tbody> </table>		Year	Index	Beginning Year:	1999	166.0	Ending Year:	2008	215.3
	Year	Index								
Beginning Year:	1999	166.0								
Ending Year:	2008	215.3								
2. Subtract the beginning year index number from the ending year index number	2. $215.3 - 166.6 = 48.7$									
3. Divide the result from step 2 by the beginning year index number	3. $48.7 / 166.6 = .292$									
4. Multiply the result from step 3 by 100 to get the percent increase	4. $.292 \times 100 = 29.2$ Consumer prices increased 29.2% from 1999 to 2008									

### B. Calculating an Average Annual Percent Price Increase (Inflation Rate) for Any Time Period

Method	Example
1. Do steps 1-3 from Part A above. Take the answer from step 3 and add one to the number.	1. $0.292 + 1 = 1.292$
2. Subtract the beginning year from the ending year to get the number of years in the time period. This number is "N."	2. $1999 - 2008 = 9$
3. Take the "Nth" root of the result from step 1. (This will require a calculator or spreadsheet capable of taking roots.)	3. $(1.292)^{1/9} = 1.0289$
4. Subtract 1 from the result in step 3 and then multiply by 100.	4. $1.00289 - 1 = .00289$ $0.0289 \times 100 = 2.89\%$ The average annual increase in CPI for 1999 to 2008 is 2.89%

### C. Putting Annual Data into Constant (or Real) Dollars

<b>Method</b>	<b>Example</b>
1. Select the year that you want to use for the basis of the constant dollar (1999 dollars in the example).	1. CPI for 1999 = 166.6 (basis for constant dollar)
2. Divide the index for a given year by the index for the year chosen in step 1.	2. 2008 CPI = 215.3 $215.3 / 166.6 = 1.292$
3. Divide the current (or nominal) dollar amount for the given year by the result from step 2. This is the constant dollar amount.	3. 2008 dollars = \$160 $160 / 1.292 = \$123.84$ (in 1999 dollars) Something that cost \$160 in 2008 dollars would cost \$123.84 in 1999 dollars.

## Summary of Major Price Indexes

	<b>Gross Domestic Product Price Index</b>	<b>Consumer Price Index (CPI)</b>	<b>Producer Price Index (PPI)</b>
<b>Description</b>	Measures the average change in prices received for goods and services produced within the United States	Measures the average change in prices paid by urban consumers for a basket of goods and services	Measures average changes in prices received by producers for goods at various stages of processing
<b>Published</b>	Monthly: <i>Survey of Current Business</i>  Annual: <i>Economic Report of the President</i>	Monthly: <i>Monthly Labor Review</i> ; <i>Survey of Current Business</i>  Annual: <i>Economic Report of the President</i>	Monthly: <i>Monthly Labor Review</i> ; <i>Survey of Current Business</i>  Annual: <i>Economic Report of the President</i> ; <i>Handbook of Labor Statistics</i>
<b>Produced By</b>	Bureau of Economic Analysis, U.S. Department of Commerce	U.S. Bureau of Labor Statistics	U.S. Bureau of Labor Statistics
<b>When to Use</b>	When interested in the general economy or in purchases by governments and other entities (other than individuals)	When interested in the purchases and purchasing power of individuals and households	When interested in manufacturing input and outputs; also used as an indicator of future changes in the economy
<b>Available Subindexes</b>	Personal consumption expenditures, gross private fixed investment, exports and imports, and government consumption expenditures and gross investment	Food, housing, transportation, clothing, medical care, entertainment, and other goods and services	Industrial classifications (NAIC codes), commodity classes, and stage of processing groups
<b>Statutory Citation</b>	“ <i>Chain-weighted price index for gross domestic product</i> ” (general economy) or “ <i>implicit price deflator for state and local government consumption expenditures and investment</i> ,” (government) as prepared by the U.S. Department of Commerce	“ <i>Consumer price index for urban consumers</i> ,” as prepared by the U.S. Bureau of Labor Statistics	“ <i>Producer price index (for finished goods)</i> ,” as prepared by the U.S. Bureau of Labor Statistics
<b>Web Address</b>	<b>GDP:</b> <a href="http://www.bea.gov/national/index.htm">http://www.bea.gov/national/index.htm</a> <b>CPI (all three indexes):</b> <a href="http://www.bls.gov/data/">http://www.bls.gov/data/</a> <b>PPI:</b> <a href="http://www.bls.gov/ppi/">http://www.bls.gov/ppi/</a>		

## Appendix: Examples of Minnesota Statutes that Reference a Specific Price Index

This appendix lists examples from Minnesota Statutes that refer to a price index.

