

NON-REIMBURSABLE EXPENDITURES

APPENDIX D

All transportation operating costs incurred for transporting students to and from school and school-sponsored activities must be paid from the Transportation Fund (Section 17-8 of the School Code). All expenditures recorded in the Transportation Fund may not be claimable. The following non-claimable expenditures should be reported under the non-reimbursable column on the claim:

1. Expenditures for student transportation services provided under Section 29-3.1 of the School Code [105 ILCS 5/29-3.1] to take participants or spectators to and from athletic contests, academic contests, field trips that do not meet the criteria for reimbursable field trips (see Appendix B), and extracurricular and/or co-curricular activities **(e.g., expenditures related to miles traveled using a Multifunction School Activity Bus)**.
2. Expenditures for student transportation services funded by other local, state, or federal programs or for which parents/guardians pay any portion or all the costs.
3. Expenditures for summer school transportation services for any student in any curriculum **except special education where the IEP states transportation is a related service**.
4. Expenditures incurred for the rental of buses to clubs and/or nonprofit organizations.
5. Expenditures paid by the employer for premiums for the Illinois Municipal Retirement Fund **(except for transportation supervisory staff)**, Medicare, Social Security, unemployment insurance, or workers compensation insurance, and the portion of the teacher's retirement paid by the employee.
6. Expenditures for special education student transportation when the school district or cooperative/joint agreement does not have approval from the state for providing special transportation.
7. Expenditures for regular education prekindergarten children who are transported on an exclusive prekindergarten route.
8. Expenditures incurred for interest and financing charges.
9. Expenditures for federal motor-fuel excise tax.
10. Expenditures incurred for legal fees. (Legal fees should be charged to the Education Fund as a Board of Education expense; therefore, they are not claimable.)

11. Expenditures incurred for office computers and/or any office equipment. These expenditures should be charged to the Education Fund. However, office supplies that are paid out of the Transportation Fund and that are directly attributable to the transportation department are claimable.
12. Expenditures for transportation services provided for students at times other than those encompassed by the regularly scheduled routes of the school district, including transportation for educational tours as defined in Section 10-22.29b of the School Code.
13. Expenditures for a Commercial Driver's License or any type of driver's license.
14. Expenditures for crossing guards. These expenditures should be charged to the Education Fund.
15. Expenditures for field trips for which any part of the transportation cost is paid for by students, parents, or any other entity.
16. Payment of aides, attendants, or monitors on transportation routes, other than personnel stipulated in the IEP of students with disabilities for transit time only.
17. Consultants, except pre-approved training consultants.
18. Snow removal equipment or services. Snow removal should be charged to the Operations and Maintenance Fund.
19. Transportation services provided for regular public and nonpublic students residing less than 1.5 miles from their assigned attendance center for which there is no serious vehicular safety hazard approval by the Illinois Department of Transportation and or criminal gang activity safety hazard approved by ISBE.
20. Magazine subscriptions.
21. Association membership fees or dues.
22. Costs for removing fuel storage tanks unless they are being replaced as well.
23. Lease payments (should be listed on the Depreciation Schedule).
24. Surveillance systems and or security cameras other than used for the security in the school bus, transportation building/garage, and bus parking lot.

25. Expenditures related to the purchase of food, drinks, bottled water, water coolers, etc.
- Lunches for bus drivers on curriculum or noncurricular-related field trips.
 - Coffee and doughnuts for meetings and employee or holiday luncheons.
26. All expenditures related to Regular Education Summer School.
27. Bonuses or stipends.

Section 120.30 Pupil Transportation Services Eligible for Reimbursement

Each school district that files a claim for State reimbursement for pupil transportation shall be subject to the requirements of this Subpart A in order to be eligible for such reimbursement.

Pupil transportation services eligible for reimbursement are listed below:

- a) Regular Pupil Transportation Services for Pupils in Kindergarten or Any of Grades 1 through 12
 - 1) Transportation services provided for pupils residing at a distance of 1½ miles or more from the attendance center to which they are assigned.
 - A) The distance shall be measured from the exit of the property where the pupil resides to the point where pupils are normally unloaded at the attendance center to which they are assigned (Section 29-3 of the School Code [105 ILCS 5/29-3]).
 - B) If a pupil is at a location within the school district other than his/her residence for child care purposes at the time for transportation to and/or from school, that location may be considered for purposes of determining the 1½ miles from the school attended (Section 29-5 of the School Code). A district that chooses to consider locations other than individual students' residences shall adopt a written policy establishing this practice. At the district's discretion, its policy may limit pick-up and drop-off to students in day care locations along the district's regular routes, or it may extend services via newly established routes. In either case, the district shall not discriminate among types of locations where day care is provided, which may include, but need not be limited to, the premises of licensed providers, the homes of relatives, or the homes of neighbors, any of which must be located within the district's boundaries.
 - C) A school board may comply with the provisions of this Section by providing free transportation for pupils to and from an assigned school and a pick-up point located not more than one and one-half miles from the home of each pupil assigned to such point (Section 29-3 of the School Code).
 - 2) Transportation services provided for pupils residing within a distance of 1½ miles from the attendance center to which they are assigned from

