



Diamond Lake School District 76

Embrace Empower Excel Each Child Each Day

February 17, 2026

TO: Board of Education
FROM: Eric Rogers
SUBJECT: First Student (formerly Lakeside Transportation) Contract Extension FY26-27

Lakeside has been a strong and reliable transportation partner for Diamond Lake since the inception of the contract. Throughout the partnership, Lakeside has demonstrated consistent communication, high-quality customer service, and a willingness to explore cost-saving opportunities that have directly benefited the district.

As part of a joint transportation contract with Districts 75 and 120, the district has the option to extend the agreement on a year-by-year basis, upon mutually agreeable terms, for a period of up to ten years. Following several weeks of negotiations, Lakeside has submitted a proposal reflecting a 5.5% increase for the 2026–27 school year. This proposed increase applies to both regular and special education transportation services.

The attached cost proposal and supporting rationale from Lakeside outline the basis for the requested increase. As part of the district's five-year financial forecast, annual transportation cost increases of approximately 7% are already projected; therefore, this proposed extension aligns with existing budget assumptions. Moving forward, the district will request that renewal proposals be provided earlier in the year to allow adequate time to solicit competitive bids if necessary, recognizing that the number of qualified transportation vendors is limited.

A significant development related to this contract is Lakeside's acquisition by First Student. First Student is the largest student transportation provider in Illinois and has assured the district that the day-to-day operational team serving Diamond Lake will remain unchanged. In addition, First Student has committed to several enhancements to the contract, including GPS systems installed on each bus. This upgrade will allow families to track bus locations through a mobile app, rather than relying solely on text message notifications.

Based on the district's positive experience with Lakeside, the alignment with long-term budget projections, and the added service enhancements associated with the acquisition, I recommend that the Board of Education approve a one-year contract renewal with First Student for the 2026–27 school year at a 5.5% increase.