



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

SB1657

Introduced 2/5/2025, by Sen. Ram Villivalam

SYNOPSIS AS INTRODUCED:

105 ILCS 5/29-5

from Ch. 122, par. 29-5

Amends the Transportation Article of the School Code. Provides that the allowable direct cost of transporting pupils for regular, vocational, and special education pupil transportation shall be limited to, among other costs, expenditures to electrification-as-a-service contractors that provide electric school buses or a combination of electric vehicle charging infrastructure, equipment, or daily charge management services, plus a depreciation allowance of 8.33% for 12 years for electric school buses and vehicles approved for transporting pupils to and from school.

LRB104 07589 LNS 17633 b

1 AN ACT concerning education.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The School Code is amended by changing Section
5 29-5 as follows:

6 (105 ILCS 5/29-5) (from Ch. 122, par. 29-5)

7 Sec. 29-5. Reimbursement by State for transportation. Any
8 school district or State-authorized charter school,
9 maintaining a school, transporting resident pupils to another
10 school district's vocational program, offered through a joint
11 agreement approved by the State Board of Education, as
12 provided in Section 10-22.22 or transporting its resident
13 pupils to a school which meets the standards for recognition
14 as established by the State Board of Education which provides
15 transportation meeting the standards of safety, comfort,
16 convenience, efficiency and operation prescribed by the State
17 Board of Education for resident pupils in kindergarten or any
18 of grades 1 through 12 who: (a) reside at least 1 1/2 miles as
19 measured by the customary route of travel, from the school
20 attended; or (b) reside in areas where conditions are such
21 that walking constitutes a hazard to the safety of the child
22 when determined under Section 29-3; and (c) are transported to
23 the school attended from pick-up points at the beginning of

1 the school day and back again at the close of the school day or
2 transported to and from their assigned attendance centers
3 during the school day shall be reimbursed by the State as
4 hereinafter provided in this Section.

5 The State will pay the prorated allowable cost of
6 transporting eligible pupils less the real equalized assessed
7 valuation as computed under paragraph (3) of subsection (d) of
8 Section 18-8.15 in a dual school district maintaining
9 secondary grades 9 to 12 inclusive times a qualifying rate of
10 .05%; in elementary school districts maintaining grades K to 8
11 times a qualifying rate of .06%; and in unit districts
12 maintaining grades K to 12, including partial elementary unit
13 districts formed pursuant to Article 11E, times a qualifying
14 rate of .07%. For a State-authorized charter school, the State
15 shall pay the prorated allowable cost of transporting eligible
16 pupils less a real equalized assessed valuation calculated
17 pursuant to this Section times a qualifying rate. For purposes
18 of calculating the real equalized assessed valuation for a
19 State-authorized charter school whose resident district is not
20 a school district organized under Article 34 of this Code, the
21 State Board of Education shall calculate the average of the
22 number of students in grades kindergarten through 12 reported
23 as enrolled in the charter school in the State Board's Student
24 Information System on October 1 and March 1 of the immediately
25 preceding school year. That value shall be divided by the
26 average of the number of students in grades kindergarten

1 through 12 reported as enrolled in the charter school's
2 resident district on October 1 and March 1 of the immediately
3 preceding school year. That proportion shall be multiplied by
4 the real equalized assessed valuation as computed under
5 paragraph (3) of subsection (d) of Section 18-8.15 for each
6 State-authorized charter school's applicable resident
7 district. A State-authorized charter school whose resident
8 district is organized under Article 34 of this Code shall have
9 a real equalized assessed valuation equal to the real
10 equalized assessed valuation of its resident district as
11 computed under paragraph (3) of subsection (d) of Section
12 18-8.15. A State-authorized charter school's qualifying rate
13 shall be the same as the rate that applies to the charter
14 school's resident district.

15 To be eligible to receive reimbursement in excess of $\frac{4}{5}$
16 of the cost to transport eligible pupils, a school district or
17 partial elementary unit district formed pursuant to Article
18 11E shall have a Transportation Fund tax rate of at least .12%.
19 The Transportation Fund tax rate for a partial elementary unit
20 district formed pursuant Article 11E shall be the combined
21 elementary and high school rates pursuant to paragraph (4) of
22 subsection (a) of Section 18-8.15.

23 If a school district or partial elementary unit district
24 formed pursuant to Article 11E does not have a .12%
25 Transportation Fund tax rate, the amount of its claim in
26 excess of $\frac{4}{5}$ of the cost of transporting pupils shall be

1 reduced by the sum arrived at by subtracting the
2 Transportation Fund tax rate from .12% and multiplying that
3 amount by the district's real equalized assessed valuation as
4 computed under paragraph (3) of subsection (d) of Section
5 18-8.15, provided that in no case shall said reduction result
6 in reimbursement of less than 4/5 of the cost to transport
7 eligible pupils. No such adjustment may be applied to a claim
8 filed by a State-authorized charter school.