pickup points at the beginning of the school day and back again at the close of the school day, effective on the date that the Illinois Department of Transportation grants written approval pursuant to 92 Ill. Adm. Code 556 (Rules on Transporting Pupils Where Walking Constitutes a Serious Safety Hazard) that a serious safety hazard exists due to vehicular traffic, for specific areas and specific ages.

- 3) Transportation services provided for nonpublic school pupils when pupil transportation services for the nonpublic school pupils are provided on the same basis as the transportation services for public school pupils as provided in Section 29-4 of the School Code.
 - 4) Transportation services provided to a pupil who is required to be transported but is also required for disciplinary reasons to serve a detention period either before or after the regular school day.
 - 5) Transportation which is provided prior to or following voluntary, extracurricular and/or cocurricular activities, including sport practices, club meetings, drama rehearsals, or choral and band practices where such activities are scheduled before or after the school day, qualifies as transportation provided at the beginning or end of the school day and is therefore subject to reimbursement with respect to students who are required to be transported.
 - 6) Transportation services provided for pupils between attendance centers during the school day. This includes transportation of vocational pupils between attendance centers or a building or other trades skill development site of less than one and one-half miles.
- b) Vocational pupil transportation services provided during the school day for vocational pupils transported one and one-half miles or more one way from their assigned attendance center to a vocational program located at:
- 1) An area vocational center;
 - 2) Another school district; or
 - 3) A building or other trades skill development site.
- c) Special education pupil transportation services, including field trips, provided for special education pupils in accordance with Sections 14-7.02 and 14-13.01(b) of the School Code [105 ILCS 5/14-7.02 and 14-13.01(b)] and with 23 Ill. Adm.

Code 226 (Special Education). This includes field trips (community-based instruction) when approved by the district's state approved director of special education as defined in 23 Ill. Adm. Code 226.

- d) Transportation provided to any student in connection with a field trip:
 - 1) that occurs during a day of student attendance included on the official school calendar of the school district;
 - 2) whose hours are part of the claimable clock hours on the General State Aid Claim (i.e., the destination of the trip is considered to be the assigned attendance center for all students enrolled in the class);
 - 3) that is provided free of charge to the pupil;
 - 4) that is part of the school's curriculum for which pupils earn credit for graduation; and
 - 5) that is not listed in Section 120.40(a)(1) or (2) of this Part.
- e) During a gubernatorial declaration of a disaster under Section 7 of the Illinois Emergency Management Agency Act [20 ILCS 3305], to ensure the continuity of education, including the provision of any direct or related service for the health and well-being of all public school students in prekindergarten through Grade 12, all transportation costs incurred that are beyond transporting students, such as costs paid by a local education agency for all employees related to the provision of transportation or a transportation provider under a written agreement, regardless of any service that may be provided, or costs related to the distribution of food, distribution and pick-up of student assignments and work, and use of vehicles to provide wi-fi and other similar costs, shall be allowable and reimbursed by the formula under Section 29-5 of the School Code.

(Source: Amended at 44 Ill. Reg. 14785, effective August 27, 2020)

Section 120.40 Pupil Transportation Services and Costs Not Eligible for Reimbursement

