



Inflation Factors

This “*Transportation Costs*” report is one of a series of reports issued by the Office of Policy Planning. It provides information on inflation factors and other indices that may be used to convert Present Day Costs (PDC) to Year Of Expenditure costs (YOE) or vice versa. This report is updated annually when the factors are posted within the FDOT Work Program Instructions.

Please note that the methodology for Inflationary adjustments relating to specific transportation projects should be addressed with the district office where the project will be located. For general use or non-specific areas, the guidelines provided herein may be used for inflationary adjustments.

Construction Cost Inflation Factors

The table on the next page includes the inflation factors and present day cost (PDC) multipliers that are applied to the Department’s Work Program for highway construction costs expressed in Fiscal Year 2017 dollars.

Other Transportation Cost Inflation Factors

Other indices may be used to adjust project costs for other transportation modes or non-construction components of costs. Examples are as follows:

The Consumer Price Index (CPI, also retail price index) is a weighted average of prices of a specified set of products and services purchased by wage earners in urban areas. As such, it provides one measure of inflation. The CPI is a fixed quantity price index and a reasonable cost-of-living index.

The Employment Cost Index (ECI) is based on the National Compensation Survey. It measures quarterly changes in compensation costs, which include wages, salaries, and other employer costs for civilian workers (nonfarm private industry and state and local government).

The monthly series, Producer Price Index for Other Non-residential Construction, is available from the Bureau of Labor Statistics (BLS). It is not exclusively a highway construction index, but it is the best available national estimate of changes in highway costs from month to month.



FLORIDA DEPARTMENT OF TRANSPORTATION

TRANSPORTATION COSTS REPORTS

Work Program Highway Construction Cost Inflation Factors

Fiscal Year	Inflation Factor	PDC Multiplier
2017	Base	1.000
2018	2.7%	1.027
2019	2.8%	1.056
2020	2.6%	1.083
2021	2.5%	1.110
2022	2.7%	1.140
2023	2.8%	1.172
2024	2.9%	1.206
2025	3.0%	1.242
2026	3.1%	1.281
2027	3.2%	1.322
2028	3.3%	1.365
2029	3.3%	1.410
2030	3.3%	1.457
2031	3.3%	1.505
2032	3.3%	1.555
2033	3.3%	1.606
2034	3.3%	1.659
2035	3.3%	1.714
2036	3.3%	1.770
2037	3.3%	1.829

Source: Office of Work Program and Budget,
(Fiscal Year 2017 is July 1, 2016 to June 30, 2017)

Advisory Inflation Factors For Previous Years

Another “*Transportation Costs*” report covers highway construction cost inflation for previous years. “*Advisory Inflation Factors For Previous Years (1987-2015)*” provides Present Day Cost (PDC) multipliers that enable project cost estimates from previous years to be updated to FY 2015. This report is updated about once a year. For the table and text providing this information, please go to <http://www.dot.state.fl.us/planning/policy/costs/RetroCostInflation.pdf>.