

EXHIBIT 2  
DATE 2/1/07  
HB PL 52

For the Joint Appropriations Education Subcommittee

Prepared by the Office of Public Instruction  
February 1, 2007

**PL52 – Approval of the Indirect Cost Rate Proprietary Fund Rates**

Intent of the motion is to approve the indirect cost rate for the Office of Public Instruction's indirect cost pool at the rate approved by the U.S. Department of Education not to exceed 19.4%.

OPI negotiates a three year "predetermined rate" with the U.S. Department of education. The rate is calculated in accordance with federal regulations and section 17-1-106, MCA. The proposed rate for fiscal years 2008 through 2010 is 19.4 percent.