



Schools for Sale

**The Privatization
of Non-Instructional
School Services**

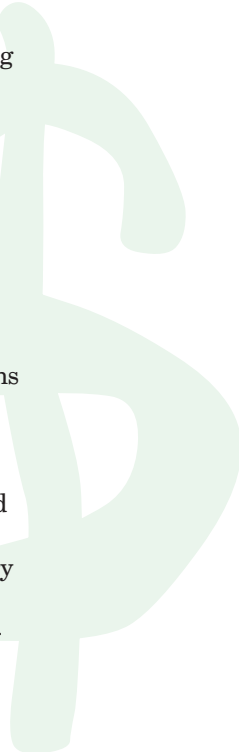
schools for sale

AFSCME and its members who work in our public schools fully embrace the goal of providing cost-effective, high-quality services. This objective is best met through labor/management partnerships, not through contracting out, which leaves school districts vulnerable to a variety of problems including higher costs, lower quality of services, and the loss of control and flexibility. School districts across the country cannot afford these risks as they confront the challenge of increasing student achievement with limited resources.

Non-instructional school services, from pupil transportation and custodial services to food preparation and service, provide the environment critical to effective learning. In addition, cafeteria workers, custodians, bus drivers and others have special relationships with students and their parents. Many of these school employees are neighbors of the children they serve. When school districts contract out these jobs, they also sever such relationships.

Who are the companies seeking contracts to provide non-instructional school services? Not long ago we saw small local or regional companies responding to requests for proposals issued by school districts. Now, the companies in the food, student transportation, and custodial industries are large, multinational corporations with annual revenue in the billions. These firms have come to dominate their respective industries by buying smaller companies and driving others out of business. Companies such as Aramark, Laidlaw, First Student, and Sodexo make no secret of their plans to further penetrate the public school “market,” so corporate executives are knocking on the doors of school district officials.

Enlightened and innovative school officials and administrators know that fostering joint labor/management initiatives to improve service delivery is more effective than contracting out. Such an approach ensures positive results without subjecting students, parents and the community to the shortcomings associated with contracting out.



the shortcomings of contracting out

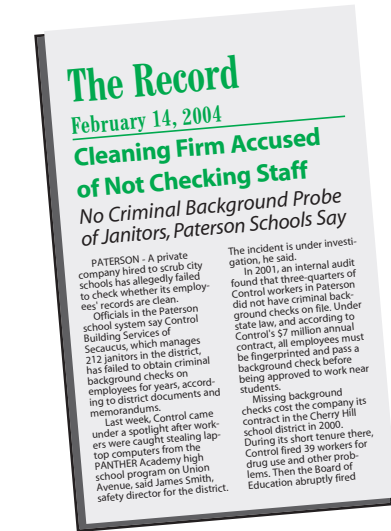
- Contracting out costs more than advocates claim because indirect and hidden costs of service delivery are often ignored. Such costs include contract monitoring and administration, conversion costs, charges for “extra” work, and the contractor’s use of public equipment and facilities.
- When profit is the prime motivation in service delivery, there is an incentive to cut corners by skimping on the quality and quantity of work performed. Quality suffers when contract specifications are vague or poorly defined. School district employees routinely perform tasks that fall outside their official job descriptions but are vital to a high quality education for children. Such tasks usually are not included in contract specifications, and school officials no longer have the flexibility to get them accomplished.
- It is difficult for contractors, who tend to provide inferior wages and benefits, to attract and retain qualified employees. As a result, not only is service quality adversely affected, but children are exposed to unnecessary and destabilizing staff turnover.
- There is an adverse economic impact on communities when school districts contract out, particularly with companies located in other parts of the country or overseas. The community’s employment base is eroded when good jobs are replaced with poor jobs. In addition, resources are drained from the local economy as profits are transferred to companies outside the community.
- Dependence on contractors increases as in-house capacity is reduced or eliminated. School districts that contract out school bus services and sell their buses are particularly vulnerable. This loss of leverage can lead to price gouging by contractors in future contract negotiations. Such situations are made worse by contractors that “low-ball” their bids (offer an attractive price on the first bid to win the contract and then raise prices in renewals).
- Public accountability is diminished because complaints from parents and students cannot be directly addressed by the school district. In addition, private companies cannot be held to the same public scrutiny as school districts, which are required to operate in an open arena. These conditions create opportunities for corruption, such as bid-rigging, bribery and kickbacks.

