

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 410.00: Rates for Competitive Integrated Employment Services (CIES).

Amendments to this regulation are being proposed at this time in accordance with M.G.L Chapter 118E, Section 13D, which requires the secretary of EOHHS to establish, by regulation, and biennially review the rates to be paid by governmental units for social service programs.

The proposed amendments to this regulation update the CIES rates for intake, evaluation, and assessment; job-targeted educational and skills training activities; job development and placement; initial employment supports; and ongoing and interim supports purchased by MassAbility (MBY), the Department of Transitional Assistance (DTA), and the Massachusetts Commission for the Blind (MCB). The effective date for the proposed amendments to the regulation is July 1, 2024.

The proposed amendments update the rates for competitive integrated employment services and include the following changes.

- The rates for these services 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 have been updated with the weighted average expenses from the FY24 Uniform Financial Reports (UFRs) for services’ programmatic costs, where applicable. Staff salaries have been benchmarked to the May 2024 Massachusetts Bureau of Labor Statistics (BLS) median wages at the 53rd percentile.,
- The tax and fringe rate has been benchmarked to 24.97%. This benchmark is derived from the MA Comptrollers FY25 approved rate less terminal leave and retirement.
- A new level of retention supports, sustained employment supports, is being introduced by DTA and is supported by MBY. This new service will give the providers more flexibility and options to help attract and retain staffing. After the public hearing, we will further amend the regulation to clarify which rate applies to early stabilization (Level A) and which applies to sustained supports (Level B).

- The total annualized cost to state government from the proposed amendments to this regulation is approximately \$2.39 million, which represents an increase of 9.77% over FY25 spending of approximately \$24.48 million. The increase in spending in FY27 will be covered through a combination of the Chapter 257 Reserve Account and the purchasing departments' FY27 budgets.

This concludes my testimony. Thank you.