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Strategic Partnerships, Inc.

# Press Release

For immediate release

## Texas governmental entities long on ideas for cutting budget shortfalls

From Dallas Cowboys ticket raffles to school bus ads, creativity bridging funding gaps

**AUSTIN (2/23/10)** - When dollars are tight for public schools, nonprofits or social organizations, bake sales pop up in the parking lots of grocery stores all across Texas. "But when revenues dry up for government entities and some face multi-million-dollar shortfalls, a little more creativity is required in making budget ends meet," says Mary Scott Nabers, president and CEO of Austin-based Strategic Partnerships, Inc.

For instance, the Southlake Carroll School District is turning to "plastic" to help generate additional revenue. School trustees are exploring an agreement with a credit card company for cards that feature the district's Dragon mascot. The district receives \$50 when a customer uses the card for the first time, up to 10 percent for use with select merchants, 2 percent on gas and grocery purchases and 1 percent on other purchases. The money would go to the district's general operating fund.

The City of Monahans has a similar budget problem. So the Monahans Chamber of Commerce, counting on Dallas Cowboys fans, is selling \$50 raffle tickets for four tickets to the Cowboys game next Thanksgiving Day, including round-trip air fare and free stadium parking. The raffle proceeds will go into the city coffers to help plug a \$44,000 budget hole.

Many government entities are preparing to increase fees, raise taxes, lay off workers or cut services to fill budget gaps. "But the more creative entities are finding ways to stretch their dollars to eliminate or reduce taxpayer burdens while continuing adequate levels of service," said Nabers, whose firm has been successfully partnering public and private entities for the last 15 years.

In Bee County, the district clerk's office has benefitted from more than 1,700 hours of donated community service. Community college government students work free as part of their course work, high school students volunteer as a classroom assignment, job seekers volunteer in exchange for on-the-job training and local judges assign community service hours through the courts. Thousands of taxpayer and county dollars have been saved.

In the Lewisville ISD, the school board may add more bus routes and alter schedules. Altering the start time for students could result in savings of \$500,000 to \$720,000. The changes would allow most drivers three routes instead of one or two, reducing the number of buses and drivers needed. Just this week, the Friendswood ISD approved selling advertising space on its school buses.

Texas is not the only state, however, that is exploring every possible cost-cutting measure and every possible revenue stream.

In Virginia, government officials are considering privatizing liquor sales. The two states are among a handful across the country that serve as their state's only retailer of liquor. Some insist the state should not be a retailer and that selling their distribution centers and allowing the private sector to sell liquor would provide a one-time budget boost of millions of dollars.

The California legislature may convert 700 freeway displays into electronic advertising billboards. Officials estimate that 500 message boards could raise \$2 billion over 20 years.

Washington State legislators are pushing for selling advertising on school buses to generate up to \$100,000 per year. That has already been implemented successfully in the Humble ISD in Texas.

Officials in Arizona may sell the House and Senate buildings where they have conducted state business for half a century. Other state buildings could be next. The intent would be to sell the properties and then lease them back over a period of years and then assume ownership again when the leases end. Officials say the property sales could bring up to \$735 million in immediate revenue.

The City of Sacramento, California, has taken vending machines to a whole new level. Instead of drinks and snacks, the city's vending machines offer safety gloves, batteries, duct tape and other products city employees use in their work. Now city officials can manage, track and control inventory – saving time and money.

A group of volunteers in Care Coral, Florida, is saving the city an average of \$3,000 per foreclosed properties throughout the city. The group has cleaned and cleared more than 100 properties, saving the city \$324,000.

These unique solutions to budget problems are saving thousands to millions of dollars. One of the biggest success stories comes out of Hawaii, where the state senate took a stab at going paperless. Millions of sheets of paper – copies of written testimony distributed to legislators, copies of bills and other legislative documents – were all but eliminated. Over a two-year period, officials estimate a savings of \$1.2 million.

While many of these new revenue streams are helpful, many government entities are looking for more long-term solutions such as outsourcing, public-private partnerships and contracts with vendors who have good solutions that will save them money. "Government entities have always welcomed private sector vendors whose products can save them money, whose services are comprehensive but less expensive and who offer cost-saving solutions to their problems," said Nabers. "The timing could not be better for translating those solutions into contracts in this trillion-dollar public sector marketplace."

***About Strategic Partnerships, Inc.:***

SPI ([www.sp Partnerships.com](http://www.sp Partnerships.com)) is a government procurement and national research firm based in Austin, Texas. Its staff of consultants, researchers and budget analysts are all former government executives who work in the area of government procurement.