

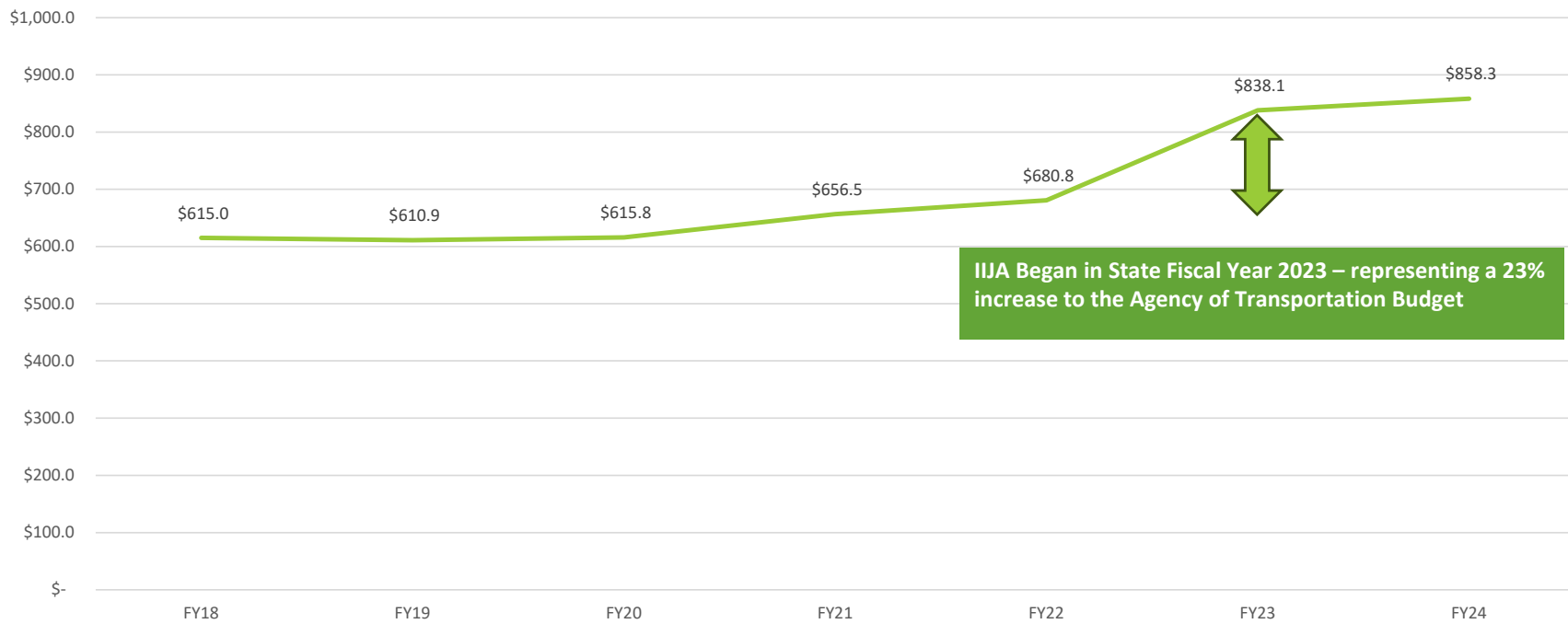
Inflation Impacts on Construction Projects

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VERMONT AGENCY OF TRANSPORTATION

Seven-year AOT Budget – IIJA Impact



Regional Capital Spending – IIJA Impact

- The Northeast received a greater share of the public-sector infrastructure spending per capita – spurring higher competition for the same construction labor and material resources.

