



State of Oregon
Department of
Environmental
Quality

State of Oregon Department of Environmental Quality

Financial Assurance Update for 2024: How to Adjust Cost Estimates for Inflation

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Summary

This memo provides information for permitted facilities on how to incorporate inflation into financial assurance cost estimates. Facilities must provide annual updates of cost estimates to DEQ.

Cost adjustment options

Permittees required to maintain financial assurance for estimated closure, post-closure care, and (if required) corrective action costs, are required to adjust their cost estimates annually for inflation.

Reference: [OAR 340-094-0140\(6\)\(e\)\(A\)\(i\)](#) and [OAR 340-095-0090\(6\)\(d\)\(A\)\(i\)](#)

There are two options permittees may use to adjust their cost estimates for inflation:

- **Option 1:** Have a State of Oregon Registered Professional Engineer recalculate the cost estimates in current year dollars each year (this must be used in certain situations); or
- **Option 2:** Use the method described in this memo. DEQ developed this method based on data from the [U.S. Bureau of Economic Analysis](#).

Please note, option 1 listed above must be used in the following situations:

- The scope of work, design, or facility conditions have changed resulting in an increase or decrease in the estimated maximum costs of closure, post-closure care, or (if required) corrective action since the previous review. Examples include (but are not limited to) the installation or removal of monitoring wells, the expansion of a surface impoundment, a stormwater or leachate collection system design change, or a change in final cover design. Reference: [OAR 340-094-0140\(6\)\(e\)\(A\)\(ii\)](#) and [OAR 340-095-0090\(6\)\(d\)\(A\)\(ii\)](#)
- For Municipal Solid Waste Landfills, if the permittee chooses to discount their financial assurance cost estimates. Reference: [OAR 340-094-0140\(6\)\(d\)\(B\)](#)

Calculation instructions

Refer to the table to calculate an inflation adjustment. In the “Value” column, look up the GDP implicit price deflator value for the **current** year and quarter for which you are making the calculation. Divide that by the price deflator value for the year and quarter of the original estimate. Multiply that amount by the **original** cost estimate. The result represents the original cost estimate inflation-adjusted to current dollars.

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Example

A closure-cost estimate completed in September of 2018 was \$3,000,000. The scope of work, design, and facility conditions have NOT changed since the original cost estimate.

The inflation-adjusted cost for Oct 2024 (Q-IV) is calculated as follows:

Implicit price deflator value for 2024 Q-IV = 129.488

Implicit price deflator value for 2018 Q-III = 102.577

Inflation-adjusted cost estimate in current dollars =

$$\$3,000,000 \times \frac{129.488}{102.577} = \$3,787,059$$

How to submit the update

Submit the updated cost estimates to the DEQ office identified in your solid waste disposal site permit. Please include a copy of this memo and a copy of the original cost estimates with the submittal.

Type	Year	Quarter	Value	Q to Q Rate Annualized
	2014	I	95.788	
	2014	II	96.330	2.28%
	2014	III	96.726	1.65%
	2014	IV	96.822	0.40%
	2015	I	96.769	-0.22%
	2015	II	97.325	2.32%
	2015	III	97.583	1.06%
	2015	IV	97.581	-0.01%
	2016	I	97.496	-0.35%
	2016	II	98.159	2.75%
	2016	III	98.410	1.03%
	2016	IV	98.886	1.95%
	2017	I	99.390	2.05%
	2017	II	99.650	1.05%
	2017	III	100.162	2.07%
	2017	IV	100.778	2.48%
	2018	I	101.419	2.57%
	2018	II	102.136	2.86%
	2018	III	102.577	1.74%
	2018	IV	103.019	1.73%
	2019	I	103.375	1.39%
	2019	II	103.888	2.00%
	2019	III	104.211	1.25%
	2019	IV	104.541	1.27%
	2020	I	105.037	1.91%
	2020	II	104.614	-1.60%
	2020	III	105.538	3.58%
	2020	IV	106.275	2.82%
	2021	I	107.668	5.35%
	2021	II	109.305	6.22%
	2021	III	110.920	6.04%
	2021	IV	112.848	7.14%
	2022	I	115.135	8.36%
	2022	II	117.671	9.11%
	2022	III	118.962	4.46%
	2022	IV	120.093	3.86%
	2023	I	121.261	3.95%
	2023	II	121.766	1.68%
	2023	III	122.762	3.31%
	2023	IV	123.226	1.52%
Projection	2024	I	124.763	5.08%
	2024	II	126.318	5.08%
	2024	III	127.894	5.08%
	2024	IV	129.488	5.08%
	2025	I	131.103	5.08%

2024-25 DEQ Guidance Inflation Rate

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