9 Subject to the calculation of equalized assessed
10 valuation, an adjustment for an insufficient tax rate, and the
11 use of a qualifying rate as provided in this Section, a
12 State-authorized charter school may make a claim for
13 reimbursement by the State that is calculated in the same
14 manner as a school district.

15 The minimum amount to be received by a district is \$16
16 times the number of eligible pupils transported.

17 When calculating the reimbursement for transportation
18 costs, the State Board of Education may not deduct the number
19 of pupils enrolled in early education programs from the number
20 of pupils eligible for reimbursement if the pupils enrolled in
21 the early education programs are transported at the same time
22 as other eligible pupils.

23 Any such district transporting resident pupils during the
24 school day to an area vocational school or another school
25 district's vocational program more than 1 1/2 miles from the
26 school attended, as provided in Sections 10-22.20a and

1 10-22.22, shall be reimbursed by the State for 4/5 of the cost
2 of transporting eligible pupils.

3 School day means that period of time during which the
4 pupil is required to be in attendance for instructional
5 purposes.

6 If a pupil is at a location within the school district
7 other than his residence for child care purposes at the time
8 for transportation to school, that location may be considered
9 for purposes of determining the 1 1/2 miles from the school
10 attended.

11 Claims for reimbursement that include children who attend
12 any school other than a public school shall show the number of
13 such children transported.

14 Claims for reimbursement under this Section shall not be
15 paid for the transportation of pupils for whom transportation
16 costs are claimed for payment under other Sections of this
17 Act.

18 The allowable direct cost of transporting pupils for
19 regular, vocational, and special education pupil
20 transportation shall be limited to the sum of the cost of
21 physical examinations required for employment as a school bus
22 driver; the salaries of full-time or part-time drivers and
23 school bus maintenance personnel; employee benefits excluding
24 Illinois municipal retirement payments, social security
25 payments, unemployment insurance payments and workers'
26 compensation insurance premiums; expenditures to independent

1 carriers who operate school buses; payments to other school
2 districts for pupil transportation services; expenditures to
3 electrification-as-a-service contractors that provide
4 electric school buses or a combination of electric vehicle
5 charging infrastructure, equipment, or daily charge management
6 services; pre-approved contractual expenditures for
7 computerized bus scheduling; expenditures for housing
8 assistance and homeless prevention under Sections 1-17 and
9 1-18 of the Education for Homeless Children Act that are not in
10 excess of the school district's actual costs for providing
11 transportation services and are not otherwise claimed in
12 another State or federal grant that permits those costs to a
13 parent, a legal guardian, any other person who enrolled a
14 pupil, or a homeless assistance agency that is part of the
15 federal McKinney-Vento Homeless Assistance Act's continuum of
16 care for the area in which the district is located; the cost of
17 gasoline, oil, tires, and other supplies necessary for the
18 operation of school buses; the cost of converting buses'
19 gasoline engines to more fuel efficient engines or to engines
20 which use alternative energy sources; the cost of travel to
21 meetings and workshops conducted by the regional
22 superintendent or the State Superintendent of Education
23 pursuant to the standards established by the Secretary of
24 State under Section 6-106 of the Illinois Vehicle Code to
25 improve the driving skills of school bus drivers; the cost of
26 maintenance of school buses including parts and materials

1 used; expenditures for leasing transportation vehicles, except
2 interest and service charges; the cost of insurance and
3 licenses for transportation vehicles; expenditures for the
4 rental of transportation equipment; plus a depreciation
5 allowance of 20% for 5 years for school buses and vehicles
6 approved for transporting pupils to and from school, a
7 depreciation allowance of 8.33% for 12 years for electric
8 school buses and vehicles approved for transporting pupils to
9 and from school, and a depreciation allowance of 10% for 10
10 years for other transportation equipment so used. Each school
11 year, if a school district has made expenditures to the
12 Regional Transportation Authority or any of its service
13 boards, a mass transit district, or an urban transportation
14 district under an intergovernmental agreement with the
15 district to provide for the transportation of pupils and if
16 the public transit carrier received direct payment for
17 services or passes from a school district within its service
18 area during the 2000-2001 school year, then the allowable
19 direct cost of transporting pupils for regular, vocational,
20 and special education pupil transportation shall also include
21 the expenditures that the district has made to the public
22 transit carrier. In addition to the above allowable costs,
23 school districts shall also claim all transportation
24 supervisory salary costs, including Illinois municipal
25 retirement payments, and all transportation related building
26 and building maintenance costs without limitation.

