**Section 120.115 Fully Allocated Costs of Transportation**

This Section sets forth the requirements for calculating a district's fully allocated costs for the provision of transportation when such a calculation is called for under Section 29-6.4 of the School Code [105 ILCS 5/29-6.4].

a) Definitions

1) "Avoidable costs" means costs incurred by a district that would be eliminated or transferred to a contractor if the district contracted for transportation services.

2) "Unavoidable costs" means costs incurred by a district that would still exist for the district if the district contracted for transportation services.

3) "Residual value" means the value of an asset at the time of its disposal.

b) Allocation of Costs

 The allocation of costs directly attributable to the provision of transportation services by the district shall be accomplished as outlined in this subsection (b).

1) Costs in the categories enumerated in subsection (c) of this Section which are attributable to the provision of transportation shall be separated from costs in those categories not attributable to the provision of transportation by determining what percentage or portion of each item of expense is used for transportation.

2) Each item of cost shall be expressed in terms of the appropriate cost unit, such as an hourly wage, a monthly salary, a monthly lease payment, or a per-mile expense.

3) The costs attributable to transportation shall be separated into avoidable and unavoidable costs so that bid amounts can be accurately compared with the district's cost for the same sets of services and activities.

c) Fully Allocated Costs

 The items enumerated in this subsection (c) and in subsection (d) of this Section are eligible for inclusion by the district in its calculation of the fully allocated cost for the provision of transportation.

1) Labor/Personnel Costs

A) Managers (direct administration)

B) Supervisors

C) Dispatchers

D) Drivers

E) Aides/Monitors

F) Security Personnel

G) Clerical Personnel

H) Training Personnel

I) Custodians, Groundskeepers, and Maintenance Personnel

J) Accountants

K) Personnel Administrative Staff

L) Legal Staff

M) Mechanics/Helpers

N) Inventory/Parts Clerks

O) Fuel Attendants

P) Vehicle Cleaners

Q) Planners/Schedulers

2) Employee Benefits (associated with personnel included pursuant to subsection (c)(1) of this Section)

A) FICA and Medicare

B) Unemployment insurance

C) Worker's Compensation

D) Insurance

i) health/hospital

ii) dental

iii) life

iv) disability

E) Pension and retirement plans

F) Paid absences

3) Maintenance and Supplies

A) Office supplies

B) Postage and shipping

C) Custodial supplies

D) Training materials

E) Uniforms

F) Fuel (for vehicles only)

G) Oil and grease

H) Tires and tubes

I) Parts and supplies

J) Tools

4) Utilities

A) Water and sewage

B) Electricity

C) Telephone

D) Gas/Oil/Coal (for facilities only)

E) Trash collection

F) Collection of used oil

5) Insurance

A) Liability insurance

B) Vehicle insurance

C) Property, plant, and equipment insurance

D) Umbrella insurance

6) Capital Assets (eligible for depreciation and/or opportunity costs; see subsection (d) of this Section)

A) Office space

B) Office equipment, including computers

C) Parking lots

D) Furniture

E) Land

F) Vehicle storage

G) Passenger shelters

H) Buses

I) Support vehicles

J) Radio/communications equipment and other necessary equipment permanently attached to a vehicle

K) Maintenance facilities

L) Fuel storage and pumps

M) Tools

N) Shop equipment

7) Taxes, Fees, and Permits

A) Property tax

B) Sales and excise tax

C) Operating permits

D) Registration fees

E) Licensing fees

F) Vehicle inspections

8) Miscellaneous

A) Travel and per diem

B) Subscriptions and dues

C) Physical examinations

D) Professional meetings

E) Drug and alcohol testing

F) Criminal background checks

G) Routing software

H) Consultants' fees

9) Any other costs that the district can document in writing are attributable to its provision of transportation under the terms set forth in this Section.

d) Depreciation and Opportunity Costs

1) Only capital assets owned by the district are eligible for depreciation; leased assets are treated as annual expenditure items based upon the cost of the lease for the fiscal year being examined. Land has an unlimited useful life and is therefore not depreciated.

A) Only those assets with depreciable value in excess of $2,500 shall be eligible for depreciation.

B) The amount of depreciation attributable to the fiscal year in question shall be calculated by dividing the cost of acquiring the asset minus its residual value by its useful life.

2) The opportunity cost of an asset shall be calculated by assessing its current market value, subtracting the cost of disposing of the asset, and multiplying the resulting amount by the interest rate available to the district for the purchase of assets over time.

e) Projecting Future Costs

 Using costs for the most recent fiscal year as a base-year point of departure, districts shall project future costs for continuing to provide transportation services, as a basis for comparison with bid amounts. Factors which will influence the district's future costs must be identified and included in the calculation as set forth in this subsection (e).

1) The district shall identify known or anticipated changes in service which would result in significant increases or decreases in cost, such as:

A) an increased or reduced number of routes;

B) an increased or reduced number of students;

C) changes in riders' eligibility;

D) changes in safety hazard identification practices; and

E) any other expected change in amount or level of service.

2) The district shall compute the magnitude of the anticipated change by:

A) determining the number of routes that would be added or subtracted;

B) determining the number of students that would be added or subtracted from ridership;

C) determining the amount of change in fixed costs affected by contractual obligations such as insurance; and

D) determining the amount or degree of any other changes affecting routes, students, and cost factors related to transportation.

3) The district shall identify those elements of cost delineated in subsection (c) of this Section that will be affected by the anticipated changes and shall project the changes in such costs.

4) The district shall estimate the costs associated with replacement of existing capital assets and purchase of new capital assets to accommodate projected changes in the level of services needed.

5) The district shall accumulate the cost increases or decreases and the amortized capital cost increases or decreases over a period equal to the bid timeframe, adding the increase to or subtracting the decrease from the cost for the base year and displaying this addition or subtraction by item of cost.

6) The district shall apply a cumulative inflation factor to each year beyond the base year.

(Source: Amended at 29 Ill. Reg. 12422, effective July 28, 2005)