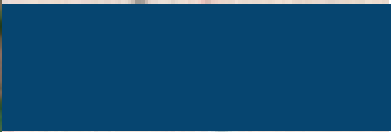


Making the Grade?

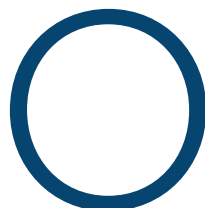
Questions to Ask About School Services Privatization

A Publication of In the Public Interest | September 2013





Introduction



ur children rely on the everyday heroes who provide them with nutritious meals, clean up their classrooms, and make sure that they get to school and back home again safely. The bus driver, the cafeteria worker, or the custodian in a school is often one of the most important school relationships a student has. These essential school staff members serve as mentors, cheerleaders, and protectors of the children they see every day. School districts that contract out these jobs give up control over the vital services school staff provides.

An examination of private contractors' track record shows that these companies often provide inferior service in the quest to maximize profits. Schools have experienced a number of problems after outsourcing school services including dirty classrooms, unreliable bus routes, improperly administered medicines, less nutritious meals, and unkempt grounds.

Promised cost savings also often fail to materialize. According to a review of outsourcing experience across the county by Mildred Warner, Professor of City and Regional Planning at Cornell University, "Expectations of costs savings are not well supported by a careful reading of economic theory, and empirically the evidence for cost savings is weak."¹ In fact, some districts that privatized school services later "insourced" or brought these services back in-house, and have experienced significant cost savings by doing so. The San Diego Unified School District ended its bus services contract in 2010 and has saved \$1 million per year by providing these transportation services itself.²

This guide provides examples of important questions that decision makers should consider when faced with a proposed privatization effort. Advocates, including school service personnel, teachers, parents, and members of the community can use these questions to ensure that decision makers keep students' and the broader district's best interest at the heart of these conversations. They should be able to answer each of these questions before making the decision to privatize school services. These questions can be helpful to use during meetings with school administrators, in testimony at school board hearings, and even in meetings with allies to draw attention to problems with a proposed privatization initiative. While this is not a complete or exhaustive guide, it provides a framework for examining and evaluating school services privatization.

All school support services are possible candidates for contracting out, including the following:

- Busing and other transportation services
- Food services
- Custodial services
- Skilled trades
- IT services
- Clerical services
- Grounds maintenance
- School nursing
- Special education aides
- Counseling services
- Security
- Printing services



Key Questions to Consider Before Privatizing School Services

Defining the Problem and Understanding the Service

- What is the need or “problem” that a privatization proposal is addressing? Is it a desire to reduce costs, to improve quality of service, to address management deficiencies, or something else?
- Have managers worked with school services personnel and others to develop innovative new ideas for cost savings and better service? Have they explored other alternatives to privatization?

Protecting Students

- If the service is privatized, what happens if there are problems affecting students? Is there a process in which a student or parent can complain about services provided by the contractor? For example, in a school district in Michigan, a school bus contractor dropped a student off at a remote stop that was not on the established route. There was no process for the parent of the student to complain about the potentially dangerous incident, since the school district directed her to contact the contractor, while the contractor pointed her to the school district.
- How will the contractor meet federal, state, and school district requirements for background checks? Will the contractor have background check policies that go beyond these legal requirements? Will the contract allow the district to perform and/or have access to background checks on contractor employees?
- What is the contractor’s past history with student safety? Have they put students at risk in other districts?
- Will the contractor have access to sensitive or confidential information about students? If so, how does the district plan to ensure that sensitive information is safe?
- Will the contract protect vulnerable students, such as addressing issues related to students with disabilities or limited English proficiency?
- Can school district employees direct contractor employees? For instance, in an emergency can a school principal direct contracted custodians when student safety may be at stake?



