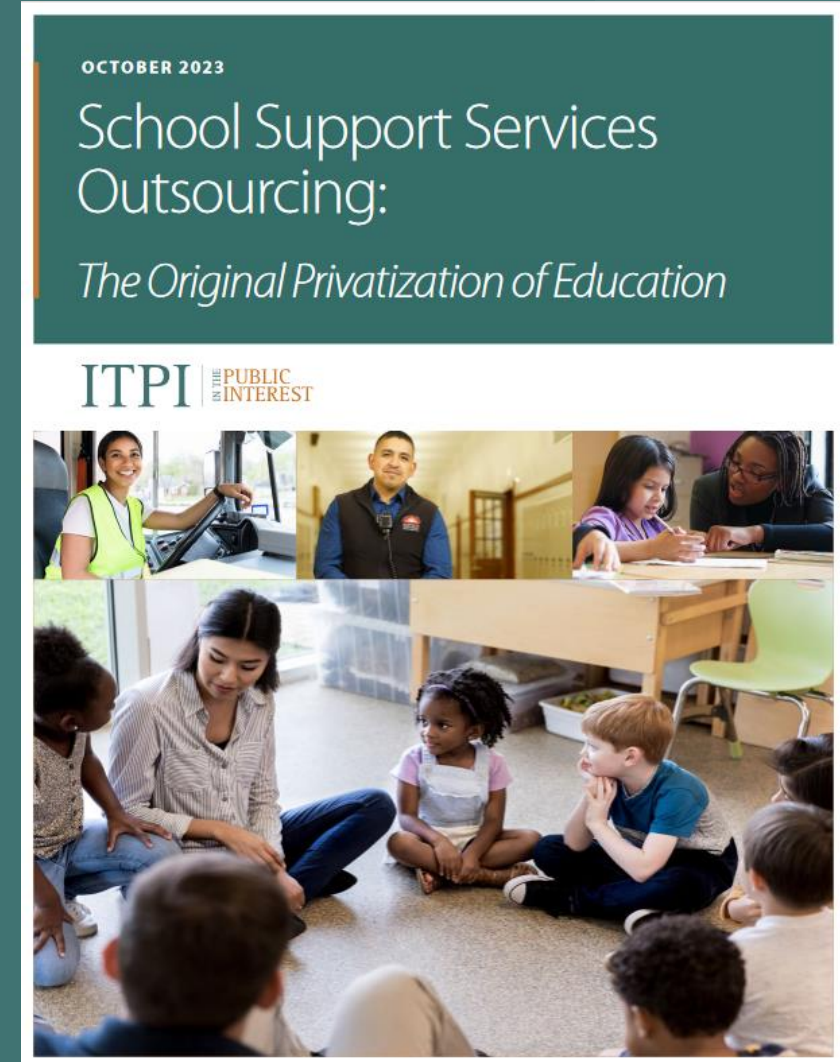


IN THE PUBLIC INTEREST

# School Support Services Outsourcing: The Original Privatization of Education

Shar Habibi, February 22, 2024



## Overview of Report

- Bring attention to all the ways that outsourcing happens INSIDE our schools and why it is problematic
  - 2 million K-12 ESPs!
- Useful to diverse set of audiences
- Organized into 4 sections to explore this issue in depth

## What jobs are being threatened

- Food and Nutrition Services
- Custodial and Maintenance Services
- Transportation Services
- Clerical Services
- Health and Student Services
- Skilled Trades
- Security Services
- Technology
- Paraeducators, such as teacher's aides or special education instructional assistants