Table 1: Appropriations from the Infrastructure Investment and Jobs Act of 2021

New England states, selected categories

	Roads	Bridges	Drinking Water and Wastewater Systems	Combined Per Capita Appropriations
US	\$271.7 B	\$26 B	\$40.6 B	\$1,287
NE	\$13 B	\$2.6 B	\$3.1 B	\$1,626
CT	\$3.5 B	\$561 M	\$445 M	\$1,675
ME	\$1.3 B	\$225 M	\$390 M	\$1,736
MA	\$4.2 B	\$1.1 B	\$1.1 B	\$1,327
NH	\$1.1 B	\$225 M	\$418 M	\$1,487
RI	\$1.5 B	\$242 M	\$378 M	\$2,345
VT	\$1.4 B	\$225 M	\$355 M	\$3,458

Source(s): "White House Releases Updated State Fact Sheets Highlighting the Impact of the Infrastructure Investment and Jobs Act Nationwide," White House Statements and Releases, August 4, 2021.

Note(s): Selected category values represent formula-based funds over five years. Values may be greater depending on the outcomes of additional competitive funding opportunities that are part of the IIJA.

National Highway Construction Cost Index

54% increase
4th QTR '20 to
1st QTR '23

<https://www.fhwa.dot.gov/policy/otps/nhcci/>

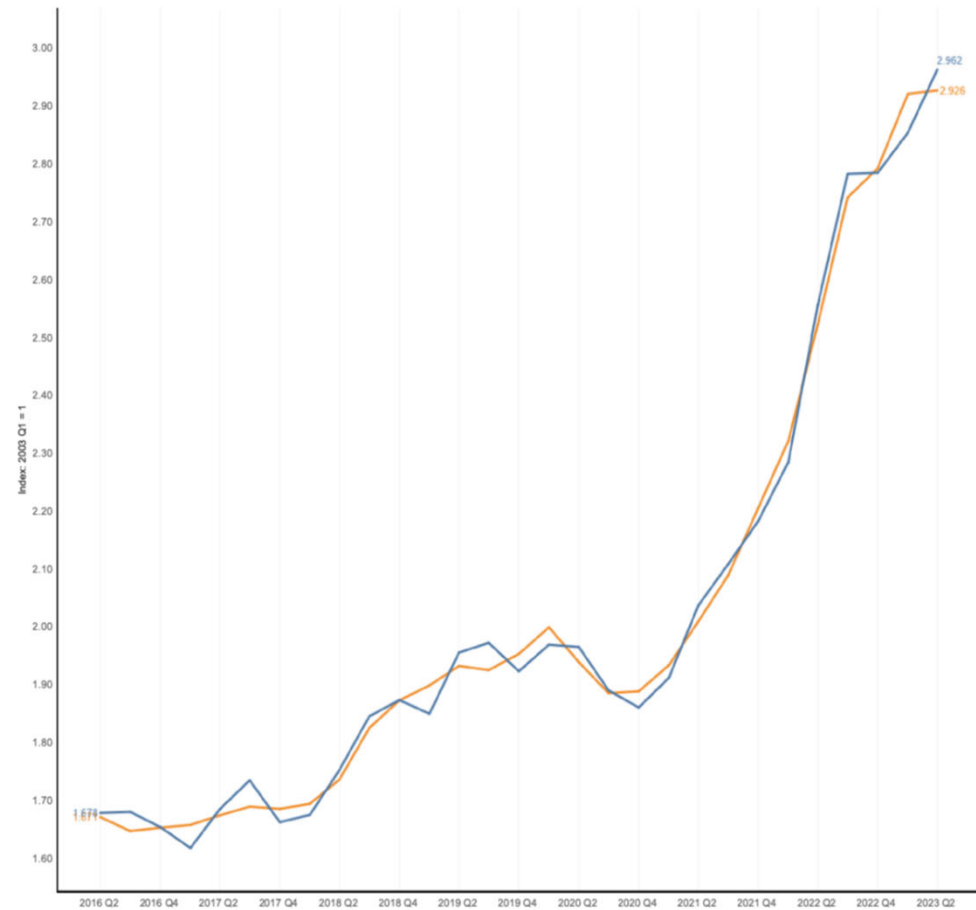
Federal Highway Administration

Select Year and Quarter:

2016 Q1 2023 Q2

Select Series:

