Increasingly, schools districts around the country are faced with the same problem: how to increase student achievement while constrained by a relatively constant level of resources. An important ingredient in this process is the provision of services by the most efficient and effective means possible. With the focus of parents, the business community and the legislature on results and accountability, Florida school districts must explore all available options to ensure that the highest possible student achievement is attained. One option that must be studied is the contracting (privatization) and/or competition in the delivery of non-instructional services. Cost reductions in this area will provide more resources for direct student instruction, instructional technology and other student centered activities. Areas of potential privatization/competition include:

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<th>District Operations:</th>
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<td>1. Reports and Information Services</td>
<td>1. Fleet Management</td>
<td>1. Custodial Services</td>
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<td>2. Payroll/Personnel</td>
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<td>3. Fiscal/Accounting</td>
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Florida TaxWatch and the Florida School Boards Association are conducting a multi-phase study that will provide the commissioner of education, school districts and the legislature with "best practice" policy options and the development of pilot programs for the privatization/competition of non-instructional services. This includes:

1. Discussion of current privatization efforts in Florida.
2. Discussion of national privatization efforts.

3. Development of "full-cost" accounting standards to allow school districts to determine the current cost to deliver services.

4. Development of model Request-for-Proposal (RFP) guidelines for use by school districts to ensure equitable basis and evaluation of competitive contract/privatization bids.

5. Development of a pilot program that would provide incentives to 4 to 6 school districts (small, medium and large) to privatize/contract non-instructional services, at the school site, district an/or central operations.

This Phase I study has five components:

A general discussion of the means and opportunities for the provision of governmental services (including educational services) by the private sector.

An overview of the national trend in contracting non-instructional services.

A discussion of the contracted services in Florida school districts.

An analysis of the requirements necessary to develop a "Full-Cost" accounting system to accurately compare school district and private service delivery costs of non-instructional services.

Phase I Observations, Conclusions and Recommendations and a proposal for Phase II.

Private Contracting of Governmental Services

Background

The term privatization has been defined variously as the transfer of government functions or assets to the private sector; the shifting of government management and service delivery to private providers; a shift from publicly-to privately-produced goods or services; and government reliance on the private sector to satisfy the needs of society (Chi, 1993). In essence, however, privatization means the use of the private sector in government management and the delivery of public services.

In recent years, privatization has been one of the most controversial but sought-after issues in public management and the delivery of public services at all levels of government. There are at least five privatization/competition options available to state and local governments (Chi, 1993, p. 2). They are:
1. **Management Improvement without Privatization.** In this option, state and local government entities attempt to improve cost efficiency and productivity through good management techniques in house.

2. **Privatization of Professional and Support Services.** This option allows state and local government entities to privatize only professional, administrative and support services that do not directly involve state and local government service delivery to the public.

3. **Privatization of Public Works and Infrastructure.** In this option, state and local government entities privatize selected public works and infrastructure projects.

4. **Privatization of Service Delivery to the Public.** In this option, state and local government entities privatize selected public programs or services provided to specific clients and constituents.

5. **Competition between Public and Private Sectors.** This option introduces competition between state and local government agencies and private providers in the administration and the delivery of public services.

The goal of privatization (and competition) is to raise the level of productivity by the governmental entity. In the case of educational systems, privatization and competition has, as its goal, the reallocation of resources from non-instructional support services to direct student instruction, with the outcome being higher productivity (increased student achievement). Productivity improvements can be gained in one of four ways (Ball and Goldman, 1997):

1. raise achievement significantly at a lower cost;

2. raise achievement significantly at the same or slightly higher cost;

3. keep achievement steady while reducing costs; or

4. keep achievement steady at the same cost while the harshness of the environment increases.

Options three and four keep costs steady or lower, but do not improve productivity. Option two improves productivity, but at a higher cost. Option one should be the goal of educational systems.