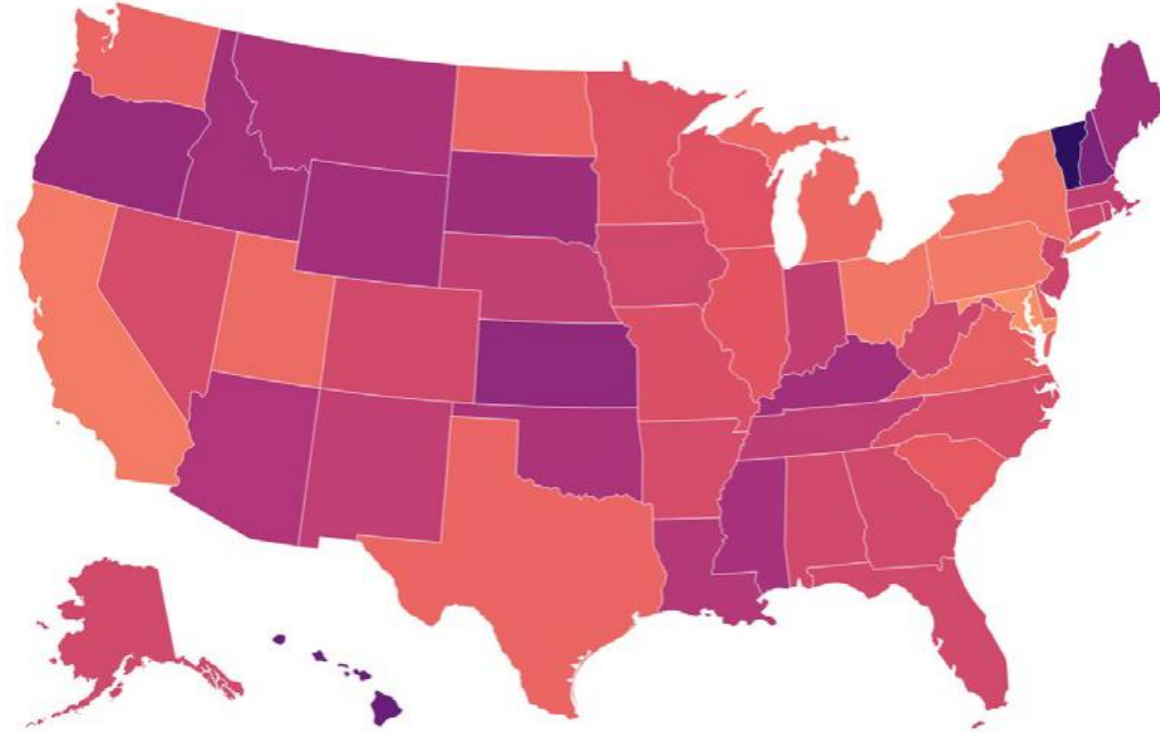
## Section 1: Who are school support staff and why are they important

- Importance of the work and services that ESPs provide
- Demographic snapshot
  - ESPs are overwhelmingly female
  - Racial makeup varies by state
  - Many ESPs struggle to make living wage
  - ESPs part of district community



## ESPs Make Below a Living Wage in All 50 States and DC

Percent gap between living wage and average earnings



All education support professionals (ESPs), in K-12 public schools and higher education. Based on income needed for family of one adult and one child to have a modest but adequate standard of living in the most affordable metro area, 2020 dollars.

Source: NEA ESP Earnings Report, April 2023 & Economic Policy Institute Family Budget Calculator, March 2022



## Section 2: How privatization impacts school services provision

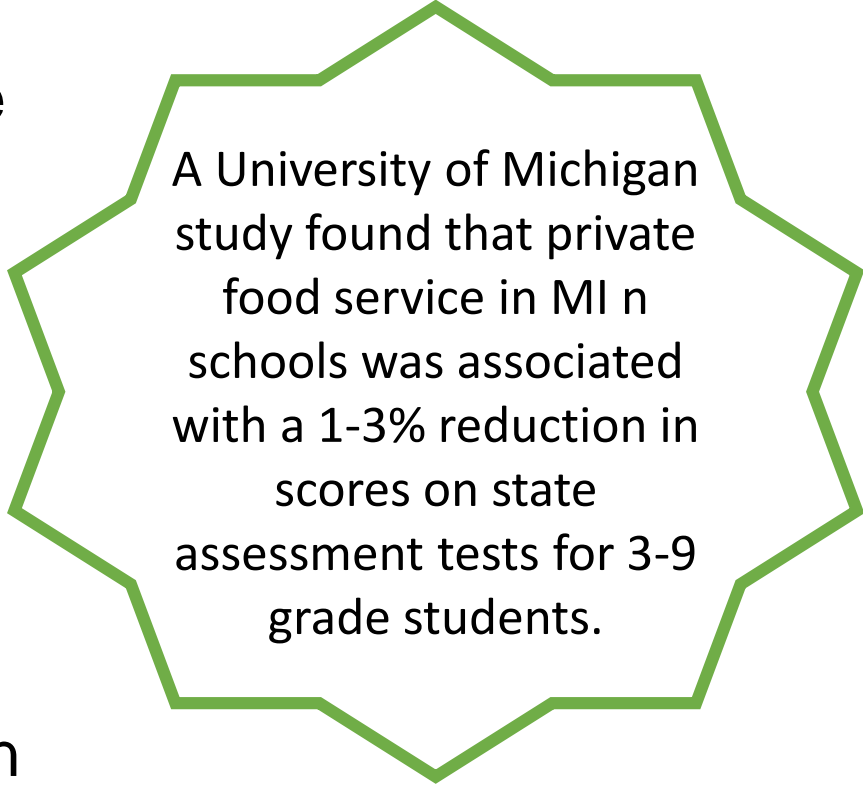
- Loss of public control over school services
- Lower quality services
- Lack of cost savings
- Loss of the school's ability to respond to emergencies
- Loss of accountability and transparency
- Loss of institutional expertise
- Negatively impacted school support staff
  - Reduced wages and benefits, disproportionately impact women and workers of color
- 06 • Change in school culture