Ensuring a High Level of Quality

- If the service is privatized, what might happen to the quality of the service? Will contractor staff perform all the duties that district staff performs, including tasks that may not be in their formal job description? For example, a district custodian may help students with broken lockers or ask unauthorized individuals to leave the building.
- What is the average length of tenure for contractor staff? How does this compare with the district staff?
- Does the company have a strong track record of providing high quality services in other districts? Or does the experience of other districts show that the company cuts corners to save costs at the expense of the service quality?

Fairness and Accountability

Transparency

- Can the public request and view documents, such as lists of potential contractors, responsible contractor questionnaires (if your district uses them), wages and benefits of public employees affected, etc.?
- Are there opportunities, such as public school board hearings or public comment periods, for school personnel and the public

Donna West, Child Nutrition Manager, AL

When students are invited to wipe down a cafeteria table, mop up a floor spill, or tutor other students during school breakfast, West says there is more to it than meets the eye.

“We are equipping our students with the opportunities to discover their own strengths of responsibility, leadership, and teamwork... These activities also provide us (food service workers) with a sense of accomplishment and with the knowledge that we can make a difference in their lives,” she says.

This mindset is school-wide and deliberate. Since 2012, West and other educators have methodically been preparing her school’s 360 students one small act at a time to meet the challenges and opportunities of the 21st century. “We are continuing to look for new and innovative ways to inspire, empower, and motivate our future leaders,” says West, who has been at the school for nine years.

to present information and share their opinions on the privatization effort and the potential impact on students?

- If the district moves forward in the contracting process and evaluates bids from contractors, will they evaluate bids during the open session of a regularly scheduled school board meeting to ensure maximum transparency?

Potential Conflicts of Interest

- Is the school district using a consultant or advisory firm to advise them on decisions related to the privatization decision? A school district may engage a consulting firm to help examine options, including privatization, before the idea of privatization is formally introduced by school administrators.
- If the district is using consultants, do these consultants have conflicts of interest? For example, do they have relationships with potential bidders or school board members that will make the decision whether to privatize? What is the consultant's track record and background with school services privatization in other districts?
- Are any school officials or school board members involved in the contracting process former employees of potential contractors?

School District Capacity or Expertise

- Will privatizing the service and losing valuable service personnel lead to a significant loss of internal knowledge and experience related to the specific service within the district? How will that impact the long-term mission of the school district?
- Will privatization lead to a loss of capital equipment, such as bus fleets or kitchen equipment, and reduce the district's options to respond to future needs and changes? Sometimes contractors will buy school district equipment, giving the district a short-term infusion of cash but making it difficult for the district to ever take the service back in-house, since this equipment is very expensive to replace.
- Does the district have the necessary number of experienced staff to negotiate a good deal?
- Does the school district have the information needed to evaluate the past performance of a potential contractor?

The Importance of Public Control

The main reason to be wary about handing over school services to a private company is that we are giving up direct control over how these services are provided. Once we hand over control, if the private company starts running the operation into the ground, or service quality declines, we have little to say.

When the public is in control, it can demand that operations be open to public review, accountable to the community, and run in the students' best interest. For-profit contractors have different goals and priorities than our public school district, and are accountable to private interests, instead of the community.

- If a contract is signed, will there be enough district staff assigned to design the contract, monitor performance, and provide technical assistance to the contractor for the life of the contract? How will this oversight be provided?

Costs to the School District and Public

- Has the district performed a cost analysis that includes all the costs of contracting, such as costs of holding hearings, drafting bid documents, analyzing proposals, monitoring the contractor, training private contractor staff, moving equipment, and/or the contractor using public resources? Can the public receive a copy of this analysis?
- What job duties is the contractor responsible for? Does the contract encourage and incentivize contracted school service personnel to go above and beyond their job descriptions to serve students and the school. Will contractor employees take over all the work that current service personnel perform? Will the contractor charge the school for having to perform these “extra” duties?
- Will the contract encourage contractors to hire school support personnel who live in the district in which they work? A 2012 study of the National Education Association’s school support members found that 75% of them lived in the school district in which they worked. What will be the effect on the local economy if school employees who live in the district are replaced by lower-paid workers who may live elsewhere, and if a private contractor buys less of its services and supplies locally than the school district was doing? By laying off the school district employees, the community loses valuable revenues and community cohesion erodes.