Strategies that can be employed include the following privatization techniques (The Council of State Governments, 1993):

1. **Contracting Out** - the state or local government entity enters into agreements with private firms, for-profit or not-for-profit, to manage public programs, provide services or
conduct public projects with public funds. This form includes leases, lease purchases, build-transfers, etc.

2. **Competitive Purchase of Services** - the state or local government entity allows eligible clients to purchase services or programs from private providers available in the open market.

3. **Franchises** - the state or local government gives a private firm monopoly privileges to manage public programs or provide public services in a given geographic area.

4. **Grants and Subsidies** - the state or local government entity makes monetary contributions to help private firms provide public services or programs.

5. **Asset Sales** - the state or local government entity sells its assets to private firms or individuals to raise sales revenues or enlarge its tax base.

6. **Public-Private Partnerships** - the state or local government entity conducts public projects in cooperation with the private sector, sharing ideas and resources or relying on private resources instead of spending public funds.

7. **Private Donations** - the state or local government entity relies on private resources, such as personnel, equipment or facilities, to manage public programs or provide services to the public.

8. **Deregulation** - the state or local government entity removes its regulations from the services previously provided publicly to allow private provision of the services.

9. **Volunteerism** - the state or local government entity uses volunteers to help manage public programs or deliver services to the public.

10. **Service Shedding** - the state or local government entity drastically reduces the level of a public service or stops providing a service so the private sector can assume the function with private resources.

Figure 1 below presents forms of privatization techniques and a comparison of the frequency of their use in state programs and services for the years 1993 and 1997.

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<td>Contracting Out</td>
<td>81.29%</td>
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According to the National School Board Association (1995), school board members across the country have been deliberating the benefits and drawbacks of contracts with private companies, and becoming informed purchasers of educational services in the marketplace. The Association's report also states that school districts nationwide tended to prefer contracting out of support services such as facilities management, food service, transportation, and bus/vehicle maintenance.

In contrast, instructional programming represents a very small portion of privatization markets for these districts, peaking at 14 percent for special education programs, the only area of instructional programming to receive double digit percentages. Figure 2 represents school districts' use of private firms based on the results of a 1995 National School Survey.
Results Nationwide

In a nationwide National School Boards Association (NSBA) survey of local school districts, survey respondents were asked to identify the results of their private sector efforts. Improved efficiency, lower costs, better financial management, elimination of waste, and improved physical facilities were the most commonly cited positive results from privatization (NSBA, 1995). Managerial rather than instructional improvements were the most frequent outcome. Figure 3 presents the survey results from districts that have contracted out services.

Another State's Experience - Alabama
Hoover City School District  
*Custodial Services*

The Hoover City School District was created in 1988 and currently serves 7,400 students in nine elementary schools, two middle schools, and one high school. An outsourcing test project was undertaken in this district in June 1996 to test whether quality and cost containment could be improved by outsourcing.

The project involved outsourcing the custodial services in one elementary school and one middle school. Initial results of this test project has been favorable, according to the Director of Support Services for the district. The Director states that the quality of service offered by the private contractor has been comparable or slightly better than that previously performed in-house. In addition, he states that if the project had been implemented district-wide, the school district would have saved $500,000 that year (1996). He therefore recommended to the school board that the project be fully implemented districtwide.

Decatur City School District  
*Food Services*

The Decatur School system based their move towards private management on an estimated $450,000 deficit from five of their nine cafeterias during the 1995-1996 school year. A contract was signed during the 1996-1997 school year for the management of the food services operation of the school district. So far, results have been very positive, with more students (82% presently) eating at the school, the addition of breakfast service, and with the school food service operating at a break even level. A hallmark of this project was the fact that no food service employees were fired (a thorny issue with privatization) and all continued to be employed as school district employees. Only the management of the food service operation was privatized.

