

Privatizing School Support Services: The Wrong Choice

Some officials and commentators believe that outsourcing school support services will save money while maintaining quality and accountability. They're wrong. Outsourcing generally leads to a loss of accountability, fails to save money and lowers the quality of services, while harming workers and the local economy.

Privatization Means a Loss of Accountability

When a school district outsources support services, those unhappy with contractor employees or the quality of work have little recourse. For example, Durham School Services hired bus drivers with felony records and serious motor vehicle violations to work for Memphis area school districts. The number of bus crashes skyrocketed, with Durham drivers at fault in 125 crashes in less than three years. School officials had few alternatives to working with Durham because the district sold its buses to the company. As one school official explained, "It put you in an awkward position, yes it did. They had us over a barrel."

Even when a school district can identify problems with a contractor's substandard service, the district has to follow inflexible procedures to get the company to fix the problem. GCA Services' standard contract requires school districts to file two notices and wait 90 days before they can cancel contracts for cause.¹

Privatization Doesn't Save Money

Privatizing doesn't save money, and often costs more, because the contract fails to include all of the duties that school employees perform, and the cost comparison omits many hidden costs of outsourcing. For example:

- Cleaning firms submit low-ball bids based on unrealistic staffing assumptions. When classrooms are dirty and parents complain, it costs the district more to boost staffing and improve cleanliness. Chicago Public Schools found this out with its custodial contract with Aramark. In the first 11 months of the deal, the company charged \$22 million more than budgeted, wiping out all of the projected savings for the year. The company had to increase staffing by hundreds of workers after complaints about school cleanliness and the district's failure to include some facilities in the contract.²
- Food service contractors promise to save districts millions of dollars, but any financial improvement comes from increased federal reimbursements from school lunch programs that smart school districts can achieve themselves.³ Privatization is no guarantee of success, as District of Columbia Public Schools found when its contract with Chartwell's cost taxpayers \$7 million more than projected while serving 15 million fewer meals.⁴
- School districts across the country have brought student transportation back in-house when they found they could save money and improve service compared to outsourcing.⁵
- School officials assume in their cost comparisons that privatization will save in administration, overhead and utilities, but those costs do not go away after the work is outsourced and do not result in savings. Meanwhile, actual costs of administering and overseeing vendor contracts are ignored.

¹ GCA Services, custodial services proposal to Knox County, Tenn., Schools, May 18, 2011.

² Becky Vevea, "Chicago school cleaning contract millions over budget," WBEZ Chicago, April 27, 2015; Lauren FitzPatrick, "CPS botches math, fails to count schools in janitorial contract, costing millions," Chicago Sun-Times, April 28, 2015.

³ "School Workers Vanquish Privateer," AFSCME Works, October/November 2008; AFSCME Local 294, Parents of Salem Public School Students and Salem Taxpayers, proposal for Salem Public Schools Lunch Program, May 27, 2008.

⁴ Emma Brown, "D.C. schools lose millions on meals program," Washington Post, Dec. 20, 2012; Ann E. Marimow and Emma Brown, "Lawsuit alleges problems with D.C. schools food vendor," Washington Post, April 30, 2014.

⁵ Steve Wainfor, "Columbus City Schools Drops First Student Bus Contract," WCMH Columbus, April 24, 2013; Karen Eschbacher, "7 buses added for special ed students," Quincy Patriot Ledger, Aug. 15, 2003; Clare Crawford, "Open the Competition: Insourcing Is the New Outsourcing," San Diego Center on Policy Initiatives, July 25, 2012.

Privatization Diminishes the Quality of Service

Private contractors cut corners to increase profits, but that comes at the expense of quality. At Volusia County Public Schools in Florida, teachers complained their schools weren't clean with Aramark and resorted to cleaning classrooms themselves. An inspection revealed 14 deficient schools, including restrooms without soap and paper, which the school board chairman called "unacceptable." The company admitted it had not hired enough custodians.⁶

Contractors often seek savings with a lower-quality workforce. The contractor may offer jobs to current school staff, but most employees cannot afford to take the jobs at the pay the company is offering. Schools go from having a stable, experienced staff to a contractor workforce with constant turnover. Because of low pay and benefits, contractors are desperate to recruit enough workers. This impacts the quality of service and school safety. Contractors are found to employ people who do not belong in a school environment. Incidences of theft – and worse – are all too common.⁷

Privatization Harms Workers and the Local Economy

Privatization replaces decent, middle-class school district jobs with substandard, poverty-level jobs. When Chelmsford, Massachusetts, schools outsourced custodial jobs, wages were slashed from \$19 per hour to about \$8.50 per hour. Employees couldn't afford to take the new jobs at poverty-level wages, meaning the community lost many experienced, familiar workers in their schools.⁸

Outsourcing means more than lower wages. It leaves workers with only part-time hours, inferior health insurance at higher cost, inadequate retirement benefits and little or no sick leave. When Aramark, Sodexo, Compass and others took over school cafeterias in New Jersey, the companies not only cut wages by \$4 to \$6 per hour, but many workers lost their health insurance, leaving them uninsured or dependent on Medicaid or children's health insurance programs.⁹ GCA Services' bid for New Haven Public Schools custodians proposed cutting wages, hours and benefits so much that custodians would have been eligible for food stamps and Medicaid.¹⁰

When school employees, who are parents and grandparents of district schoolchildren, lose good jobs in our schools, they are pushed into unemployment and poverty. The local economy and stability of neighborhoods is harmed.¹¹ School employees, instead of strengthening the community, will need public benefits just to make ends meet.

⁶ Ashley D. Thomas, "Teachers, support staff ask for higher pay, cleaner schools, less testing," Daytona Times, Feb. 12, 2015; Annie Martin, "After outsourcing jobs, Volusia reviews school cleanliness," Daytona Beach News-Journal, June 2, 2014.

⁷ For example, see Sarah Bahari, "Worker who died in school was sex offender," Fort Worth Star-Telegram, Oct. 4, 2007; Don Jacobs, "State: Driver in fatal crash not licensed to operate school bus," Knoxville News-Sentinel, Dec. 15, 2014; Michael Rollins, "Prison for Clack. Co. school bus driver convicted of child porn," KGWNews Portland, Ore., Jan. 27, 2011; Lisa Hutson, "Bus driver 'removed' after alcohol selfie surfaces," Fox19 Cincinnati, Feb. 10, 2015.

⁸ Martin Z. Braun & William Selway, "Pension Fund Gains Mean Worker Pain as Aramark Cuts Pay," Bloomberg, Nov. 20, 2012.

⁹ In The Public Interest, "Race to the Bottom: How Outsourcing Public Services Rewards Corporations and Punishes the Middle Class," June 2014.

¹⁰ Jeannette Wicks-Lim, "Pushing Working Families into Poverty: Assessing the New Haven Plan to Privatize the Public Schools' Custodial Services," Political Economy Research Institute, University of Massachusetts, Amherst, March 2011.

¹¹ Gordon Lafer and Bob Bussel, "All Costs Considered: A New Analysis on the Contracting Out of School Support Services in Oregon," Labor Education and Research Center, University of Oregon, February 2008.