- a) Pupil transportation services not delineated in Section 120.30 of this Part are not eligible for reimbursement. Examples of these include the following:
 - 1) Pupil transportation services provided under Section 29-3.1 of the School Code [105 ILCS 5/29-3.1] to take participants or spectators to or from athletic contests, academic contests, extracurricular and/or cocurricular activities;
 - 2) Transportation services provided for pupils at times other than those encompassed by the regularly scheduled routes of the school district, including overnight trips;
 - 3) Pupil transportation services funded by other State or federal programs or for which parents/guardians pay a portion or all of the costs;
 - 4) Transportation services provided for regular public and nonpublic school pupils residing less than one and one-half miles from their assigned attendance center for which there is no safety hazard approval by the Department of Transportation (costs of these services shall be determined using the formula detailed in Section 120.100(a) of this Part); and
 - 5) Special transportation not approved in accordance with Sections 14-7.02 and 14-13.01(b) of the School Code and 23 Ill. Adm. Code 226 (Special Education).
- b) Pupil transportation costs not delineated in Section 120.50, 120.60, or 120.80 of this Part are not eligible for reimbursement. Examples of these costs include, but are not limited to, the following:
 - 1) payment of aides, attendants, or monitors on transportation routes, other than personnel stipulated in the Individualized Educational Programs of students with disabilities;
 - 2) premiums for the Illinois Municipal Retirement Fund (IMRF) (except for transportation supervisory staff), Social Security, unemployment insurance, or worker's compensation;
 - 3) consultants, except pre-approved training consultants;
 - 4) costs associated with obtaining a commercial driver's license; and

5) snow removal equipment or service.

(Source: Amended at 26 Ill. Reg. 1169, effective January 16, 2002)

Section 120.50 Reimbursable Direct Operating Costs

All reimbursable direct operating costs must be paid from the Transportation Fund of a school district, except for those items required by Section 17-7 of the School Code to be paid from the Operation and Maintenance Fund and IMRF payments made for transportation supervisory salaries. All reimbursable direct operating costs of a cooperative for special education or vocational education must be paid from function 2550 (Pupil Transportation Services; see 23 Ill. Adm. Code 100.Table D). Reimbursable direct operating costs are listed below:

- a) District owned and operated pupil transportation services, including districts which make payments to other LEAs.
 - 1) *The cost of physical examinations for school bus drivers required for their employment* (Section 29-5 of the School Code).
 - 2) Salaries and/or wages for the following employees:
 - A) School bus drivers;
 - B) School bus maintenance personnel;
 - C) Chief mechanic;
 - D) Special education attendants or aides for that portion of time they assist special education pupils, i.e., for transit time only;
 - E) Transportation supervisory salary costs as defined in Section 120.10 of this Part when paid from the Transportation Fund as set forth in Section 120.90(b) and (c) of this Part; and
 - F) Dispatchers and clerical workers who support the transportation functions, when their positions are documented and records support the percentage of time claimed for each position.
 - 3) The cost of the following benefits for the employees enumerated in subsection (a)(2) of this Section (if proration is necessary for salaries and/or wages, benefits shall be prorated in the same manner):
 - A) Health insurance;
 - B) Life insurance;

- C) Dental insurance;
 - D) Vision insurance;
 - E) Annuities in lieu of health, life, dental, or vision insurance;
 - F) Municipal retirement contribution, if paid by the employer as part of the transportation supervisory salary costs; and
 - G) Teacher retirement contributions, if paid by the employer from the Transportation Fund as part of the transportation supervisory salary costs.
- 4) Payments made to other school districts for providing pupil transportation services and expenditures consistent with this Part.
 - 5) Payments made to other agencies for computerized bus scheduling; to companies for the purchase of computer software used to establish school bus routes; and to companies for maps that identify vehicular traffic hazards.
 - 6) Payments made for fuel, oil, tires, and other supplies that are necessary for the operation of pupil transportation vehicles.
 - 7) The total cost of converting school bus gasoline engines to more fuel efficient engines or to engines which use alternate energy sources.
 - 8) Expenditures (according to a school district's written travel reimbursement policies) for travel to workshops or meetings conducted by the regional superintendent or the State Superintendent of Education designed to improve the driving skills of school bus drivers or travel to other training programs that are for the enhancement of skills necessary to operate vehicles safely, manage student behavior, or address specific student needs (excluding competitions).
 - 9) Expenditures for contractual maintenance services including materials, parts, supplies and labor necessary for the operation of pupil transportation vehicles or equipment used in the transportation program not exceeding \$2,500 per service.
 - 10) Expenditures for lease agreements for pupil transportation vehicles, for lease/rental of less than 30 days.