Tuscaloosa City School District  
*Student Transportation*

The Tuscaloosa School district privatized their school district's transportation service in 1995-96 in order to contain costs and to replace an ageing bus fleet. The outsourcing contract provided the school district with 41 new buses the first year without any increase in cost from that of running the system with old buses. An additional 16 buses were added for the 1996-97 school year. The Assistant Superintendent for Business Operations estimates that at least $200,000 in annual direct costs were saved for the last two years. Currently, about 50% of the drivers hired before the outsourcing are still employed with the district, although all new drivers filling spots created by attrition are hired by the contractor.

Privatization is Here For the Long Haul
According to Educational Leadership Journal (Murphy, 1996), the major forces promoting privatization in schools fall into two broad categories:

(1) Growing discontent with the public provision of goods and services (reflecting both a declining confidence in government and fiscal stress); and (2) the emergence of a major alternative philosophy of government; in particular, the belief that free-market forms of social organization are superior to those of the Keynesian welfare state society.

The author then goes on to warn educators that privatization should not be viewed as simply some sidebar reform movement. This trend may well be seen by future historians as one of the most important developments in American political and economic life of the late 20th century. However, according to the author, most educators still do not want to believe this.

**Contracted Services in Florida School Districts**

Florida TaxWatch interviewed more than twelve Florida school districts and five national providers of contracted services. The interviews were conducted by telephone, in response to sixteen discussion questions (see Appendix A) that were faxed to the participants previously. The school district discussion questions were "open-ended" and fell in four broad areas:

1. The non-instructional services privatized in the district.

2. Causes, reasons and objectives of the district's privatization efforts.

3. The cost and level-of-service analysis conducted by the district prior to contracting, and the method of soliciting bids from private providers.

4. The outcome of the district's privatization efforts.

Five national providers of non-instructional services were interviewed in a similar manner. The five discussion questions for consideration were:

1. Description of the company and the services it can provide to public school districts.

2. Identify what Florida school districts are currently using company's services.

3. Other representative non-Florida school districts that are currently using company's services.

4. What are the benefits that can be gained by a Florida school district that contracts for services with company.

5. Identification of "barriers," that company has encountered when trying to provide services in Florida.
The following summarizes the district and private provider responses:

**School Districts**

*The non-instructional services privatized in Florida School Districts*

Although not specified in the discussion questions, district privatized services responses can be categorized as major services (food service, transportation and custodial/maintenance) and minor--other services (see Appendix B).

A number of school districts have contracted for custodial services. Services range from management only (district staff or an employee of the private provider), to the full provision of services districtwide. In some instances, management, supervisory staff and employees are all employed by the private provider, but the usual mode is for existing employees, at the time of conversion to a private contractor, remain district employees. Through growth (new schools) and attrition, new employees are employed by the private provider.

In some districts, building maintenance and grounds maintenance are also contracted. Similar variations as to the scope of the private providers' responsibilities (management only to full-service) and employee considerations (employed by the district or the private provider) exist in these services as in custodial services.

In Florida, three districts have contracted for food services. Two of these began in 1997. One was for management services, with all current and future food service employees employed by the district. The other was a full-service contract, with new employees (growth and attrition) being employed by the private provider.

Two districts are in the Request-for-Proposal stage for student transportation services. In addition, two districts currently have privatized student transportation; one district has transportation services delivered by numerous providers, while the other contracts on a limited basis.

*Causes, reasons and objectives of the districts' privatization efforts*

Districts' undertake privatization for numerous and varied reasons, however, the goal in almost all instances is to increase the level of service at the same, or reduced cost. The most often cited reasons are the low quality and high cost of district provided services, often reflected in over-staffing and high salaries and benefit costs (especially for part-time staff). Other reasons include; lack of qualified in-house staff, lack of continuity in management because of inexperienced existing available staff, changing technology that would require new training and certification of staff, irregularities in program management and other similar issues.

The predominant change agents are district superintendents and school boards. In many instances, especially with respect to custodial services, school principals were actively
involved in the privatization initiative. Also participating in the consideration of privatizing were district administrative staff, district program/service managers, unions, taxpayers associations and to a limited extent, parents.