contracting problems

School districts across the country have experienced first hand the many problems connected with contracting out. The following recent examples are illustrative:

Custodial and Maintenance Services

Control Building Services of Secaucus, New Jersey, failed to adequately conduct a background check of its employees. Under state law and the \$7 million contract the company had with the school system, background checks and fingerprinting of all employees were mandatory. Despite these requirements, an internal audit conducted in 2001 revealed that 75 percent of the contractor’s employees did not have criminal background checks on file. These deficiencies came to light after workers were caught stealing laptop computers from one of the schools. Control Building Services lost a custodial contract with the Cherry Hill School District because it had failed to conduct the necessary checks there as well.



During its short time with that school district, the company fired 39 employees for drug use and other problems.

Keller School District in Texas contracted with Aramark to run its maintenance department. The district eventually terminated the contract

after learning of missing records, broken equipment and financial mismanagement. The district then turned to an outside consultant to help it bring the maintenance department back in-house.



Times-Picayune

October 9, 2004

N.O. Schools Chief Will Fire Janitorial Firm

Filthy Campuses, Rising Costs Cited as Reasons to Cancel Contract

New Orleans schools Superintendent Tony Amato is moving to fire the system's janitorial services contractor, one of the area's most politically connected companies, which school officials say has left campuses filthy while earning millions of dollars a year.

The termination of the contract with AME Services, tentatively set for the end of the month

would close a period marked by

News and Record

June 10, 2004

Board to Review Custodial Contract

School District Officials Want to Speak With Sodexo About Services, Expectations and Finances

Custodians have complained regularly about problems with Sodexo since the company took over cleaning services for Guilford County Schools last fall.

Chief Administrative Officer John Wright asked the Guilford County Board of Education on Tuesday night to delay renewing its contract with Sodexo. District officials want to speak with the company about "expectations, services and finances," he said.

"We didn't get to a point where we could give a recommendation one way or the other to the board," Wright said Wednesday. "To

get 30 days would allow us to get matters examined and reviewed and get back to the board without having a break in the program. It's pretty important to have clean schools."

At the meeting, Teamsters Local 391 union organizer Rachel Baiden asked the board to reconsider its Sodexo contract. School custodians started joining the union about a year ago about the same time the school system privatized its cleaning services.

Baiden said custodians have complained that Sodexo uses inferior supplies, does not place enough

News and Record

April 22, 2005

Schools Drop Cleaning Service

Custodians Have Complained From the Outset About Working Conditions Under Sodexo

Guilford County Schools has swept out

"If we're paying these people to do this, they're not doing the job," board member Cooke said. Sodexo voted 8-2 to end the contract at the end of the school year. Board members Alan Duncan and members Henderson and Ahita voted no.

He was concerned the nearly 100 custodians would cost too much to use services. The board decided where to conduct a line-item audit of the budget

described the conditions at a high school by stating that "human feces remained in mop sinks and face bowls in the gym area."

A report concerning a middle school cited "countless numbers of bloodied sanitary napkins left for a long period of time." School officials estimated that bringing services back in-house would save the school district about \$2 million.

The Guilford County school board, in North Carolina, voted 8-2 to end its relationship with Sodexo, the company it hired to provide custodial services. The board had expected savings totaling about \$1.2 million by contracting with Sodexo for a four-year period. In the first year, only \$120,000 was saved, \$350,000 less than the guaranteed amount. In the year the contract was severed, the school district expected to lose money despite the \$410,000 projected savings. In addition to finances, teachers and custodians complained about inferior supplies,

But problems continued with the consultant. As a result of several cost overruns, officials had to pay the consultant almost twice the original contract amount.

