OPI negotiates an annual predetermined rate with the U.S. Department of Education (DOE). The rates are calculated in accordance with federal regulations and section 17-1-106, MCA. The rate submitted to DOE for FY 2025 is 18.37%. A new negotiation will take place in December 2024 and will be applicable for FY 2026. OPI is requesting an increase of 2.0% to the legislatively approved restricted and unrestricted rates from 17.0% to 19.0%, based on the federal indirect cost rate determination process as directed by the U.S. Department of Education. Revenues for the fund are generated monthly by applying the approved indirect cost rate to the prior month's direct personal services and operating expenditures in both state and federally funded programs.

Motion language: I move to adopt the indirect cost pool rates for the Office of Public Instruction as reflected in the columns titled proposed rate FY 2026 and proposed rate FY 2027.

Office of Public Instruction – Indirect Cost Rate			
	Funding	Proposed Rate FY 2026	Proposed Rate FY 2027
State Level Activities			
Indirect Cost Pool	Proprietary Funds	19.0%	19.0%