

June 4, 2025

101906
CROSBY ISD

Subject: School Year 2025–2026 (Fiscal Year 2026) School System Approved Indirect Cost Rates

To the Administrator Addressed:

The Texas Education Agency's (TEA's) Federal Fiscal Compliance and Reporting (FFCR) Division reviews, approves, and negotiates indirect cost rates for school systems. The approved indirect cost rate allows the school system to recover indirect costs incurred in the administration of federal grants.

As the cognizant agency for your school system, TEA has approved your restricted and unrestricted indirect cost rates for school year 2025–2026. The restricted rate is used for grant programs covered by a supplement, not supplant provision. The unrestricted rate is used for grant programs without such a provision. (You can find detailed information on the supplement, not supplant provision in the [Supplement, Not Supplant Handbook](#), posted in the "Related Content" section of the [Federal Program Compliance](#) page of our website.)

The following rates for school year 2025–2026 are effective July 1, 2025, through June 30, 2026:

Rate Type	Rate
Restricted Indirect Cost Rate	3.216%
Unrestricted Indirect Cost Rate	13.474%

Please forward a copy of this indirect cost rate notification to your business office/manager, federal fund coordinators, and administrators.

If you have any questions related to the indirect cost rates, please contact the FFCR Division at Compliance@tea.texas.gov.

Sincerely,



James Connolly, Division Director
Federal Fiscal Compliance and Reporting Division