



MIRS Capitol Capsule

"If you don't read us, you just don't get it!" News
And Information About Michigan Government

Study Shows School Outsourcing on the Rise

Public school districts in the state continue to outsource school services to private companies with more than 40 percent of services now being outsourced, according to a study released by the Mackinac Center for Public Policy.

This is the fifth consecutive survey the Mackinac Center has taken on this issue and it's the fifth time the percentage of outsourced services has risen, according to the study. In 2001 the rate was 31 percent. It's now 40.2 percent.

The majority of the school districts that responded to the survey (77 percent) said outsourcing saved the district money. Some districts (18 percent) said they were unsure about the savings and 4.1 percent said they didn't save any money after privatizing services.

The main services that get outsourced are food, janitorial and busing services.

Food services are the most popular outsourcing option in Michigan's public schools. A total

of 164 districts in the state, or 29.7 percent of districts, contract out the food services management or operation. This is up 3.6 percent from last year.

Nationally, 13.2 percent of school districts consolidate food services. Michigan is ranked fourth in food service consolidation and follows Rhode Island (86.1 percent), New Jersey (64.4 percent) and Pennsylvania (36.7 percent).

Custodial service outsourcing is up 26.8 percent from last year's outsourcing percentage. Several Michigan school districts (14.5 percent) have consolidated custodial services and are saving between \$90 and \$123 per pupil per year, according to the report.

Though Michigan schools are on board with outsourcing food and custodial services, they are behind in outsourcing bus services. Statewide, 4.3 percent of districts contract with private firms for bus services. Nationwide this number stands at 31 percent, according to the report.