**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)