

## The 'Inflation Factor' – 2022 over 2021 for Landfill Financial Assistance Cost Estimates

**Ref.** Iowa Admin. Code [567] sub-sections (3)&(4) in each of sections 113.14, 115.31, 114.31 & 103.3

**Every** Annual Financial Assurance Report must UPDATE Closure &/or Postclosure Cost Estimates, **IN CURRENT DOLLARS**, certified by an Iowa-licensed professional engineer, and–

- for Closure MUST be as much as when Cost Estimates would be the MOST expensive, and for Postclosure MUST be based on the MOST expensive costs during the entire Postclosure period;
- AND MUST be accurate and reasonable as compared to other similar Landfills in Iowa;
- AND MUST be increased IF the MAXIMUM costs of Closure &/or Postclosure care increase.

IF no other re-assessment/computations are done\*\*, Closure &/or Postclosure Cost Estimates HAVE TO **AT LEAST** BE adjusted for annual inflation By **multiplying** last year's Cost Estimates **times** the Inflation Factor.

As of January 26, 2023, the Inflation Factor for this year's Financial Assurance Reports is  
**1.063**

**as Derived from Gross Domestic Product statistics, using the formula:**

Implicit Price Deflator of most recent quarter	= <b>Inflation Factor</b>
$\div$ Implicit Price Deflator of previous year's same corresponding quarter	

Find the Implicit Price Deflators for GROSS DOMESTIC PRODUCT at this website of the U.S. Dept. of Commerce, Bureau of Economic Analysis (BEA):

<https://apps.bea.gov/iTable/?reqid=19&step=3&isuri=1&1921=survey&1903=13>

**So it is then that:**

$$\frac{2022 \text{ 4}^{\text{th}} \text{ quarter implicit price deflator}}{2021 \text{ 4}^{\text{th}} \text{ quarter implicit price deflator}} = \text{Inflation Factor}$$

<b>129.381</b>	= <b>1.063</b>
<b>121.708</b>	

*as An Example*, ---with No other re-assessment/re-computations being made...

**IF, Last Year's combined Closure/Postclosure Cost Estimates = \$2,000,000**

**Applying this year's Inflation Factor then means:**

**$\$2,000,000 \times 1.063 = \$2,126,088.60$**

*i.e. This Year's updated combined Closure/Postclosure Cost Estimates adjusted for inflation.*

Source of the Implicit Price Deflators for **GROSS DOMESTIC PRODUCT**:

U.S. Department of Commerce  
Bureau of Economic Analysis (BEA)  
4600 Silver Hill Road  
Washington, DC 20233  
Ph. (301) 278-9004

Link for an e-mail: [Submit a Customer Service Request](#)

\*\* **IF** Closure &/or Postclosure Cost Estimates **are** re-assessed and re-computed and yet found to be effectively the same as last year, **then** a statement to that effect has to be included with the Financial Assurance Report materials.