



## MICHIGAN REPORT

### Majority Of School Districts Using Private Vendors

For the first time, a majority of school districts in Michigan say they have privatized at least one major service in order to achieve cost savings in tough budget times.

According to the Mackinac Center for Public Policy's 2011 school privatization survey, 295 of the state's 550 districts - 53.6 percent - use the private sector to provide food, custodial or transportation services.

James Hohman, assistant director for fiscal policy at the Mackinac Center, said in 2001, 31 percent of districts privatized at least one of those services. And it's up 9.1 percent from last year, he said.

"It's been a pretty steady trend, but that's the most we've ever seen," he said.

The survey was conducted from May 25 to August 4 and every district responded to the Mackinac Center's request. During the survey, districts that say they have gone with privatization are asked why, and overwhelmingly they say it is to save money, Mr. Hohman said.

They are also asked if they are satisfied with their

previous privatization efforts and most are, he said.

But there were six districts that brought services back in house last year, Mr. Hohman said. Three were for food service, two were custodial and one was transportation.

The reasons they reverted included finding they would save money by doing so, or because they opted instead to share services with another school district.

Custodial service contracting was the most popular this year, he said, with 29 more districts going with a private vendor.

The privatization of bus services has grown the fastest, increasing by 27 percent from last year and it is taking place in 67 districts.

In 2003, just 3.9 percent contracted for busing and it stayed low until 2006 when it was at 4.4 percent. It now stands at 12.2 percent.

"Since then it's just kind of exploded," Mr. Hohman said.