Section	Chapter	Description
<b>Implicit Price Deflator</b>		
Primarily used in statute to adjust specific dollar amounts and interest and tax rates that also appear in statute		
<a href="#">Section 47.59</a> Financial Institution Credit Extension Maximum Rates	<a href="#">Chapter 47</a> Financial Corporations	Used to adjust dollar amounts of refund exceptions related to allowable finance charges
<a href="#">Section 116J.994</a> Regulating Local and State Business Subsidies	<a href="#">Chapter 116J</a> Employment and Economic Development	Sets minimum interest rate for repayment of business subsidy for failure to meet specified goals
<a href="#">Section 275.025</a> State General Tax	<a href="#">Chapter 275</a> Taxes; Levy, Extension	Used in calculating levy base increases in the state general levy on commercial-industrial property and seasonal residential recreational property
<a href="#">Section 275.065</a> Proposed Property Taxes; Notice	<a href="#">Chapter 275</a> Taxes; Levy, Extension	Impact of inflation measured by IPD permitted as supplemental information provided with the statement of proposed property taxes
<a href="#">Section 275.70</a> Levy Limitations; Definitions	<a href="#">Chapter 275</a> Taxes; Levy, Extension	Defines IPD for the state regulation of levies
<a href="#">Section 298.24</a> Tax on Taconite and Iron Sulphides	<a href="#">Chapter 298</a> Minerals Taxes	Used for annual adjustment to tax on iron ore concentrates
<a href="#">Section 298.28</a> Division and Distribution of Proceeds	<a href="#">Chapter 298</a> Minerals Taxes	Used to adjust annual distribution of taxes comparable to the adjustment for taxes
<a href="#">Section 367.36</a> Clerk, Treasurer Combined; Audit Standards	<a href="#">Chapter 367</a> Town Officers	Adjusts the revenue amount that triggers a financial audit of certain towns
<a href="#">Section 412.591</a> Duties of Clerk and Treasurer; May Be Combined	<a href="#">Chapter 412</a> Statutory Cities	Adjusts the revenue amount that triggers a financial audit of certain cities
<a href="#">Section 471.697</a> Financial Reports; Filing; Cities, Towns of 2,500	<a href="#">Chapter 471</a> Municipal Rights, Powers, Duties	Used to adjust the qualifying amount of revenue, which is one of the factors that triggers certain financial reporting requirement for cities

<b>Section</b>	<b>Chapter</b>	<b>Description</b>
<a href="#">Section 473.167</a> Highway Projects	<a href="#">Chapter 473</a> Metropolitan Government	Used to adjust an optional tax by the Met Council imposed for loans to local governments for certain transportation-related purposes
<a href="#">Section 477A.011</a> Definitions	<a href="#">Chapter 477A</a> Local Government Aid	Uses a ratio of price deflators for two years to adjust need-based aid
<a href="#">Section 550.37</a> Property Exempt	<a href="#">Chapter 550</a> Executions, Redemption, Exemptions	Used to adjust specified dollar amounts for property exempt from garnishment, attachment, or sale specified in a court order
<p><b>Producer Price Index</b></p> <p>Referenced infrequently in Minnesota Statutes</p>		
<a href="#">Section 93.20</a> Rentals, Royalties, Form of Lease	<a href="#">Chapter 93</a> Mineral Lands	Used to increase royalties in leases for iron ore mining
<p><b>Consumer Price Index</b></p> <p>Most commonly used in statute to adjust payment amounts, tax and interest rates, and maximum values for various regulatory and benefit programs</p>		
<a href="#">Section 10A.255</a> Adjustment by Consumer Price Index	<a href="#">Chapter 10A</a> Campaign Finance and Public Disclosure	CPI-U is used to adjust voluntary spending limits in a general election
<a href="#">Section 11A.18</a> Minnesota Postretirement Investment Fund	<a href="#">Chapter 11A</a> Investment of State and Pension Assets	CPI-U annual increase up to a statutory limit is certified by the state board of investment to adjust postretirement benefits
<a href="#">Section 41B.03</a> Borrower Eligibility Criteria	<a href="#">Chapter 41B</a> Rural Finance Authority	All-items CPI is used to adjust qualifying net worth for borrowers through various RFA loan programs and agricultural loan programs
<a href="#">Section 41C.02</a> Definitions	<a href="#">Chapter 41C</a> Agricultural Development	
<a href="#">Section 43A.17</a> Salary Limits, Rates, Ranges, and Exceptions	<a href="#">Chapter 43A</a> State Personnel Management	Compensation limits of local government employees adjusted annually for CPI-U increases
<a href="#">Section 60A.201</a> Placement of Insurance by Licensee	<a href="#">Chapter 60A</a> General Insurance Powers	CPI for Minneapolis-St. Paul used to annually adjust maximum value of owner occupied dwellings for coverage presumed to be offered by insurance companies
<a href="#">Section 60A.235</a> Standards for Determining Whether Contracts Are Health Plan Contracts or Stop Loss Contracts	<a href="#">Chapter 60A</a> General Insurance Powers	CPI used to adjust dollar amounts specified for certain types of insurance policies