**The cost and level-of-service analysis conducted by the district prior to contracting, and the method of soliciting bids from private providers**

In considering whether or not to contract for services, most districts used a cost/benefit analysis to some extent. In many instances, the analysis was limited only to direct program costs. In other cases, costs were of secondary concern since the quality and level of service with the existing program was so low that raising quality was the primary concern, even if at a higher cost. In the analysis of food services, quality, revenues and student participation were the main considerations.

The primary source of data for the cost/benefit analysis was the district accounting reports prepared in accordance with the "Financial and Program Cost Accounting and Reporting for Florida Schools" developed by the Florida Department of Education. However, many districts modified their use of the reported data for specific, local concerns. In one instance, only the direct salary and benefits cost of a program was used as the basis of comparison to the potential contractor's service; excluding other direct costs of the program and any attributed indirect costs.

While an accurate cost/benefit analysis should include all costs ("Full-Cost") few districts have included the indirect costs of the potential contracted service in their cost analysis. The state accounting and reporting system does not require indirect cost allocation to individual programs or services (except for instructional programs). As a result, this important component of comparable cost comparison has been ignored by most, if not all districts (surveyed).

The contracting process for major services was initiated by all districts through a Request-for-Proposal (RFP). Many districts indicated that the development of a "good" RFP was critical to their contracting efforts, not only in specifying required services, but in the subsequent contract negotiations and contract monitoring process. However, even though districts sought bids for services, no district received a bid from the current district in-house provider of the service.

**The outcome of the districts' privatization efforts**

Districts use a variety of monitoring methods to ensure compliance by the private provider of the service. These include specifically identified district personnel as "contract managers," district administrators, scheduled, periodic reports from the provider, "white glove" inspections (custodial services), school principals and community advisory committees. In one case, a district's former food director was retained for one year to oversee the new food service contract.
Outcomes of district contracted services, both intended and unintended, have generally been positive. While many contracts are in the first year of implementation, the initial impression is that goals are being met. Districts report that costs are down and/or the quality of service is up.

In some instances, contracting has allowed districts to reassign personnel to other functions, or reduced the oversight time that district staff (including school principals) had devoted to the service, thus allowing for increased attention to their primary responsibilities. In another district, because of positive outcomes, the original contract was expanded to include additional services. Also, one district reported that the contract for custodial services has increased service such that supervision is provided throughout the day (7:00 am to 10:00 pm) in the entire district—which was not possible previously. In that same district, the contractor has implemented a good training program which provides employees promotional opportunities.

In a few instances, the contracting of services has had unintended consequences, such as, employee complaints to the school board, unionization and higher cost for the service. The higher cost may be the result of a higher than necessary level of service. The affected district is reviewing its program requirements.

Contracting for services is not without problems. One district reported that the custodial services contract (a turn-key program) became too expensive and was subsequently converted to a management service contract. Another district reported that frequent changes of the contractor manager created problems.

In the interviews, districts were asked to identified key points that contributed to their successful outcomes of contracting services. These include:

1. Involving "stakeholders" (employees, unions, etc.) early on in the process.

2. A well written RFP with a tight contract and close performance monitoring.

3. A team approach.

4. Not laying off employees when program was converted to a private contract.

Finally, districts reported the "lessons learned" from their contracting for services efforts. Responses include:

1. Need for a better determination of the level of service expected and related costs necessary to achieve that level.

2. Develop a more comprehensive cost/benefit analysis and include work quality, satisfaction with service.
3. More/better assistance from the Florida Department of Education needed throughout the RFP - contracting process.

