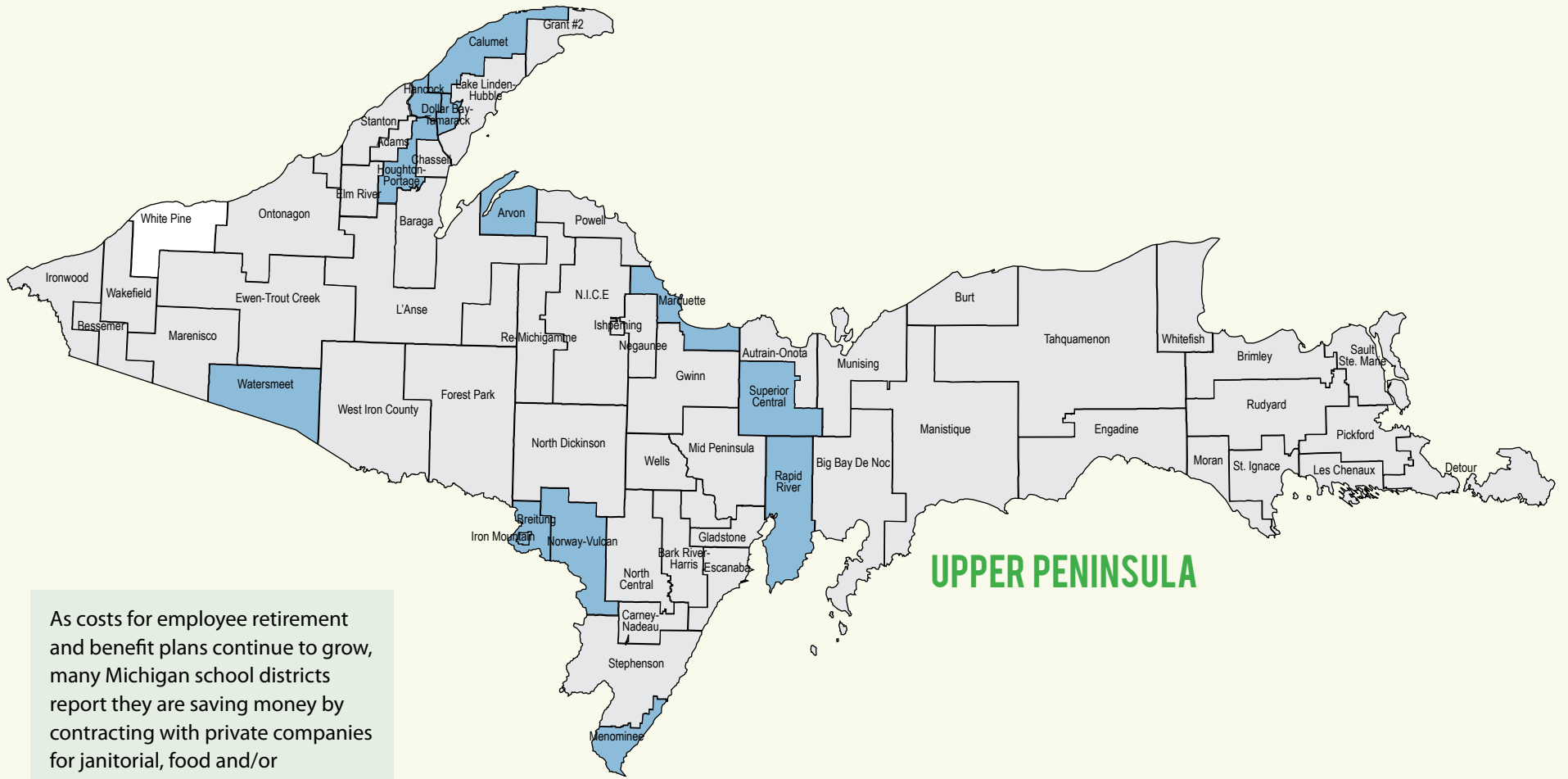


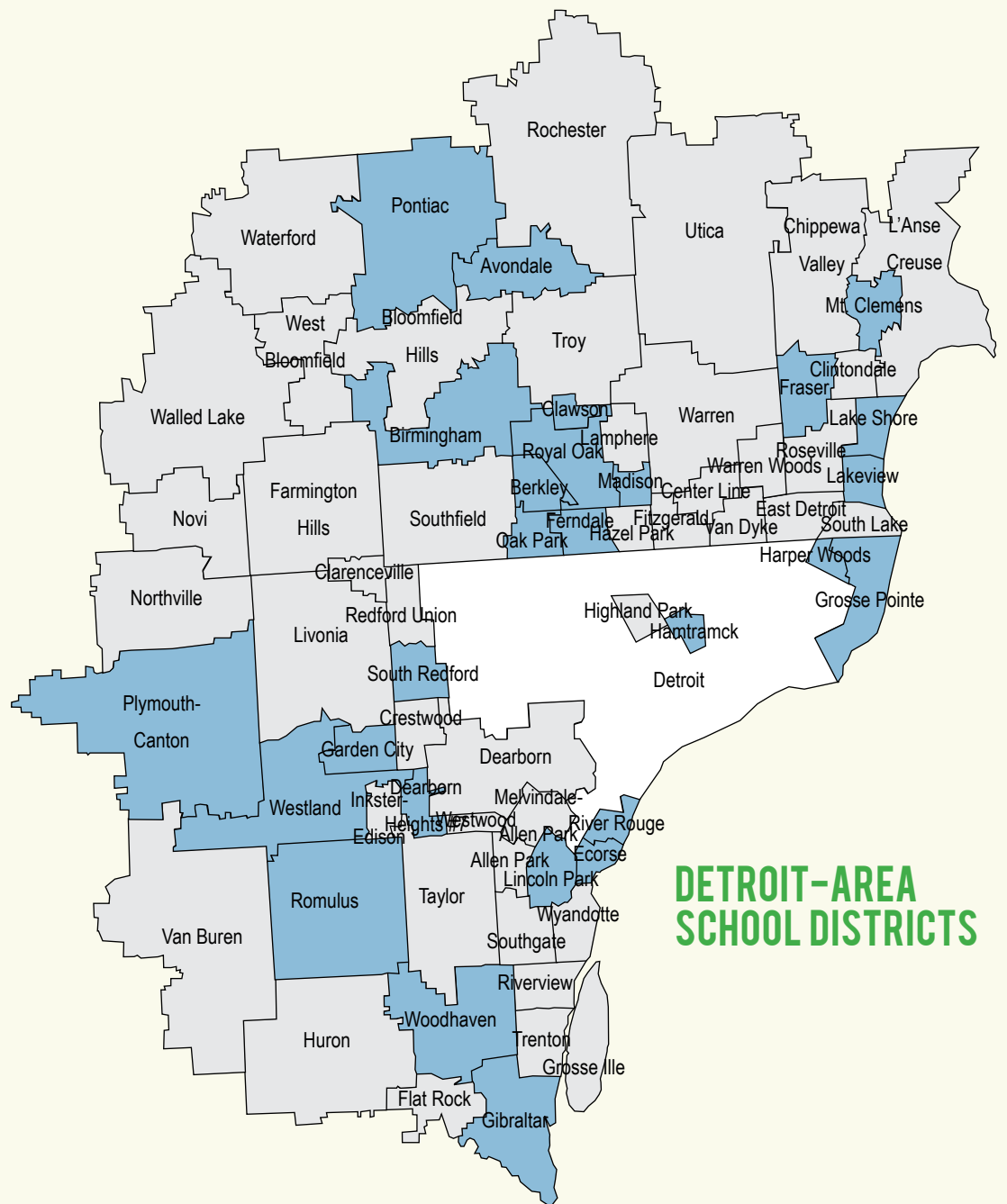
SCHOOL CONTRACTING CONTINUES TO GROW



UPPER PENINSULA

As costs for employee retirement and benefit plans continue to grow, many Michigan school districts report they are saving money by contracting with private companies for janitorial, food and/or transportation services. A survey of Michigan districts in August of 2006 by the Mackinac Center for Public Policy showed that 37.8 percent contracted out for one or more of the three services, up from 35.7 percent in 2005.

Since concluding the survey, several additional districts have contracted out for one of the services. Several articles in this edition of Michigan Education Report discuss the competitive contracting issue. On the back page, guest columnists share their views on outsourcing in "Diverse Viewpoints." A separate article, on page 6, describes how individual districts have used savings from outsourcing to address rising costs.



