

Distributed via Fairbanks email

To Superintendents, MAC Financial Contacts, and SHARS Financial Contacts
February 9, 2015

NOTICE

**Medicaid Administrative Claiming and School Health and Related Services
Indirect Cost Rates (IDCR) Notice**

Health and Human Services Commission - Rate Analysis Department (HHSC-RAD) has recently received communication that the Texas Education Agency (TEA) now requires independent school districts (ISDs) to submit their annual requests for an indirect cost rate (IDCR) using a new Indirect Cost Rate Proposal (ICRP). The ICRP is part of a new delegation agreement to TEA recently approved by the United States Department of Education. While we have not been informed of the requirements, we have been told the new process is much more labor-intensive and as a result, TEA has expressed that many districts will not be applying for a new IDCR.

Several districts have asked how the lack of an IDCR will affect their MAC and/or SHARS eligibility. Districts are not required to have an IDCR to participate in MAC or SHARS. Those that do not obtain a new rate will still be eligible to participate in both programs. It benefits a district to have an IDCR in that it allows school districts to claim indirect costs in addition to the direct costs they incur to provide services in the school setting.

If you have any questions regarding the ICRP, please contact TEA's Division of Federal Fiscal Compliance and Reporting at (512) 563-9127 or compliance@tea.state.gov. For questions regarding the MAC Financials, please contact the MAC Unit at MAC@hhsc.state.tx.us or call (512) 462-6200. For questions regarding the SHARS cost report please contact the SHARS Unit at ra_shars@hhsc.state.tx.us or call (512) 730-7400.