

Guidelines for use of OMB Inflators in Planning Construction of NSF Large Facility Projects

In agreement with OMB, NSF has identified inflation factors for large facility projects for both the construction/acquisition phase and the operations phase. OMB periodically provides this information to NSF, on an approximately semi-annual basis.

How to use the OMB Economic Assumptions file:

For the purposes of calculating out-year figures for construction/acquisition and for operations costs for large facility projects, NSF will use figures from the latest (currently February 2010) OMB Economic Assumptions spreadsheet, which includes the following information:

1. GDP Price Index (Chain-type Weights);
2. Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W);
3. State and Local Expenditure Index;
4. Federal Non-Defense Non-Pay Expenditure Deflator;
5. Federal Non-Defense Non-Residential Structure Construction deflator; and the
6. Private Construction Non-Residential Structures deflator.

For United States Antarctic Program (USAP) construction/acquisition projects, NSF will use the Federal Non-defense, Non-residential Structure Construction factors to calculate out-years.

For all other large facility construction/acquisition projects, NSF will use the Private Construction Non-Residential Structures factors to inflate out years.

For operations out-years, NSF will use the CPI-W factors.

Projects proposed to NSF may employ alternate deflator factors, but must provide a rationale in doing so. NSF, as part of the proposal review and evaluation process, will scrutinize the validity of the rationale. These factors must be separately identified, and then-year expenditures must be presented in the proposal as the product of reference year dollars multiplied by the factors so that the sensitivity of the proposed budget to the factors used is readily apparent.

The latest (February 2010) OMB Economic Assumptions are shown on Page 2 of this document.

ALTERNATIVE PRICE MEASURES
FISCAL YEAR OVER FISCAL YEAR PERCENT CHANGE

Fiscal Year	GDP Price Index (Chain-type Weights) (1)	CPI-W (2)	State and Local Expenditure Index (3)	Federal Non-Defense Non-Pay Expenditure Index (3)	Federal Non-Defense Non-Resid. Structure Construction (4)	Private Construction Non-Resid. Structures (3)
2009	1.5	-0.8	0.2	0.8	2.8	0.8
2010	0.9	2.2	1.7	0.7	-0.8	-1.8
2011	1.1	1.4	2.6	0.8	2.4	3.1
2012	1.6	1.9	3.0	1.3	2.8	3.6
2013	1.7	2.0	3.2	1.4	3.0	3.7
2014	1.7	2.0	3.2	1.4	3.0	3.7
2015	1.7	2.0	3.2	1.4	3.0	3.7
2016	1.7	2.0	3.2	1.4	3.0	3.7
2017	1.8	2.1	3.3	1.5	3.1	3.8
2018	1.8	2.1	3.3	1.5	3.1	3.8
2019	1.8	2.1	3.3	1.5	3.1	3.8
2020	1.8	2.1	3.3	1.5	3.1	3.8

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1. The Budget Enforcement Act of 1997 required the use of the GDP chain-type price index for adjustment of the nonpay portion of discretionary accounts for baseline (current services) estimates. The estimates for this purpose are shown on p. 3 of this package.
 2. Consumer Price Index for Urban Wage Earners and Clerical Workers.
 3. Price index consistent with the 2005 chained-dollar basis. The State and local price index is for "consumption expenditures and gross investment."
 4. Price index consistent with the 2005 chained-dollar basis. This price index may be used to adjust costs associated with renovation of Federal office buildings, including the Pentagon renovation project.