The New Orleans School District terminated its contract with AME Services to provide custodial services because of the poor quality of its work and escalating costs. The company had generated an extensive record of complaints. For example, a district facilities director, in a memo to AME,

The News-Press

October 5, 2004

District Wants to End Contract with Unreliable Cleaning Service

Cleaner public schools may be on the horizon in Lee County, but the first step means terminating a multi-million dollar custodial services contract.

Philadelphia-based Aramark Corp. has been providing employee training, supplies and cleaning equipment to Lee.

Omaha World-Herald

October 27, 2005

Driver Leaves Girl Alone on School Bus

A bus driver bypassed a security precaution Monday morning and left a first-grade girl sleeping on a school bus.

The bus was left in the area of 40th Street and Ames Avenue, near where the driver

lives, said David Wolfe, director of transportation for Omaha Public Schools. The girl, a 5th

Macon Telegraph

September 19, 2003

School Bus Contract Canceled

Bibb County school officials have canceled their contract with Laidlaw school bus company, citing concerns about the overall management of the school busing system.

"We have had problems with the buses that are well known in this community," said Superintendent Sharon Patterson. "We just don't believe that Laidlaw has effectively managed the busing system, and problems have recently gotten worse."

The main gripe of school officials has been Laidlaw's lack of consistency, contending that too much turnover in its management team has led to many problems, including sinking morale among school bus drivers, who are employed by the school system.

In addition, more than a

month into the school year, many children continue to arrive at school late and are dropped off at bus stops hours after school has ended, Patterson said.

"When these kids are late and not getting to school on time, it affects the overall climate across the district," said Patterson, who is among several administrators who have been swamped with calls from state parents and teachers about the busing delays.

Bibb Board of Education members voted 7-1 Thursday to terminate the four-year, \$870,000 contract with Illinois-based Laidlaw Transit Inc.

Bob Donaldson, who manages the Bibb County branch for Laidlaw, said though he would prefer to work on addressing the concerns, the bus company will "work hard to make the trans-

inadequate staffing of custodians at schools, too many temporary workers and faulty equipment repairs.

Lee County Schools, Pennsylvania, terminated its contract with Aramark to provide employee training, supplies and cleaning equipment. School

administrators maintained that in-house staff would do a better job because they are held accountable and take more pride in maintaining school buildings. According to custodians, delayed repairs resulted in floors and carpets remaining dirty for extended periods of time. In addition, cleaning solvents were frequently out

of stock, which made it difficult, if not impossible, for custodians to properly clean school buildings.

School Bus Services

A former New York state school bus driver for Laidlaw was arrested and charged with possession of child pornography.

The ex-driver admitted that he downloaded—from a website offering child pornography—images of children who looked to be 10 to 12 years old engaged in sexually explicit conduct.

Another Laidlaw driver did not activate the security alarm system (as required, before exiting the bus), and left a first grade girl sleeping on the bus. The girl, enrolled in Omaha Public Schools, had to be driven home by a stranger she flagged down after she woke up alone.

With one year remaining on a four-year, \$870,000 contract

with Laidlaw Transit to provide student transportation, the Bibb County (Georgia) Board of Education terminated its relationship with the company. According to the school superintendent, "we just don't believe that Laidlaw has effectively managed the busing system, and problems have recently gotten worse." One month into the school year during which the contract was canceled, many children continued to arrive at school late and were dropped off at bus stops hours after school had ended.

Food Services

Fours years into a contract with Chartwells to provide food services at the Higley Unified School District in Arizona, the company had to bring in a new food services director following complaints about the menu, quality of food, and serving time. The school district recently decided to re-bid the service.