4. District staff and contractor both need an "up-front" orientation of expectations.

5. Contractor needs to better understand local customs and potential opposition.

6. Allow more time to transition from district to contracted program.

7. Broaden stakeholders to include parents and the community.

Private Providers

Florida TaxWatch interviewed five national providers of non-instructional services. While there are numerous potential private providers of school services (see Appendix B for other services school districts contract), the focus of this study was on the three major services; student transportation, food services and custodial and maintenance services. The following summarizes the responses of these national providers:

**Description of the company and the services it can provide to public school districts**

**ARAMARK**

A $6.0 billion, 55 year old corporation, providing K-12 services in food service, grounds maintenance, plant operations and maintenance, after-care programs and uniforms. 97.0% of clients are retained annually. When contracting with a school district, all current employees remain employees of the district. Through attrition (if position is to be filled) and growth, new hires are employees of ARAMARK. The company has the potential to deliver a service in a given area to all public entities (school district, county jail, university, hospital, etc. This provides the opportunity to lower cost because of economies of scale.

**Marriott School Services**

Provide services to 350 school districts nationwide, including food services, grounds maintenance, custodial and maintenance. Serves 6% of all K-12 lunches daily. The company's food service strategy does not emphasize cost savings. They work with school districts to increase revenues and student participation. When contracting with a school district, the company's preference is for all existing and new employees to remain district employees.

**ServiceMaster Education Management Services Company**

Provides services to over 200 school districts nationally. The company provides management services in such areas as custodial, grounds, maintenance, energy and capitalization. The company provides management services utilizing existing district personnel, limited full-scale privatization and a "partnership" program.
RYDER

A $5.5 billion company providing a wide variety of student transportation services (turnkey and other arrangements). Includes buses, management services, supervision, drivers, routing, equipment maintenance, lease-financing and fleet maintenance. The company assumes full responsibility for the transportation program. When contracting with a school district, affected employees become RYDER employees. Company has a high customer retention rate when they contract with a school district. The company provides employee incentives for safe driving, etc.

Laidlaw

Largest student transportation company in North America. Transports over 2.0 million students daily in over 1,000 school districts in 43 states. Operates more than 40,000 buses. Provides full range of options to school districts, from turn-key to individual component services. Serves very small districts (25 buses) to very large districts (325 buses).

Identify what Florida school districts are currently using company's services

ARAMARK
Duval - Food services.

Marriott School Services
Santa Rosa and Lake - Food services.
Osceola - Maintenance.

ServiceMaster Education Management Services Company
Baker, Duval, Gadsden. Lee, Polk, Santa Rosa, and Volusia.

RYDER
None.

Laidlaw
None.

Other representative non-Florida school districts that are currently using company's services

ARAMARK
Houston, Texas.
Lubbock, Texas.
Springfield, Illinois.

Marriott School Services
Huntsville, Alabama.
Atlanta, Georgia.
Chicago, Illinois (split with ARAMARK).

RYDER
Madison County, Mississippi.
Los Angeles Unified School District, California.
Kansas City, Missouri.
What are the benefits that can be gained by a Florida school district that contracts for services with company

**ARAMARK**

1. 12 month coverage (no gaps re: vacations, vacancies, etc.).
2. Labor relations negotiations (district not involved for ARAMARK employees).
3. Design and architecture of kitchens, etc.
4. Legal services.
5. Accounting/auditing of program.
6. Point of Sale (POS) system.
7. Training - workers compensation and safety.
8. Weekly operations reports.
10. Lowers cost (usually 10-15% reduction in cost) - guaranteed budget.
11. Increased productivity.
12. Nutrition education program - "Bruce the Moose." - Character used to teach early age children about colors and meal components by colors.
14. Improves district cash-flow (invoiced weekly or monthly).

**Marriott School Services**

1. Increased lunch participation and revenues.
2. Work with districts to identify allowable overhead costs chargeable to program - as revenues increase, should provide funds to transfer to general fund.
3. Increased variety of foods for lunches.
4. Major emphasis on HACCIP compliance (food safety program - quality, freshness, proper temperature, etc.).