NHCCI
 Seasonally Adjusted NHCCI



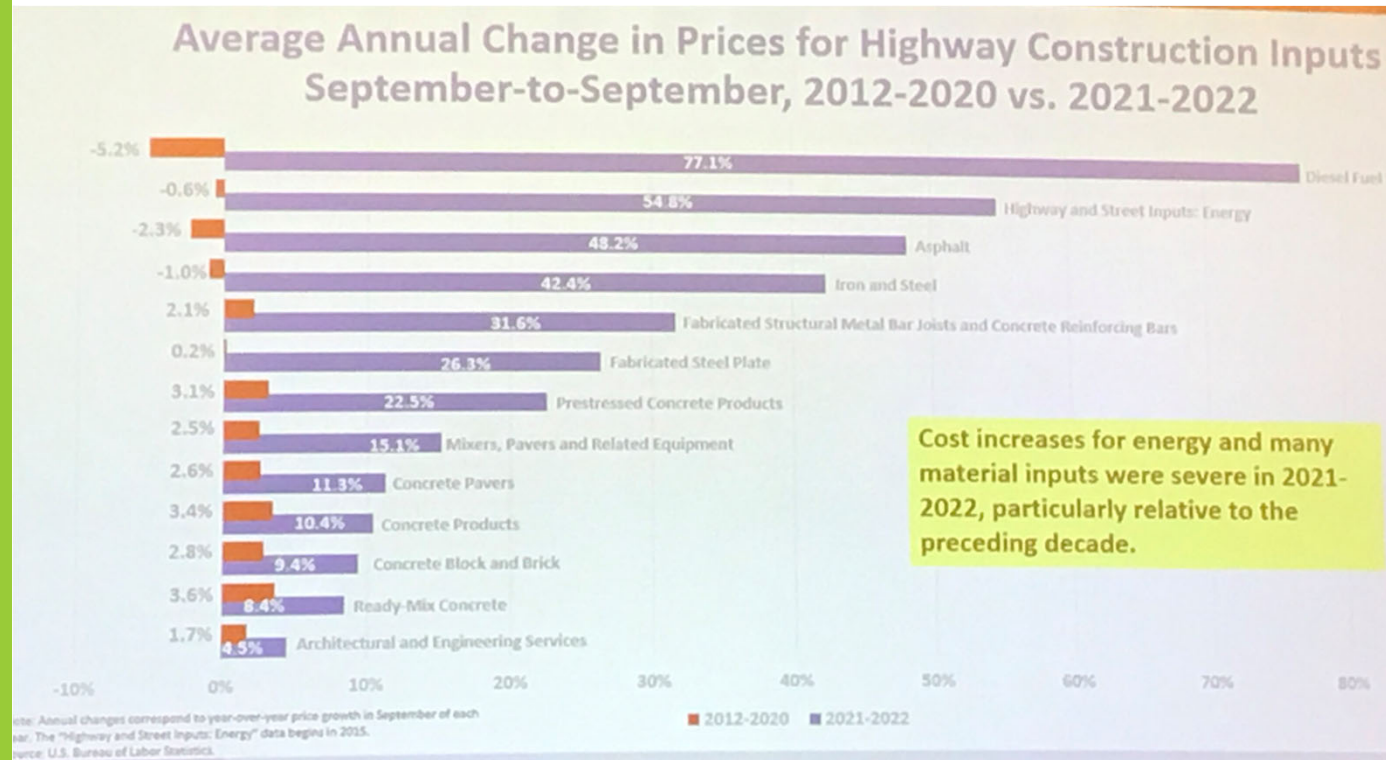
Average prices 2012-20 compared to 2021-2022