## Loss of public control over school services

- Loss of direct connection to the management and operations of school services
- Public purpose of services is compromised when profit-aim is introduced
- School leaders confined to constraints of contract

## Lower quality services

- Contractors may use fewer employees, reduce workers per sift, provide less training, use inferior material, and other cost cutting measures
- Difficult to design contract that capture full extent of school services jobs and responsibilities → neglected tasks
- Lower quality services has negative impacts on student outcomes

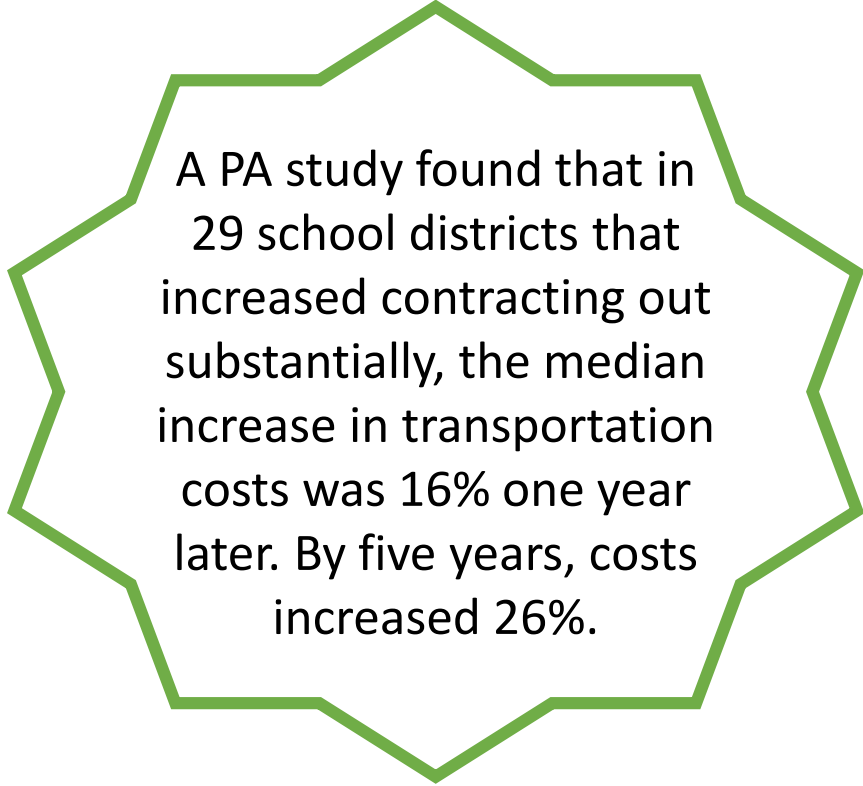


A University of Michigan study found that private food service in MI n schools was associated with a 1-3% reduction in scores on state assessment tests for 3-9 grade students.



## Lack of cost savings

- Contracting involves costs beyond operating the service, such as high executive salaries, marketing, profits, contract administration and monitoring, etc.
- Cost overruns are fairly common due to misleading cost analysis, loopholes in contract, unaccounted indirect costs.



A PA study found that in 29 school districts that increased contracting out substantially, the median increase in transportation costs was 16% one year later. By five years, costs increased 26%.

## Loss of the school's ability to respond to emergencies

- Contract employees limited in their ability to respond to emergencies or unanticipated events in quick manner
  - Limited by scope of contract
- Amazing collaborative work by public ESPs during covid

Hillsborough County, FL, Hurricane Irma: “Our entire custodial staff moved their families to the school for 48 straight hours to serve the community ” When the school board debated privatizing custodial jobs in 2019, teacher Scott Hottenstein asked the board, “Are you going to get that with privatized janitorial services?”

## Loss of accountability and transparency

- Loss of public information
  - Contractor use of “proprietary” information exemption to open records laws
- Blurred lines of accountability and ability to fix problems