**ServiceMaster Education Management Services Company**

1. A consistent quality level of service higher than previously experienced, at lower cost.
2. Greater management control, while reducing district time in day-to-day operations.
3. Establishment of a climate of meaningful motivation to the employees that will challenge them in their job achievement..., earned recognition...through initial and continuous training and development programs.
4. Flexibility to meet the changing needs of the school district.
5. Protection of the investment in the building accomplished through the technical back-up and research, laboratory, and manufacturing facilities of the company.
6. Minimize risks...through the implementation of a Casualty Prevention and Control Program.
7. Additional opportunities for students to participate in Training Academy activities which will provide vocational opportunities.

**RYDER**

1. Cost savings and more control in budget process - no surprises.
2. Process improvements in safety, training, maintenance, equipment, etc.
4. Routing and scheduling services.
5. Frees up administrative time - more time to oversee service, not caught-up in day-to-day demands.
6. Cost of materials (tires, repair parts, etc.) often less and inventories are lower.
7. Vehicle maintenance schedules, expenses, etc. are tracked on computer.
8. Driver safety (safety person at each location).

**Laidlaw**

1. Flexibility in services offered.
2. Traditionally, contract with a school district can guarantee employment of district personnel with company, yearly salary increases, minimum hours of employment and comparable benefits.
3. Can reduce district transportation costs and/or significantly improve service.

*Identification of "barriers," that company has encountered when trying to provide services in Florida*

Because of the importance of a full, complete and honest discussion of this question, Florida TaxWatch has assured the respondents that no attribution, by company, of the answers will be made. In addition, responses that could be directly associated with a particular industry/company have been generalized. The following is a summary of the responses:

- While the Commissioner of Education is very supportive in word and deed, at the department staff level, more support could be shown for privatization.

- DOE should be a resource agency when district's look to privatize - not a barrier.

- Lack of state developed prototype Request-for-Proposal (with multiple service options).

- At district level, some superintendents and finance managers aren't using full-cost accounting when comparing costs with the private sector.

- District department heads don't submit own bid on providing service until after privates bid - should bid at same time, under same basis.
District must supervise private provider, not manage program.

Districts' reasons for, or against privatization are not always based on "facts" but emotion. Poorly run programs are the main reason districts privatize. Also, well run programs should not be exempt from privatization - always room for improvement.

Strong Union opposition. Florida's collective bargaining laws favor well-entrenched unions.

Overly generous Florida Retirement System (FRS) benefits, especially for part-time workers.

Multi-year district contracts with unions can't be cancelled - must remain in place.

Perception and mindset - misconception that employees will lose their jobs, or wages or benefits.

The Florida Department of Education Can Assist School Districts

Both school districts and private providers look to the Department for assistance in exploring the potential for contracting services. The Department can and does help (see Appendix C), but as can be seen from the responses above, more needs to be done.

Observations, Conclusions and Recommendations

In this study, the Florida School Boards Association and Florida TaxWatch discussed the important issue of contracting for non-instructional services by Florida school Districts. The study began with an overview of the different strategies of providing governmental services by the private sector. This was followed by a discussion of national trends in educational services contracting, with examples from another state. The next section, and key to this study, were the interviews with twelve Florida school districts and five national private providers of custodial, student transportation and food services. The what, why and how discussion developed important insights as to what works, what doesn't work and why, from the parties on the "front-line" of the contracting initiative. In the last section, the critical issue of full-cost accounting of programs and services was examined. Competition through internal efficiencies and the comparability of private verses school district services requires complete and accurate cost information. The following represents the observations and conclusions of the Phase I study:

Only a small number of school districts contract major services. Only three contract for food service management and only two contract for some level of student transportation services (although two districts have recently solicited Requests-for-Proposal for transportation services). Custodial and maintenance management services have the widest implementation (four districts in the study interviews).
The interviews disclosed that for many school districts, the reason to seek a private provider was not exclusively cost related, but rather, the low level of service in the district provided program.