1 Special education allowable costs shall also include
2 expenditures for the salaries of attendants or aides for that
3 portion of the time they assist special education pupils while
4 in transit and expenditures for parents and public carriers
5 for transporting special education pupils when pre-approved by
6 the State Superintendent of Education.

7 Indirect costs shall be included in the reimbursement
8 claim for districts which own and operate their own school
9 buses. Such indirect costs shall include administrative costs,
10 or any costs attributable to transporting pupils from their
11 attendance centers to another school building for
12 instructional purposes. No school district which owns and
13 operates its own school buses may claim reimbursement for
14 indirect costs which exceed 5% of the total allowable direct
15 costs for pupil transportation.

16 The State Board of Education shall prescribe uniform
17 regulations for determining the above standards and shall
18 prescribe forms of cost accounting and standards of
19 determining reasonable depreciation. Such depreciation shall
20 include the cost of equipping school buses with the safety
21 features required by law or by the rules, regulations and
22 standards promulgated by the State Board of Education, and the
23 Department of Transportation for the safety and construction
24 of school buses provided, however, any equipment cost
25 reimbursed by the Department of Transportation for equipping
26 school buses with such safety equipment shall be deducted from

1 the allowable cost in the computation of reimbursement under
2 this Section in the same percentage as the cost of the
3 equipment is depreciated.

4 On or before August 15, annually, the chief school
5 administrator for the district shall certify to the State
6 Superintendent of Education the district's claim for
7 reimbursement for the school year ending on June 30 next
8 preceding. The State Superintendent of Education shall check
9 and approve the claims and prepare the vouchers showing the
10 amounts due for district reimbursement claims. Each fiscal
11 year, the State Superintendent of Education shall prepare and
12 transmit the first 3 vouchers to the Comptroller on the 30th
13 day of September, December and March, respectively, and the
14 final voucher, no later than June 20.

15 If the amount appropriated for transportation
16 reimbursement is insufficient to fund total claims for any
17 fiscal year, the State Board of Education shall reduce each
18 school district's allowable costs and flat grant amount
19 proportionately to make total adjusted claims equal the total
20 amount appropriated.

21 For purposes of calculating claims for reimbursement under
22 this Section for any school year beginning July 1, 2016, the
23 equalized assessed valuation for a school district or partial
24 elementary unit district formed pursuant to Article 11E used
25 to compute reimbursement shall be the real equalized assessed
26 valuation as computed under paragraph (3) of subsection (d) of

1 Section 18-8.15.

2 All reimbursements received from the State shall be
3 deposited into the district's transportation fund or into the
4 fund from which the allowable expenditures were made.

5 Notwithstanding any other provision of law, any school
6 district receiving a payment under this Section or under
7 Section 14-7.02, 14-7.02b, or 14-13.01 of this Code may
8 classify all or a portion of the funds that it receives in a
9 particular fiscal year or from State aid pursuant to Section
10 18-8.15 of this Code as funds received in connection with any
11 funding program for which it is entitled to receive funds from
12 the State in that fiscal year (including, without limitation,
13 any funding program referenced in this Section), regardless of
14 the source or timing of the receipt. The district may not
15 classify more funds as funds received in connection with the
16 funding program than the district is entitled to receive in
17 that fiscal year for that program. Any classification by a
18 district must be made by a resolution of its board of
19 education. The resolution must identify the amount of any
20 payments or general State aid to be classified under this
21 paragraph and must specify the funding program to which the
22 funds are to be treated as received in connection therewith.
23 This resolution is controlling as to the classification of
24 funds referenced therein. A certified copy of the resolution
25 must be sent to the State Superintendent of Education. The
26 resolution shall still take effect even though a copy of the

1 resolution has not been sent to the State Superintendent of
2 Education in a timely manner. No classification under this
3 paragraph by a district shall affect the total amount or
4 timing of money the district is entitled to receive under this
5 Code. No classification under this paragraph by a district
6 shall in any way relieve the district from or affect any
7 requirements that otherwise would apply with respect to that
8 funding program, including any accounting of funds by source,
9 reporting expenditures by original source and purpose,
10 reporting requirements, or requirements of providing services.

11 Any school district with a population of not more than
12 500,000 must deposit all funds received under this Article
13 into the transportation fund and use those funds for the
14 provision of transportation services.

15 (Source: P.A. 102-539, eff. 8-20-21; 102-813, eff. 5-13-22;
16 103-588, eff. 1-1-25.)