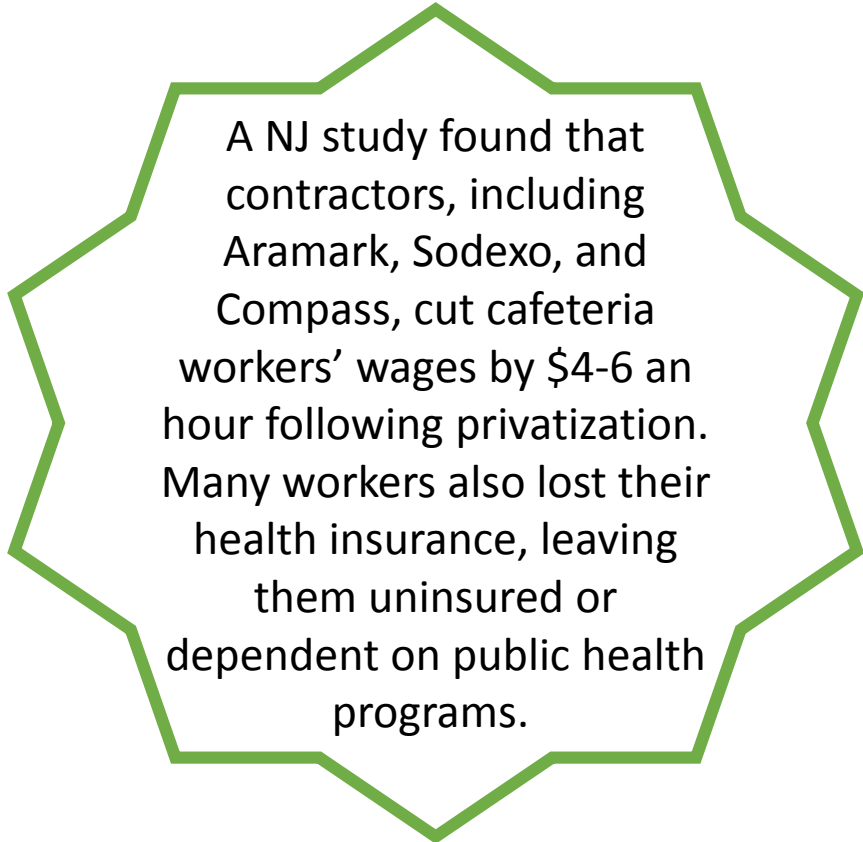
## Loss of institutional expertise

- On average, ESPs have been employed in school support staff positions for 13 years
- Nearly 80% intend to stay in the school support field and 67% plan to stay in their current profession until retirement
- Privatization results in loss of experienced staff with specialized knowledge



## Negatively impacted school support staff

- Contractor positions often provide lower wages, reduced benefits, and little or no retirement security
- Wage and benefit reduction also disproportionately impacts women and workers of color, especially Hispanic and Black workers
- Increase in economic, gender, and racial inequality
- Impacts to broader community and local economy



A NJ study found that contractors, including Aramark, Sodexo, and Compass, cut cafeteria workers' wages by \$4-6 an hour following privatization. Many workers also lost their health insurance, leaving them uninsured or dependent on public health programs.

## Change in school culture

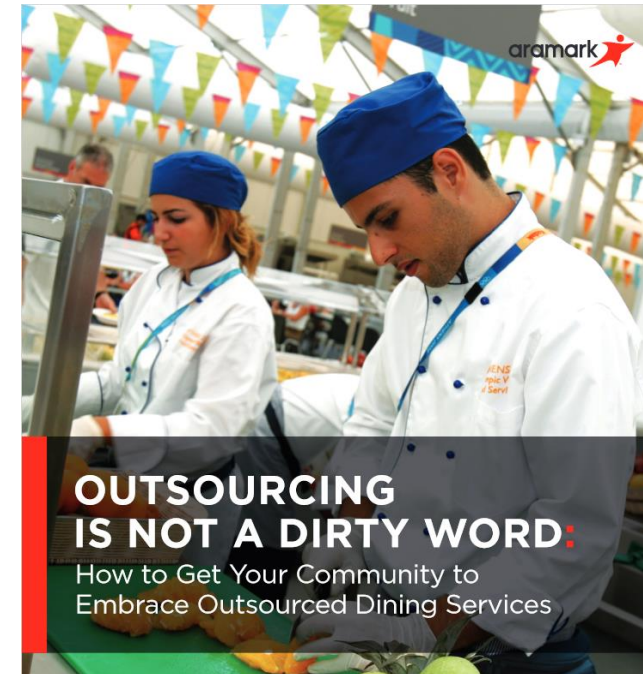
- Privatization leads to day-to-day change in school culture
- School community eroded when critical positions replaced with contracted positions



Research shows that all adults in the school, including teachers and school support staff, can positively impact student learning and performance when they are respected and included as workplace partners.

## Section 3: Why privatizers are going after school services

- Education funding huge market opportunity for corporations
- Contractors includes large multinational firms and mid-size to smaller regional companies, including private equity firms
- Corporate targets may include districts:
  - that are in a vulnerable fiscal situation
  - that are experiencing staffing shortages
  - where labor is cheap and willing to work short-term gigs



## Section 4: Insourcing and Preventing Privatization

- Insourcing services
- Passed legislation to raise standards on outsourcing
- Collective bargaining provisions that prohibit outsourcing



Get in  
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