- 11) Expenditures for insurance, license plates, and inspection fees pertaining to pupil transportation vehicles.
 - 12) Expenditures for the rental of pupil transportation equipment for fewer than 30 days.
 - 13) Transportation related building, land and building maintenance costs. The prorated costs of operation and maintenance of buildings, as set forth in Section 120.90(g) of this Part, when directly related to pupil transportation services including:
 - A) Utility costs;
 - B) Custodial supplies and services;
 - C) Insurance for buildings and/or for site improvements;
 - D) Security services;
 - E) Telephone charges incurred for the transportation program; and
 - F) Lease or rental of land or buildings for storing or maintaining transportation vehicles when leased for less than 30 days.
 - 14) Expenditures for items that enhance transportation safety, costing less than \$2,500 and not funded by any other federal or State source of funding, including but not limited to:
 - A) federally approved child safety restraint systems;
 - B) reflective tape;
 - C) alarm/warning systems for child safety;
 - D) cameras used on school buses specifically for security purposes.
- b) Contractual pupil transportation services
- 1) The cost of contractual pupil transportation services, which shall be limited to the following types:

- A) Payments to independent carriers whose drivers and vehicles comply with the Illinois Vehicle Code (e.g., to bus companies, taxi companies, limousine services, and medical transportation carriers qualifying as independent carriers); and
 - B) Payments to parents or guardians for transporting their own children when the district has an obligation to provide free pupil transportation services.
- 2) Payments made for fuel, oil, tires, and other supplies that are necessary for the operation of pupil transportation vehicles.
 - 3) Transportation supervisory salary costs as allowed in subsections (a)(2)(E) and (a)(3)(E) and (F) of this Section.
 - 4) Transportation related building, land and building maintenance costs as allowed in Sections 120.50(a)(13) and 120.60(d) and (e) of this Part.

(Source: Amended at 33 Ill. Reg. 15848, effective November 2, 2009)

Section 120.60 Reimbursable Annual Depreciation Allowances

- a) Annual depreciation allowances shall be based on the principal cost of pupil transportation vehicles or equipment for items costing \$2,500 or more and with a useful life in excess of one year.
 - 1) When a vehicle and/or equipment costing \$2,500 or more is purchased, leased for 30 days or more, or leased/purchased any time during the fiscal year, depreciation shall be prorated based upon the percentage of the fiscal year for which the item was held, as set forth in subsection (a)(2) of this Section.
 - 2) The depreciation allowance shall be calculated by dividing the number of months the item to be depreciated is retained by the LEA by 12 and multiplying the allowable depreciation rate by the resulting percentage. This prorated depreciation rate shall then be applied to the principal cost.
- b) The depreciation of pupil transportation vehicles that are purchased, leased/purchased, or leased for 30 days or more by the district shall be based on an annual rate of 20 percent of the principal cost.
- c) The depreciation of pupil transportation equipment not installed in the vehicle that is purchased or leased/purchased or leased for more than 30 days by the district shall be based on an annual rate of ten percent of the principal cost.
- d) The depreciation of buildings (including new additions to existing buildings) shall be based on an annual rate of two percent of the principal cost.
- e) A repair or modification to a pupil transportation vehicle costing \$2,500 or more per item and extending the useful life of the vehicle by more than one year must be capitalized and shall be depreciated at an annual rate of 33 1/3 percent. The cost of a repair or modification includes parts, supplies, and labor associated with the completion of the repair or modification.
- f) The depreciation of site improvement(s) costing \$2,500 or more and having a useful life of more than one year, made to the building(s) or land used for pupil transportation purposes, shall be based on an annual rate of five percent of the principal cost, including installation fees.
- g) The depreciation of two-way transportation vehicle communication systems costing \$2,500 or more per office or bus shall be based on an annual rate of ten percent of the principal cost.

- h) The depreciation of pupil monitoring equipment installed on school buses, including video cameras costing \$2,500 or more per bus, shall be based on an annual rate of 33 1/3 percent of the principal cost.
- i) The depreciation of a service vehicle (such as a tow truck) costing \$2,500 or more that is used to service pupil transportation vehicles shall be based on an annual rate of ten percent of the principal cost.

(Source: Amended at 26 Ill. Reg. 1169, effective January 16, 2002)

Section 120.70 Deductions from Direct Operating Costs

The following items shall be deducted from direct operating costs.

- a) Payments from other school districts for pupil transportation services.
- b) Revenue received from the rental of transportation facilities, vehicles or equipment, or transportation services.
- c) Proceeds from an independent contractor when the pupil transportation services are provided by that contractor and the district leases or sells vehicles, supplies, equipment, or facilities to the contractor.
- d) Proceeds from the tort liability tax levy used for reimbursable transportation expenditures.
- e) Proceeds in excess of the undepreciated balance from the sale of pupil transportation vehicles or equipment, if the vehicle or equipment is not replaced during the same fiscal year.
- f) Any other revenue received for direct operating expenditures such as, but not limited to, reimbursement from other federal and/or State programs or for the use of transportation vehicles, in whole or in part, to benefit other entities.

(Source: Amended at 26 Ill. Reg. 1169, effective January 16, 2002)