



Gary J. Lambert
Assistant Secretary for Operational Services

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 27, 2021

Re: Estimated Rate of Inflation for Fiscal Year 2023

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 2.54% for Fiscal Year 2023.

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

cc: Brendan Moss, Chief of Staff, Executive Office for Administration and Finance
Catharine Hornby, Undersecretary, Executive Office for Administration and Finance
Bran Shim, Assistant Secretary for the Budget and Fiscal Operations, Executive Office for Administration and Finance



**EXECUTIVE OFFICE FOR ADMINISTRATION AND FINANCE
OPERATIONAL SERVICES DIVISION
ESTIMATED RATE OF INFLATION - FISCAL YEAR 2023**

OPERATIONAL SERVICES DIVISION

October 1, 2021

COMPONENT	PERCENTAGE OF TOTAL EXPENSES	FACTOR	SOURCE	REFERENCE	ADJUSTED PERCENTAGE
PERSONNEL	49.06%	1.029	ECI	NORTHEAST	50.48%
PAYROLL TAX	4.46%	1.029	ECI	SERVICE OCCUPATIONS	4.59%
FRINGE BENEFITS	6.63%	1.029	ECI	SERVICE OCCUPATIONS	6.82%
OCCUPANCY	6.42%	1.019	CPI	BOSTON	6.54%
DIRECT CARE CONSULTANT	1.67%	1.029	ECI	NORTHEAST	1.72%
TEMPORARY HELP	0.14%	1.029	ECI	NORTHEAST	0.15%
CLIENTS & CAREGIVERS REIM.	4.19%	1.000	Note 1		4.19%
SUBCONTRACTED DIRECT CARE	7.87%	1.029	ECI	NORTHEAST	8.10%
STAFF TRAINING	0.18%	1.029	ECI	NORTHEAST	0.18%
STAFF MILEAGE/TRAVEL	0.43%	1.049	CPI	BOSTON	0.45%
MEALS	1.61%	1.040	CPI	BOSTON	1.67%
CLIENT TRANSPORTATION	1.23%	1.049	CPI	BOSTON	1.29%
INCID. MEDICAL/MEDICINE/PHAR.	0.11%	0.993	CPI	BOSTON	0.11%
CLIENT PERSONAL ALLOWANCES	0.19%	1.000	Note 1		0.19%
PROVISION MAT. GOODS/SVS./BEN.	2.28%	1.000	Note 1		2.28%
DIRECT CLIENT WAGES	0.13%	1.000	Note 1		0.13%
OTHER COMM. PROD/SVS.	0.43%	1.000	Note 1		0.43%
PROG. SUPPLIES/MATERIALS	1.10%	1.028	CPI	BOSTON	1.13%
OTHER EXPENSE	0.43%	1.018	CPI	BOSTON	0.44%
TOTAL DIRECT ADMIN EXP. (PROG.)	2.15%	1.018	CPI	BOSTON	2.18%
ADMINISTRATION	9.26%	1.018	CPI	BOSTON	9.43%
TOTAL	100.00%				102.54%
Added 0.0039 to OTHER COMM. PROD/SVS. To equal 100%					
Note 1:					
Inflation is not applicable for "pass through" items.					
Percentage of Total Expenses:					
The Percentage of Total Expenses is based on FY 2020 <i>Uniform Financial Report</i> data.					
Sources:					
ECI: The Employment Cost Index represents a 12 month average change to 6/30/21.					