



OPERATIONAL SERVICES DIVISION

Gary J. Lambert
Assistant Secretary for Operational Services

THE COMMONWEALTH OF MASSACHUSETTS
Executive Office for Administration and Finance
OPERATIONAL SERVICES DIVISION
One Ashburton Place, Suite 1017
Boston, MA 02108-1552

Charles D. Baker
Governor

Karyn E. Polito
Lieutenant Governor

Michael J. Heffernan
Secretary

To: Michael J Heffernan, Secretary
Executive Office for Administration and Finance

Commonwealth Superintendents

From: Gary J. Lambert, Assistant Secretary for Operational Services
Operational Services Division

Date: September 25, 2017

Re: Estimated Rate of Inflation for Fiscal Year 2019

The Operational Services Division is required by M.G.L. Chapter 7, Section 22N, to submit an "estimated rate of inflation for social service programs" to the Secretary of the Executive Office for Administration and Finance by October 1st of each year for consideration in preparation of the Governor's annual budget recommendation.

The Operational Services Division is also required by the above statute to notify Commonwealth Superintendents of this estimated rate of inflation for their use in planning for increases to Approved Private Special Education programs.

Attached is the Operational Services Division's analysis which results in an estimated rate of inflation of 2.33% for Fiscal Year 2019.

Please note increases in Bureau Labor Statistics reports that contributed to the increase of CIF this year.

- Consumer Price Index reported a 2.2 % increase over the last 12 months period ending in June 2017. The increase was largely due to higher prices with all items.
- Employment Cost Index reported compensation costs for state and local government works increased 2.4% in the past 12 month period ending in June 2017.
- The cost of benefits increased 2.2% for the 12 month period ending in June 2017

Should you or your staff require further information regarding the estimated rate of inflation, please contact Jacqueline Brown at (617) 720-3371.

cc: Martha Walsh, Assistant Secretary for Administration, Executive Office for Administration and Finance
Catharine Hornby, Assistant Secretary for the Budget and Fiscal Operations, Executive Office for Administration and Finance