<b>Section</b>	<b>Chapter</b>	<b>Description</b>
<a href="#">Section 62J.04</a> Monitoring the Rate of Growth of Health Care Spending	<a href="#">Chapter 62J</a> Health Care Cost Containment	Regional CPI-U and projected CPI-U used to adjust goals for health care cost containment
<a href="#">Section 62S.23</a> Requirement to Offer Inflation Protection	<a href="#">Chapter 62S</a> Qualified Long-term Care Insurance Policies	CPI-U specified as an optional measure of inflation protection in long-term care policies
<a href="#">Section 65B.49</a> Insurers	<a href="#">Chapter 65B</a> Automobile Insurance	CPI-U used to adjust certain dollar amounts specified for insurance coverage for rental cars
<a href="#">Section 82A.14</a> Unfair Practices	<a href="#">Chapter 82A</a> Membership Camping Practices	CPI indexes may be used to increase membership dues for camping
<a href="#">Section 116.07</a> Powers and Duties	<a href="#">Chapter 116</a> Pollution Control Agency	CPI used to set annual increases in a fee for certain facilities permitted under the federal Clean Air Act
<a href="#">Section 126C.17</a> Referendum Revenue	<a href="#">Chapter 126C</a> Education Funding	CPI-U used to calculate annual inflationary increases for referendum revenue limits for school districts
<a href="#">Section 144.292</a> Patient Rights	<a href="#">Chapter 144</a> Department of Health	Minneapolis-St. Paul CPI-U used to increase certain costs of obtaining patient records from a provider
<a href="#">Section 144E.41</a> Program Eligibility; Qualified Ambulance Service Personnel	<a href="#">Chapter 144E</a> Emergency Medical Services Regulatory Board	CPI, all items, for urban wage earners and clerical workers used to adjust the salary limit for volunteer ambulance drivers
<a href="#">Section 161.081</a> Highway User Tax, Distribution, Investment	<a href="#">Chapter 161</a> Trunk Highways	CPI-U used to adjust one of the factors in calculating excess sum in the flexible highway account
<a href="#">Section 162.07</a> Apportionment of Money to Counties	<a href="#">Chapter 162</a> State-aid Road Systems	CPI-U used to adjust a factor in the apportionment and distribution of certain transportation funds to counties
<a href="#">Section 252.32</a> Family Support Program	<a href="#">Chapter 252</a> Services for Persons with Developmental Disabilities	CPI-U used to adjust the income ceiling for eligibility for family support grants
<a href="#">Section 252.46</a> Payment Rates	<a href="#">Chapter 252</a> Services for Persons with Developmental Disabilities	CPI-U used to annually adjust maximum rates paid to certain vendors
<a href="#">Section 256.969</a> Payment Rates	<a href="#">Chapter 256</a> Human Services	The forecasted change in the CPI-U equals the hospital index which may be used to adjust rates
<a href="#">Section 256B.056</a> Eligibility Requirements for Medical Assistance	<a href="#">Chapter 256B</a> Medical Assistance for Needy Persons	CPI-U used to adjust maximum home equity for determining eligibility for certain Medical Assistance payments

<b>Section</b>	<b>Chapter</b>	<b>Description</b>
<a href="#">Section 256B.058</a> Treatment of Income of Institutionalized Spouse	<a href="#">Chapter 256B</a> Medical Assistance for Needy Persons	Percentage increase in the CPI-U used to adjust federal poverty guidelines used to establish maintenance income
<a href="#">Section 256B.434</a> Alternative Payment Demonstration Project	<a href="#">Chapter 256B</a> Medical Assistance for Needy Persons	CPI-U specified as the inflation adjustment for certain rates at a nursing facility
<a href="#">Section 256B.501</a> Rates for Community-based Services for Disabled	<a href="#">Chapter 256B</a> Medical Assistance for Needy Persons	Commissioner of human services directed to consider the forecasted CPI-U in setting cost limits for intermediate care facilities
<a href="#">Section 273.11</a> Valuation of Property	<a href="#">Chapter 273</a> Taxes; Listing, Assessment	CPI-U for Minneapolis-St. Paul used as a factor to adjust property values for limited equity cooperatives
<a href="#">Section 299A.44</a> Death Benefit	<a href="#">Chapter 299A</a> Department of Public Safety	CPI-U used to annually adjust death benefit payments for a public safety officer killed in the line of duty
<a href="#">Section 353B.12</a> Postretirement Benefit Adjustments	<a href="#">Chapter 353B</a> Local Relief Association Benefit Plans	Change in the CPI-U used to adjust certain postretirement benefits
<a href="#">Section 383A.20</a> Government Administration	<a href="#">Chapter 383A</a> Ramsey County	CPI-U for Minneapolis, if published or other city if not, used to adjust certain postretirement insurance costs
<a href="#">Section 473.254</a> Local Housing Incentives Account	<a href="#">Chapter 473</a> Metropolitan Government	CPI-U used as a factor in adjusting the market value base for the affordable life cycle housing program in the metropolitan area
<a href="#">Section 473.446</a> Transit Tax Levies	<a href="#">Chapter 473</a> Metropolitan Government	Changes in the CPI-U considered in establishing the transit tax levies of the metropolitan council
<a href="#">Section 518.68</a> Required Notices	<a href="#">Chapter 518</a> Marriage Dissolution	CPI is basis for biennial adjustment of court-ordered maintenance and child support

*For more information about economics, visit the demographics and economics area of our web site, [www.house.mn/hrd/hrd.htm](http://www.house.mn/hrd/hrd.htm).*