Asphalt -2.3% vs 48.2%

Iron and Steel -1.0% vs 42.4%

Concrete products 2.6% vs 10.4%

Courtesy of ARTBA

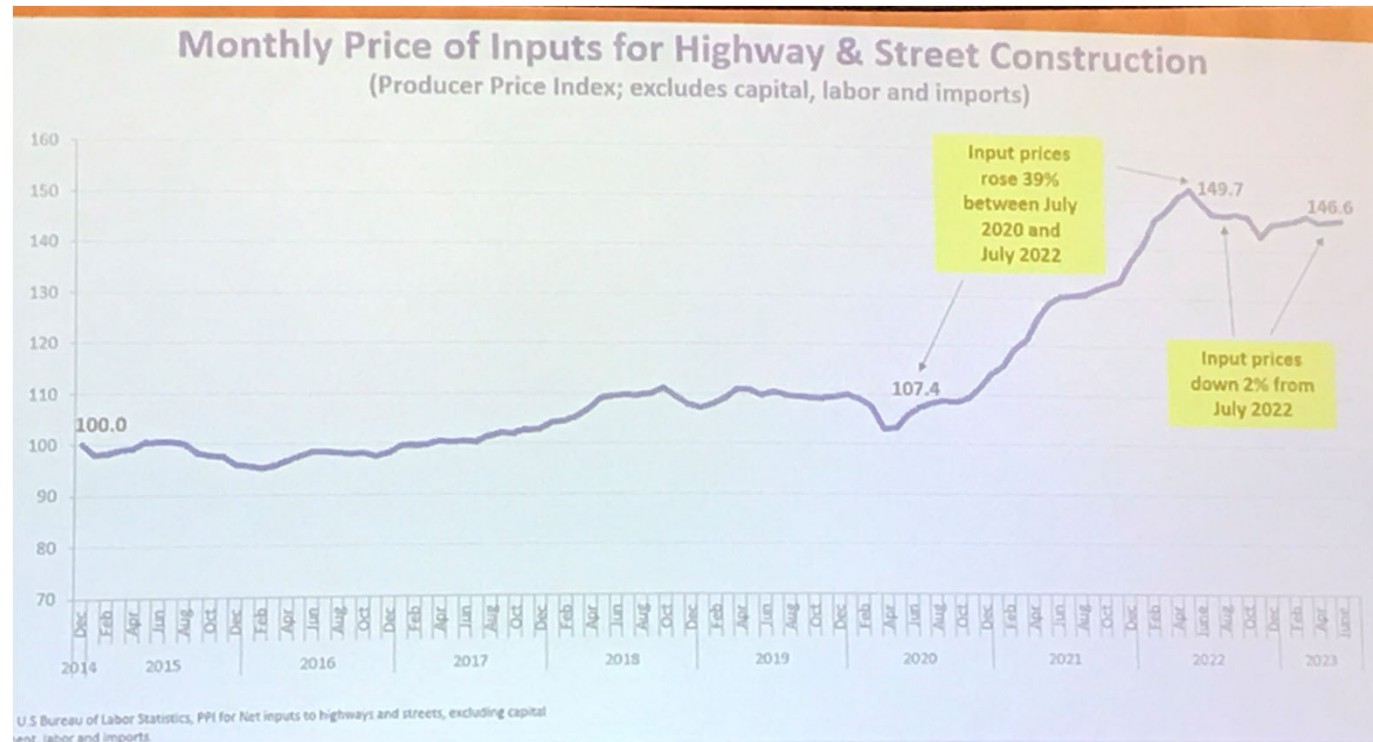


Combined Inputs

7.4% increase from Dec '14 to July '20

Roughly 40% increase from July '20 to July '22

Courtesy of ARTBA



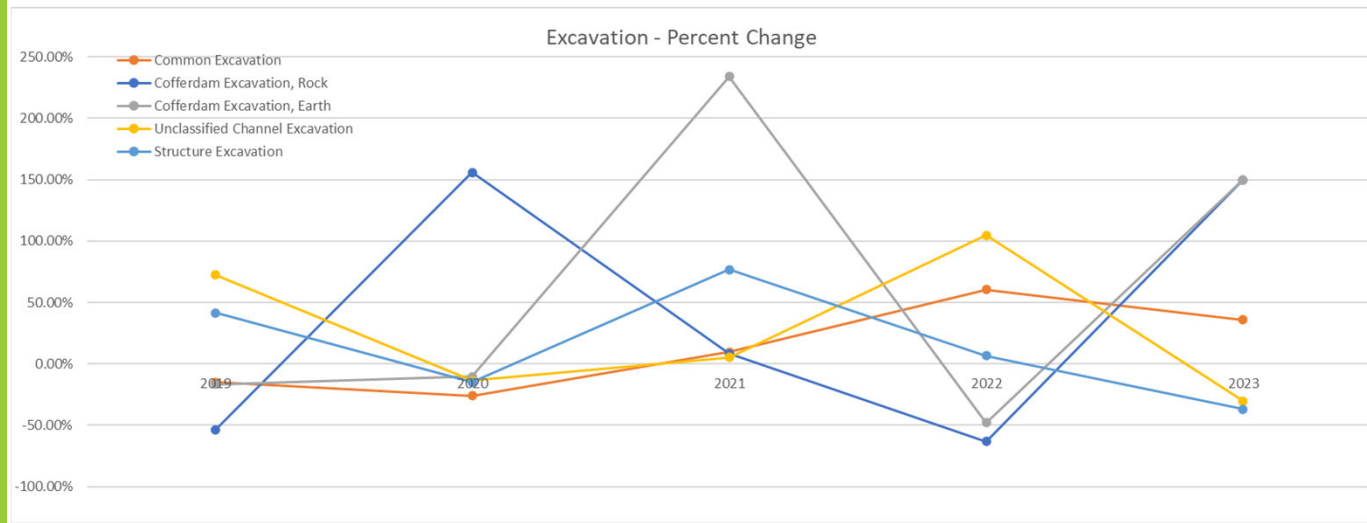
Excavation Pricing

Common Excavation

36% increase in price 2018 -2023

2018-2020 vs 2021 -2023

119% increase in Standard Deviation



Traffic Signs

Traffic Signs Type A

66% increase in price from 2018 -2023

2018-2020 vs 2021 -2023

406% increase in Standard Deviation



Line Striping

4 inch White Line

43% increase in price 2018 -2023

2018-2020 vs 2021 -2023

25% decrease in Standard Deviation



Paving

Superpave

4% decrease in price from 2018 - 2023

2018-2020 vs 2021 -2023

17% decrease in Standard Deviation



