

>

May 13, 2012 12:01AM

Print Page

Our View: Adrian's experience shows privatization of services can work

A decision that three years ago was met with a great hue and cry and alarmist predictions of doom was renewed with little fanfare last week.

A decision that three years ago was met with a great hue and cry and alarmist predictions of doom was renewed with little fanfare last week.

The Adrian school board voted unanimously to extend its contract with First Student, which runs the district's bus service, for another two years.

Opponents told us privatization would make students unsafe. If they could find an example anywhere in the country of a privately employed bus driver doing something wrong, it was sure to be hauled out as proof that businesses can't be trusted (of course, misdeeds by publicly employed bus drivers weren't held to the same standard).

They also made a point of talking about how Adrian's bus drivers lived in the community they served — as if privatizing the service would lead to drivers being shipped in from elsewhere.

At some points, the scare tactics bordered on ridiculous.

"It threatens our security, the community's future," one union representative dramatically declared. "It's all threatened. It's all threatened. It's all ruined."

The predictions were dire indeed.

But none of that happened. Instead, in the three years since privatization:

— The district has saved money. In addition to the initial savings, Adrian enjoyed three years of flat fees for transportation when nearly every other cost went up, and the increases scheduled over the next two years are minor compared to what the district would have been paying in increased pension contributions.

— Adrian still has dedicated drivers who live in the community they serve. The implication that it would be otherwise was nothing but a red herring, and there's nothing about getting a government paycheck that automatically makes a person more hardworking or virtuous than someone who works for a business.

— Adrian's bus fleet is newer and in better shape. Before privatization, Adrian's pass rate on Michigan State Police bus inspections was nothing to brag about; after privatization, it's consistently at or near 100 percent.

Since school districts' budget problems have not abated in the past few years, we may hear more districts talking about privatization. If that happens, we'll probably hear the same arguments we heard in 2009.

We should keep Adrian's experience — and that of Tecumseh, which hired First Student in the 1990s — in mind.

Privatization is not always the right thing. In general, outsourcing makes the most sense in the areas that are furthest from an organization's core purpose.

And it doesn't always work. A 2011 survey by the Mackinac Center for Public Policy, which generally supports privatization, found 57 places in Michigan where a service had been privatized in the past year, while six districts brought a service back in-house. Clearly those districts found that performing the service themselves was better.

We're not aware of any districts that are seriously considering privatization of any services this year, but if the discussion arises, analysis of its benefits and drawbacks should not be tainted by scare tactics. When trying to balance their budgets, school officials cannot afford to reject any options out of hand.

<http://www.lenconnect.com/article/20120513/NEWS/305139962>

Print Page