Impact on Current Workforce

- How will privatization impact existing workers? For example, will workers still be unionized? How will the wages and benefits and the number of jobs change?
- Does the current Collective Bargaining Agreement or school district policy require worker retention or retraining if services are privatized?
- Will existing employees be moved to other jobs within the school district and/or can they continue to perform the same work for the contractor?

Terms of the Contract

Contract Requirements and Structure

- How long is the contract and does it allow for automatic renewals? Automatic renewals take away meaningful contract oversight and unnecessarily lengthen contracts without any review.
- What are the requirements for subcontracting? Does the RFP and contract specify that subcontractors will have to meet same requirements as the main contractor?

Accountability Provisions

- How does the contract measure success? Do stakeholders and the school district agree what the outcomes of the contract should be? Does the contract contain clear performance measures and accountability mechanisms to ensure that the contractor is doing a good job?
- Does the contract require regular independent oversight, such as a regular audit?

Ann Krampitz, Paraeducator, MN

Ann Krampitz, a special education paraeducator, says it is important to build relationships with students because it makes teaching and learning easier, especially regarding those with EBD—Emotional Behavioral Disorder.

“Without para support, EBD children wouldn’t be successful in the classroom,” says Krampitz, a certified instructor in Crisis Prevention Intervention. “When their anxiety or frustration arises, I provide the support necessary to help them find success.”

As she provides personalized attention to students in need—“getting them on the right page, helping with spelling, or reading a test”—Krampitz must at all times be mindful of what other students are doing so the teacher can focus on teaching.

“I provide an extra set of eyes and ears to all things going on in the classroom,” she says. It’s just another way that paraeducators use their expertise to keep things running smoothly so that education can take place.

Planning for Problems

- Does the contract require a start-up/transition plan from the contractor that includes a contingency plan for problems at start-up or later in the contract?
- Does the district have a plan for dealing with problems and/or poor performance by the contractor?
- Can the contract be cancelled if problems arise or if the school district's needs change? If so, what are the criteria for cancellation and what are the district's costs for canceling? Even if the contract allows the district to cancel, can the district realistically provide the service in-house again? Can it hire back experienced personnel? Does it have the equipment needed to provide the service?

Charles Clark, Custodian, TX

Charles Clark has been a revered custodian at his Texas high school for 24 years.

In addition to his job skills and expertise, Clark is known throughout the community for his willingness to house, clothe, and feed students in need. The National Life Group recently selected Clark as the 2012-2013 recipient of the national LifeChanger of the Year award. Clark beat out more than 400 other educators, including teachers, administrators, and district employees from 33 states.

Clark, was cited for his interactions with students — many of whom are being raised by single parents. He was nominated by his principal and other officials of his school district. Their application said:

“When he sees someone who is struggling and needs help, he reaches out and gives them the support and encouragement they need, even taking some of the kids in and fostering them himself. He tells them to make good decisions and not let anyone else define who they are. He holds the students to very high standards and shows them that he genuinely cares, and is not there just for a paycheck. As a result, the students don’t want to disappoint him, work hard and eventually succeed.”

Footnotes

- 1 Warner, Mildred and Amir Hefetz. 2012. "In-Sourcing and Outsourcing: The Dynamics of Privatization among US Municipalities 2002-2007." *Journal of the American Planning Association*, 78(3): 313-327.
- 2 Clare Crawford, "City, workers both win with open competition, San Diego Union Tribune, July 25, 2012. <http://www.utsandiego.com/news/2012/Jul/25/city-workers-both-win-with-open-competition/all/>

In the Public Interest would like to thank Jon Falk and Mark Murphy for their thoughtful and thorough comments and edits.

Any errors or omissions in this publication are the sole responsibility of In the Public Interest.

Design and layout: Sabrina Meyers



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