Commodity Adjustments

Price Adjustment Asphalt:

2019 = \$ 963,962.42

2020 = \$1,485,401.94

2021 = \$ 77,907.85

2022 = \$4,777,892.75

2023 = \$2,838,025.26

Price Adjustment Fuel:

2019 = \$ 204,229.97

2020 = \$ (112,203.12)

2021 = \$ (471,705.52)

2022 = \$2,037,235.03

2023 = \$ 852,965.82



Calendar Year	CPI	Change from Previous Year	Inflate 2021 dollars by:	Inflate 2022 dollars by:	Inflate 2023 dollars by:	Inflate 2024 dollars by:
2021	258.8					
2022	279.8	8.1%	8.1%			
2023	294.1	5.1%	13.6%	5.1%		
2024	303.5	3.2%	17.3%	8.5%	3.2%	
2025	311.1	2.5%	20.2%	11.2%	5.8%	2.5%
2026	318.5	2.4%	23.1%	13.8%	8.3%	4.9%
2027	326.2	2.4%	26.0%	16.6%	10.9%	7.5%
2028	334.0	2.4%	29.1%	19.4%	13.6%	10.1%
2029	342.0	2.4%	32.2%	22.2%	16.3%	12.7%
2030	350.3	2.4%	35.3%	25.2%	19.1%	15.4%
2031	358.7	2.4%	38.6%	28.2%	22.0%	18.2%
2032	367.3	2.4%	41.9%	31.3%	24.9%	21.0%