Feeling overwhelmed by other responsibilities, one school board member thought the time was

The Arizona Republic
October 27, 2005
Lunch Outsourcing to Continue; Higley District to Ask for Bids

Richmond Times Dispatch
April 19, 2005
Chartwells Wraps up Food Service; It Opts Not to Renew Deal
School Board is Happy to Oblige

If there's one thing the Richmond school system and

Chartwells agree on, it's that they're better off without each other. The Richmond School Board contracted with Chartwells to run the food-service operations

Richmond Times Dispatch
April 7, 2005
Schools' Food Costs Rise \$1 Million Under Contract

When the Richmond School Board hired an outside company to run food services at the city's public schools, the move was expected to lead to better nutrition and increased efficiency.

Instead, the school system's nutrition services operation reported a net loss of more than \$1 million in the first seven months of the contract with Chartwells, one of the largest food-service providers in public education.

Yesterday, Assistant Superintendent for Finance and Operations Tom Sheeran said the loss could be attributed, in large part, to incorrect charges for food items. The cost for food and

related cleaning and preparation products rose significantly under the Chartwells contract, despite language in the contract saying food "at the lowest possible consistent with maintaining the quality standards prescribed."

Between July 1, 2004, and Jan. 31 of this year, costs for food and related products increased \$834,655 over the same time the previous year.

When Richmond administrators looked into the discrepancy, they learned they were paying more for the same items they had been buying for years.

The answer from Chartwells [was] the food service vendor used the

wrong for bringing the service back in-house despite finding that "there are too many

to not renew the one-year contract. According to a school board member, "Chartwells was supposed to be the panacea to all our food service issues. We've been duped, we've been had, we've been hoodwinked, we've been suckered."

Sodexo, which provides food services to the Western Oaks Middle School in

Oklahoma City, served meals that had been left in food warmers over the winter holiday break to students returning to school—despite a company policy to empty food warmers daily. Several students became ill as a result.

Carroll School District in Texas brought food services back in-house following a nine-year contractual relationship

with Aramark. The decision resulted from continued complaints about food quality and ongoing deficits requiring subsidies from other school district funds. An audit of school district finances revealed that it overpaid Aramark by \$80,000.

For more examples of the shortcomings of privatization visit: <http://www.afscmeinfo.org/privatizationupdate>.

The Daily Oklahoman
January 11, 2006

Students Return to School After Spoiled Food Incident

BETHANY Western Oaks Middle School students were back in school Monday after being served food that was left out over the holiday break.

In addition, Sodexo, the service company that provides food to the school, is investigating the incident to make sure it doesn't happen again, company spokeswoman Stacy Bowman-Hade said.

Some students became ill Thursday after eating hamburgers that were wrapped in foil and left in the food warmer Dec. 20, the last day of classes before break.

Two students with symptoms related to the

food were out of school

The Dallas Morning News
December 19, 2004

Trustees Say They Overpaid for Food
Officials Want \$80,000 From Former Service Provider Aramark

In 2002, former Carroll school board President Robin Snyder became concerned about the district's food service program. Two years later the district believes those concerns are worth \$80,000.

Mrs. Snyder recalls receiving more complaints about the cafeteria's food quality than any other district issue. Mrs. Snyder and board members in 2002 also began worrying about why the food service program under

Aramark Corp. ran deficits and had to be subsidized annually.

District leaders eventually ended the Aramark contract in 2003, opting to run an in-house food service program. This year, Carroll launched a financial audit to examine how its fund balances, or savings account, dwindled by several million dollars in recent years. The audit is examining district spending over the last five years.

opportunities for improvement that we aren't getting to fast enough."

During the first year of the Richmond (Virginia) School System's contract with Chartwells to provide food services, the company lost the school district more than \$900,000. In addition, the school board learned that the company had overcharged it for numerous food items. The board opted

There is a better way

Non-instructional school services are best provided by tapping into the knowledge and talent of the custodians, cafeteria workers, bus drivers and others who provide them. Those professionals know how to spot inefficiencies and how to improve service delivery. Long experience in states across the country demonstrates that positive change and innovation can be accomplished when school employees are given meaningful opportunities to work together in partnership with management, for the well-being of both the schools and their students.





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