In districts where cost was a major concern, the cost/benefit comparison was generally based on direct costs. Little consideration was given to total cost, including overhead (indirect costs) when districts were comparing private provider costs to district costs. This is a result of the district cost and reporting system not attributing indirect costs to non-instructional programs.

It is important that the full-cost of a program or service be determined. Comparison of the district cost to a private provider bid may be inaccurate if all district costs are not included.

School districts expressed a need for assistance in developing their Request-for-Proposal for contracted services, not only because of the complexity, but also, because of the time demands on staff (diverts staff from their normal responsibilities). This is significant because a well written RFP, accompanied by a "tight" contract (specifying service levels and performance measures), was identified as a key component of a successful contracting outcome. Similar assistance is needed in the contract negotiations.

Development of a "model" prototype RFP, differentiated by program, with multiple options of specific provision would be of significant assistance to school districts. The Department could standardize the legal, compliance, contract monitoring and performance measures, while providing options in service delivery, etc. that school districts could select to meet their specific needs.

Little assistance is currently available from the Florida Department of Education except in the area of Federal compliance issues for food services. Current experience (success and failure) and best practice information would be an important assistance tool that the Department could provide school districts that are considering contracting for services.

There is no state program or Department requirement to conduct district performance evaluations of major non-instructional programs. While financial and compliance audits are required of school districts, performance evaluations are not. Expensive, poor quality and low level of service programs are not required to justify their continued service delivery method. Customer satisfaction should also be considered in the evaluation process. The Department could develop a performance evaluation methodology that school districts could use for a self-evaluation.

This would also be useful in encouraging internal competition. District staff could participate in changing current service delivery methods and costs that could justify retaining the program in-house.

Broader awareness of the types of services, range of service options and providers offering services would be of significant assistance to school districts. This could be
accomplished through seminars and a central directory maintained by the Department. A barrier that was reported in the interviews of private providers was district "mindset;" because a program has always been provided in-house, it should continue in-house. Better awareness could overcome this barrier.

The Next Step

Phase I began the process of developing strategies that will encourage Florida School Districts to concentrate on their core mission; the education of children. Non-instructional programs and services are important, but do not contribute to the core mission. In many instances, district resources are diverted from this mission because of the inefficient delivery of these services. In other instances, the level and quality of the service delivered is inadequate.

Alternatives exist in the private sector to provide these services. This is not an either or issue. In certain instances, the continued delivery of non-instructional services by school district's is both efficient and effective and competitive with the private sector. In other instances, this is not the case. The important issue is that school districts explore the contracting option, in an open, informed manner, equipped with the tools necessary to analyze and compare all options, and act in the best interests of their constituent - the school children of Florida.

In Phase II of the study, Florida TaxWatch and the Florida School Boards Association propose to complete the research on the five study areas. This will include developing a full-cost of service procedure for use by school districts; work with the Department of Education to enhance the awareness of available contracted services and providers; develop model Request-for-Proposals for food services, student transportation and custodial and maintenance services and develop pilot projects in selected school districts (on a grant basis) to implement contracted services.

References

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Acknowledgements

The Florida School Boards Association and Florida TaxWatch would like to thank the following school districts, service providers and other organizations for their participation and contributions to this study.

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<td>Pasco</td>
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This report was researched and written by Mike Walsh, Senior Research Analyst with the assistance of Marcus Johnson, Director, Florida School Labor Relations Service, Inc., Dudley Brewton, Consultant and Geraldo Flowers, Askew School/Florida TaxWatch Research Associate under the direction of Dr. Wayne Blanton, Executive Director, Florida School Boards Association, and Dr. Neil S. Crispo, Senior Vice President, Research and Operations, Florida TaxWatch. Joseph P. Lacher, Chairman; Dominic M. Calabro, President and Publisher Daniel E. Sprague, Publications Director and Research Analyst

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