

Good morning. My name is Marie Lenane and I am a Purchase of Service Pricing 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 412.00: Rates for Family Transitional Support Services. This regulation governs the payment rates for family transitional support services provided to publicly aided individuals by governmental units. 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 effective date for the proposed amendments to the regulation is July 1, 2026.

The proposed amendments update the rates for family transitional support 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 for these services 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 is benchmarked to 24.97%. This benchmark is derived from the MA Comptrollers FY25 approved rate less terminal leave and retirement.

The total annualized cost to state government from the proposed amendments to this regulation is approximately \$2.2 million, which represents an increase of 10% over FY25 spending of approximately \$22 million on these services. The increase in spending in FY27 will be covered through the Chapter 257 Reserve Account.

This concludes my testimony. Thank you.