



HISD Transportation

Strategic Fleet Acquisition Report (November 2025)

Prepared for: The Hallsville Independent School District Board of Trustees

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Executive Summary: Dual Mandate Response and Immediate Action

This report presents two time-critical, inter-related policy recommendations essential for securing the financial health, regulatory compliance, and safety standards of the HISD transportation fleet. Immediate Board action is requested to strategically respond to:

1. **State Safety Mandate (SB 546):** The impending requirement for three-point seat belts on all new student transportation vehicles.
2. **Federal Financial Risk (MY2027 EPA):** New heavy-duty emissions standards that will impose significant, budget-threatening cost increases and introduce operational reliability risks in 2027 Model Year vehicles.

The HISD Transportation Department recommends a **two-part, immediate action:** Mandating seat belts on all new buses for proactive compliance, and executing a strategic pre-buy to accelerate all planned 2026-2027 acquisitions into the current 2025-2026 purchasing window to lock in current pricing and proven technology.

Part 1: Proactive Compliance and Safety (Seat Belt Mandate)

I. Policy Requirement and Operational Benefit

This section recommends an immediate policy change to mandate three-point lap/shoulder seat belt systems on all route buses purchased moving forward.

Benefit	Impact
Proactive Compliance (SB 546)	Eliminates the risk of needing costly retrofitting or delayed purchase cycles when the state mandate takes full effect. Every vehicle enters the fleet compliant.
Enhanced Safety	Standardizes the highest level of passive safety for our students, aligning HISD with modern safety standards ahead of the mandatory deadline.
Procurement Efficiency	Aligns our specifications with manufacturer standard builds, granting us quicker delivery times and access to ready in-stock vehicles when immediate replacements are needed.

II. Financial Justification and Cost Avoidance

While the initial cost of adding seat belts to a new bus is approximately **\$8,000 per unit**, this is a critical **cost avoidance** measure.

- The estimated cost of retrofitting an older bus is **\$50,000 per bus**.
- Proactive compliance now mitigates a substantial future district-wide retrofitting liability estimated at approximately **\$2,900,000** for our existing fleet.

Part 2: Fiscal Protection and Reliability (Strategic Pre-Buy)

I. The Impending Financial Impact of 2027 EPA Standards

Effective January 1, 2027, the new Model Year 2027 (MY2027) EPA regulations will take effect, requiring drastic reductions in Nitrogen Oxide (NOx) emissions through complex new after-treatment and engine technologies.

- **Projected Cost Increase:** Industry analysts estimate the new emissions technology will incur a premium ranging from **\$8,000 to over \$20,000 per unit**. Salesmen have indicated that a bus currently priced at \$150,000\$ (with A/C and seat belts) may cost closer to **\$180,000 to \$200,000** after the regulations take effect.
- **Budget Protection:** Acquiring proven **2026 Model Year** vehicles now allows us to lock in current pricing and entirely avoid these mandated surcharges.

II. Mitigating Technology and Reliability Risk

We recommend avoiding the initial adoption of new hardware to safeguard fleet efficiency. The transition to new emissions technology has historically resulted in performance challenges and increased unplanned downtime (as observed during the 2007 and 2010 mandates).

- **Unproven Technology:** MY2027 buses will feature new, untested engine and after-treatment systems. Purchasing pre-2027 models avoids being the first adopters of potentially complex and unreliable "first-generation" hardware, which can severely compromise route continuity.
- **Reduced Downtime:** Sticking with current, proven MY2026 technology minimizes the risk of increased maintenance costs, which is a critical metric for student transportation reliability.

III. Proposed Pre-Buy Strategy

The Purchasing Department should immediately re-evaluate the Capital Improvement Plan to execute the following steps:

- **Shift Acquisitions:** Reprioritize capital funds to pull forward **all planned 2027 bus replacement orders** into the current **2026 purchasing window**.
- **Order Deadline:** Initiate and finalize these purchase orders at the **next Board Meeting** to secure production slots before manufacturers fully transition their assembly lines to MY2027 compliance builds.

V. Consolidated Recommended Action

The Administration respectfully requests that the Board take the following two-part, immediate action to protect student safety and District finances:

1. **Mandate three-point seat belts** as a standard specification in all future route bus procurement contracts, effective immediately.
2. **Approve the allocation of necessary capital funds** to execute a strategic fleet pre-buy, accelerating all planned 2027 bus acquisitions into the 2026 purchasing window.

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