



## Contracting for Success

### *An introduction to school service privatization*

#### **The Problem**

During these trying fiscal times, many school districts are attempting to find ways to become more efficient. Private firms are able to assist in this goal, while often improving the quality of certain services. For example, support service providers can offer more efficient busing or cafeteria services, and instructional service providers can offer their diverse talent sets as needed in areas such as tutoring or speech therapy. Contracting out (or “privatizing”) these services can help districts better serve students and taxpayers.

Yet state lawmakers and entrenched interest groups often fight this simple, effective practice. For example, in 2007 a state law was passed that requires would-be private providers of support services to adopt several of the same salary and benefit structures that have put many district-run cafeteria, busing and cleaning services in the red. This was done with one purpose in mind: to eliminate the competitive cost advantages that private sector operators have developed, in order to protect the outmoded and expensive model of managing and providing support services using only district staff.

#### **Our Solution**

The Illinois Policy Institute has published “Contracting for Success: An Introduction to School Service Privatization,” which reviews current levels of privatization in Illinois’s public schools and provides helpful advice to state and local policymakers.

In particular, it shows that a wide majority (78 percent) of Illinois schoolchildren attend school in districts that have entirely or partially privatized activities such as busing service, foodservice, or janitorial service. It provides key advice to other school districts that want to do the same, while admonishing state lawmakers and special interest groups who have attempted

to thwart local efforts to seek out efficiencies available through privatization.

“Contracting for Success” also shows that a vast majority (70 percent) of Illinois schoolchildren attend school in a district that has contracted with a private provider for services such as tutoring, speech therapy or online instruction. Some of the state’s most innovative educators and instructors work in the private sector. Accessing their unique talents and offerings allows districts to offer better services and richer curricula to their students.

#### **Why This Works**

Privatizing certain services offers several advantages to school districts:

- They are able to save taxpayer money by finding private firms that can provide services more efficiently than the district can itself.
- They can improve the quality and variety of services available to their students.
- They can focus on their “core competencies” of teaching students by unloading the logistical and regulatory burdens of providing complex support services.

A fifteen-minute drive through towns like Peoria or Springfield can take you through three or four separate school districts. A look at enrollment trends in these communities shows that when families have the means to do so, they will move to a district that provides better schools, more reasonable property taxes, or both. In this competitive environment, privatization is a simplifier, allowing districts to become more efficient while focusing on what all parents and all students deserve: better schools.

***Learn more at [www.illinoispolicy.org](http://www.illinoispolicy.org).***

