



THE COMMONWEALTH OF MASSACHUSETTS  
Executive Office for Administration and Finance  
**OPERATIONAL SERVICES DIVISION**

One Ashburton Place, Suite 1017  
Boston, MA 02108-1552

**OPERATIONAL SERVICES DIVISION**

Gary J. Lambert  
Assistant Secretary for Operational Services

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: October 1, 2022  
Re: **Estimated Rate of Inflation for Fiscal Year 2024**

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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 1<sup>st</sup> 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 14% for Fiscal Year 2024.

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

cc: 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  
James Cowdell, Chief of Staff, Executive Office for Administration and Finance  
Olivia Graham, Chief Financial Officer





**EXECUTIVE OFFICE FOR ADMINISTRATION AND FINANCE  
OPERATIONAL SERVICES DIVISION  
ESTIMATED RATE OF INFLATION - FISCAL YEAR 2024  
October 1, 2022**

OPERATIONAL SERVICES DIVISION

| COMPONENT   | PERCENTAGE OF TOTAL EXPENSES  | FACTOR | SOURCE | REFERENCE                  | ADJUSTED PERCENTAGE |
|---|---|--------|--------|----------------------------|---------------------|
| PERSONNEL   | 48.94%  | 1.047  | ECI    | NORTHEAST                  | 51.24%              |
| PAYROLL TAX   | 4.47%   | 1.050  | ECI    | SERVICE OCCUPATIONS        | 4.69%               |
| FRINGE BENEFITS                                       | 6.46%   | 1.050  | ECI    | SERVICE OCCUPATIONS        | 6.78%               |
| OCCUPANCY   | 6.67%   | 1.054  | CPI    | BOSTON                     | 7.03%               |
| DIRECT CARE CONSULTANT                                | 1.99%   | 1.047  | ECI    | NORTHEAST                  | 2.08%               |
| TEMPORARY HELP  | 0.10%   | 1.047  | ECI    | NORTHEAST                  | 0.10%               |
| CLIENTS & CAREGIVERS REIM.                            | 4.36%   | 1.000  | Note 1 |                            | 4.36%               |
| SUBCONTRACTED DIRECT CARE                             | 7.55%   | 1.047  | ECI    | NORTHEAST                  | 7.90%               |
| STAFF TRAINING  | 0.16%   | 1.047  | ECI    | NORTHEAST                  | 0.17%               |
| STAFF MILEAGE/TRAVEL                                  | 0.24%   | 1.175  | CPI    | BOSTON                     | 0.28%               |
| MEALS   | 1.64%   | 1.065  | CPI    | BOSTON                     | 1.75%               |
| CLIENT TRANSPORTATION                                 | 1.12%   | 1.175  | CPI    | BOSTON                     | 1.31%               |
| INCID. MEDICAL/MEDICINE/PHAR.                         | 0.25%   | 1.035  | CPI    | BOSTON                     | 0.26%               |
| CLIENT PERSONAL ALLOWANCES                            | 0.20%   | 1.000  | Note 1 |                            | 0.20%               |
| PROVISION MAT. GOODS/SVS./BEN.                        | 2.22%   | 1.000  | Note 1 |                            | 2.22%               |
| DIRECT CLIENT WAGES                                   | 0.09%   | 1.000  | Note 1 |                            | 0.09%               |
| OTHER COMM. PROD/SVS.                                 | 0.04%   | 1.000  | Note 1 |                            | 0.04%               |
| PROG. SUPPLIES/MATERIALS                              | 1.26%   | 1.146  | CPI    | BOSTON                     | 1.45%               |
| OTHER EXPENSE   | 0.52%   | 1.080  | CPI    | BOSTON                     | 0.56%               |
| TOTAL DIRECT ADMIN EXP. (PROG.)                       | 2.29%   | 1.080  | CPI    | BOSTON                     | 2.47%               |
| ADMINISTRATION  | 9.45%   | 1.080  | CPI    | BOSTON                     | 10.20%              |
| <b>TOTAL</b>  | 100.00%   |        |        |                            | <b>105.18%</b>      |
|   |   |        |        | Workforce Stability Factor | 8.82%               |
| <b>Note 1:</b>  |   |        |        |                            | <b>14.00%</b>       |
| Inflation is not applicable for "pass through" items. |   |        |        |                            |                     |
| <b>Percentage of Total Expenses:</b>                  | The Percentage of Total Expenses is based on FY 2021 <i>Uniform Financial Report</i> data.  |        |        |                            |                     |
| <b>Sources:</b>                                       | ECI: The Employment Cost Index represents a 12 month average change to 6/30/21.<br>CPI: The Consumer Price Index represents a 12 month average change to 7/31/21. |        |        |                            |                     |