DETROIT-AREA SCHOOL DISTRICTS

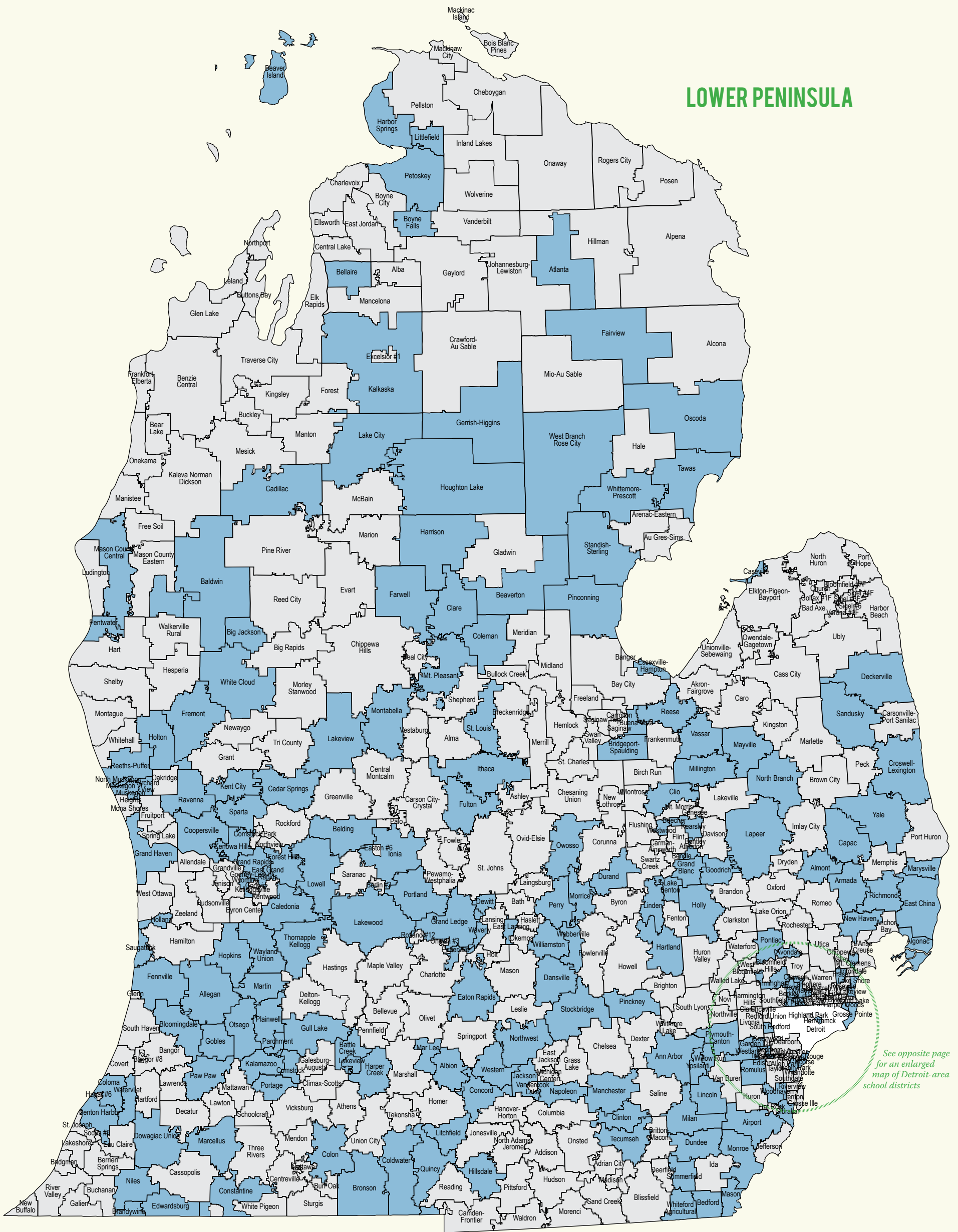
The 2006 survey results illustrated on this map were originally published in the Winter 2007 edition of Michigan Privatization Report, a Mackinac Center publication.



- School districts which privatize food, custodial and/or transportation services
- School districts which *do not* privatize food, custodial or transportation services
- School districts did not report

Detroit is excluded because it did not respond to the survey before publication of the survey data. Detroit later confirmed that it contracts out for food management services and some bus routes.

Since concluding the survey in September, several additional districts have contracted out for either food, custodial or transportation services, according to the Mackinac Center.



LOWER PENINSULA

See opposite page for an enlarged map of Detroit-area school districts

- School districts which privatize food, custodial and/or transportation services
- School districts which *do not* privatize food, custodial or transportation services
- School districts did not report