

Good morning. My name is Marie Lenane and I am a Policy Analyst at the Executive Office of Health and Human Services (EOHHS). I am here to present staff testimony on the proposed amendments to 101 CMR 425.00: Rates for Certain Young Parent Support Programs. Services with rates established by this regulation are purchased by the Department of Transitional Assistance. The effective date for the proposed amendments is July 1, 2026.

M.G.L Chapter 118E, Section 13D requires the secretary of EOHHS to establish, by regulation, rates to be paid by governmental units for social service programs. In accordance with this requirement, the rates for certain young parent support programs are being updated to include an increase by a cost adjustment factor (CAF) of 3.00%. The CAF was determined by using baseline and prospective Massachusetts Economic Indicator data from IHS Economics – Fall 2025 Forecast, baseline scenario data. The CAF reflects the period between the rates' base period (calendar year 2026 Q2) and the prospective period of fiscal years 2027 and 2028. The rates for these services have been updated with the weighted average expenses from the FY24 Uniform Financial Statements and Independent Auditor's Reports (UFRs) for services' programmatic costs where applicable. Staff salaries have been benchmarked to the Massachusetts Bureau of Labor Statistics (BLS) median wages as dated May 2024 at the 53<sup>rd</sup> percentile. The tax and fringe rate has been benchmarked to 24.97% and the administrative allocation has been benchmarked to 12%.

The total annualized cost to state government from the increase in rates amended by this regulation is \$330,178, which represents an increase of approximately 6.63% over FY25 spending of approximately \$4.98 million. The increase in spending in FY27 will be covered through the Chapter 257 Reserve Account.

This concludes my testimony. Thank you.