



**Gary J. Lambert**

Assistant Secretary for Operational Services

To: Matthew Gorzkowicz, Secretary  
Executive Office for Administration and Finance

Commonwealth Superintendents

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

Date: October 2, 2023

Re: **Estimated Rate of Inflation for Fiscal Year 2025**

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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 4.69% for Fiscal Year 2025.

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

cc: Chris Marino, Assistant Secretary for the Budget and Fiscal Operations, Executive Office for Administration and Finance  
Danielle Cerny, Chief of Staff, Executive Office for Administration and Finance  
Rick Mikulis, Chief Financial Officer  
Mark Fine, Assistant Secretary of Administration



**EXECUTIVE OFFICE FOR ADMINISTRATION AND FINANCE  
OPERATIONAL SERVICES DIVISION  
ESTIMATED RATE OF INFLATION - FISCAL YEAR 2025**

OPERATIONAL SERVICES DIVISION

October 1, 2023

COMPONENT	PERCENTAGE OF TOTAL EXPENSES	FACTOR	SOURCE	REFERENCE	ADJUSTED PERCENTAGE
PERSONNEL	49.91%	1.046	ECI	NORTHEAST	52.21%
PAYROLL TAX	4.40%	1.056	ECI	SERVICE OCCUPATIONS	4.65%
FRINGE BENEFITS	6.07%	1.056	ECI	SERVICE OCCUPATIONS	6.41%
OCCUPANCY	6.71%	1.076	CPI	BOSTON	7.22%
DIRECT CARE CONSULTANT	2.42%	1.046	ECI	NORTHEAST	2.53%
TEMPORARY HELP	0.23%	1.046	ECI	NORTHEAST	0.24%
CLIENTS & CAREGIVERS REIM.	4.30%	1.000	Note 1		4.30%
SUBCONTRACTED DIRECT CARE	7.74%	1.046	ECI	NORTHEAST	8.10%
STAFF TRAINING	0.18%	1.046	ECI	NORTHEAST	0.19%
STAFF MILEAGE/TRAVEL	0.33%	1.018	CPI	BOSTON	0.33%
MEALS	1.57%	1.091	CPI	BOSTON	1.72%
CLIENT TRANSPORTATION	1.21%	1.018	CPI	BOSTON	1.24%
INCID. MEDICAL/MEDICINE/PHAR.	0.09%	1.033	CPI	BOSTON	0.09%
CLIENT PERSONAL ALLOWANCES	0.22%	1.000	Note 1		0.22%
PROVISION MAT. GOODS/SVS./BEN.	1.05%	1.000	Note 1		1.05%
DIRECT CLIENT WAGES	0.13%	1.000	Note 1		0.13%
OTHER COMM. PROD/SVS.	0.05%	1.000	Note 1		0.05%
PROG. SUPPLIES/MATERIALS	1.18%	1.012	CPI	BOSTON	1.19%
OTHER EXPENSE	0.44%	1.051	CPI	BOSTON	0.46%
TOTAL DIRECT ADMIN EXP. (PROG.)	2.14%	1.051	CPI	BOSTON	2.25%
ADMINISTRATION	9.62%	1.051	CPI	BOSTON	10.11%
<b>TOTAL</b>	<b>100.00%</b>				<b>104.69%</b>
<b>Note 1:</b>					
Inflation is not applicable for "pass through" items.					
<b>Percentage of Total Expenses:</b>					
The Percentage of Total Expenses is based on FY 2022 <i>Uniform Financial Report</i> data.					
<b>Sources:</b>					
ECI: The Employment Cost Index represents a 12 month average change to 6/30/22.					
CPI: The Consumer Price Index represents a 12 month average change to 7/31/22.					