

# Revenue Enhancement— The Other Side of the Coin

By Ron Cox



**F**or the past two years, superintendents and school boards have directed school budget managers to “contain costs” wherever possible, to remove the wants and needs from

their budget requests, and to focus on the essentials.

Given the condition of the federal and state economies, this request is understandable. In Missouri, our legislators continue to cut school funding,

yet staff expectations and student standards have not decreased at the same rate as the funding sources.

During the past few years, the Lee’s Summit School District in Missouri has turned over each rock and reevaluated established programs, current policies, past practices, and district assets. During this process, we discovered that although cost containment is clearly the only way to survive, the other side of the ledger is also important. The revenue enhancement side of the ledger can help mitigate or minimize the level of cost containment needed.

In the Lee’s Summit School District, we have renewed our focus on the three fundamental Rs: recycle, renew, and reuse.

## Recycle for Cash

During the past year, the Lee’s Summit School District has redirected more than one million pounds of waste from the local landfills into a recycling program with a national refuse company. This community partnership has generated thousands of dollars that the district can put back into neighborhood schools.

The school recycling program encourages recycling within the classrooms, at school, and at home. The program is designed such that increased participation translates into higher revenues for each neighborhood school. The refuse company provides recycle containers for the parking lot at each school. Every Monday, the company weighs the containers, then sends a quarterly check to each principal.

During the past year, the district has also partnered with the city of Lee's Summit and its Resource Recovery Park. The school district distribution center delivers all damaged or broken pallets to the Resource Recovery Park where they are turned into mulch, which is provided free to the citizens in small quantities and is sold in larger volumes for landscaping projects.



shred the documents daily. When a large volume is amassed and the market price is right, the district sells the materials to a paper manufacturer for recycling. Each of these programs has redirected several thousand dollars back onto the revenue side of the balance sheet.

This program allowed the district to reduce the volume of materials going into the Dumpsters and allowed us to rebid our solid waste (trash) hauler contracts to get a better rate. The haulers don't have to come as frequently nor are they picking up as much, so in many cases we could also reduce our container sizes.

In addition, we undertook a print cartridge-recycling project this past year with another community partner. Under the contract, the district purchases locally remanufactured cartridges and the cartridge-recycling company donates the used cartridges to a local asphalt and paving contractor that incinerates the cartridges into materials used in paving local streets and highways.

## Through the funded program, the district can sell its existing fleet and purchase four all-electric vehicles.

Another recycling program that the school district implemented during the past year involved bundling cardboard and selling it on the open market through a highly competitive bidding process.

The district also terminated a contract with an outside vendor for shredding services. In the original contract, the district paid the vendor to shred documents. That company then resold the materials for several thousand dollars with no benefit to the school district. Now, district staff

### Renew Resources

In 2009, the school district applied for and received a \$500,000 grant from the Department of Energy to replace its old, outdated distribution fleet. Through the funded program, the district can sell its existing fleet and purchase four all-electric vehicles.

The district now pays approximately 11 cents per gallon to operate its all-electric fleet, compared to \$3 per gallon for the old fleet. In addition to the cost savings, we reduced our dependency on fossil fuels and created zero emissions within and around our schools and neighborhoods. The vehicles are dependable

and quiet and have only four moving parts.

When fully implemented in 2010, this program alone will save the district more than \$30,000 on each vehicle over its life.

### Reuse for Savings

In 2009, the district executed an agreement with an online auction program that allows the district access to regional and national markets for disposal of surplus properties. When the school board declares

assets surplus, the district works with the online auction program to determine the best strategy for disposing of the surplus and getting the highest return.

We've realized that some items produce much higher bids on national markets. For example, bids for a piece of equipment from nutritional services were more than 400% higher than bids for similar items sold locally just one year earlier.

This program has also provided the district with the opportunity to reduce its overall master storage and distribution systems and plans. We no longer need to purchase or rent storage. In the first year alone, we reduced storage rental expenses by as much as \$9,000 while generating \$56,000 in revenues.

The reuse program reduced the district's labor expenses related to hosting annual community auctions, increased revenues by using national markets, and reduced the district's rental expenses from its annual operating budgets.

### Purchasing the Future

The Lee's Summit School District's implementation of these programs has increased revenues, which is the most important R in the formula. We've generated more than \$750,000 for the local district and decreased ongoing operational costs.

On top of that, we are also doing our part to create a positive environment for our students and ourselves.

**Ron Cox** is director of purchasing and distribution services for the Lee's Summit R-7 School District in Lee's Summit, Missouri. Email: [Ron.cox@leesummit.k12.mo.us](mailto:Ron.cox@leesummit.k12.mo.us)

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