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FEASIBILITY OF PRIVATIZING CUSTODIAL SERVICES

By
Thomas P. Grossi

A Thesis

Submitted in partial fulfillment of the requirements of the
Master of Arts Degree
of
The Graduate School
at
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Approved by

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Abstract

Thomas P. Grossi

Feasibility of Privatizing Custodial Services
2005

Dr. Hurley

School Business Administration

The purpose of this study was to see if it would be feasible to privatize custodial services within the district. This study resulted in a decision as to whether privatizing custodial services would be beneficial to the school district. The privatizing of custodial services means the hiring of an outside contractor to handle the entire operation of cleaning the building and no longer using in-house employees to do these functions.

The intern used interviews and research to support the findings and conclusions of the study. The intern believes that the study showed that privatization of custodial services would not be in the best interest of the school district.

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I would like to thank my parents for their educational support since day one of kindergarten. You have always guided me in the right direction and would not let me steer off the path. You have always wanted better for your children and I am grateful for your love and support.

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TABLE OF CONTENTS

Acknowledgments.....	iii
Chapter 1 Introduction.....	1
Chapter 2 Review of the Literature.....	9
Chapter 3 Design of the Study.....	12
Chapter 4 Presentation of the Research Findings.....	14
Chapter 5 Conclusions, Implications, and Further Study.....	18
References.....	19
Appendix A Interview with Michael Azzara.....	20
Appendix B Interview with Jann Cohen.....	23
Appendix C Interview with Patricia Leonhardt.....	26

Chapter 1

Introduction

Focus of the Study

The intern wanted to see if it was in the best interest of the district to privatize custodial services in the district. The intern looked at not only financial implications, but also what effect the change would have on the school community.

Purpose of the Study

The purpose of this study was to see if it would be feasible to privatize custodial services within the district. This study will result in a decision as to whether privatizing custodial services would be beneficial to the school district. The privatizing of custodial services means the hiring of an outside contractor to handle the entire operation of cleaning the building and no longer using in-house employees to do these functions.

Definitions

Privatization is the outsourcing of employee services to private companies who do the same services in a for profit manner.

Limitations of the Study

The limitations on this study included the use of interviews and research to collect data and the selection of those to interview for this information.

Setting of the Study

The Greater Egg Harbor Regional High School District (GEHRHSD) is a large regional comprehensive high school serving the grades 9-12. The District is made up of two high schools: Oakcrest High School serves the constituent communities of Hamilton

Township and Mullica Township as well as the sending districts of Port Republic and Washington Township while Absegami serves the constituent towns of Galloway Township and Egg Harbor City.

Oakcrest High School, located in Mays Landing, New Jersey was built in 1960 and is located on a 110-acre wooded tract in Hamilton Township surrounded by grassy areas and athletic fields. Absegami High School, located in Galloway, New Jersey was built in 1982 and is situated on a 114-acre wooded site in Galloway Township also surrounded by grassy areas and athletic fields. The school community covers 273 square miles, an area of geographic, socioeconomic, and ethnic diversity. Over 95% of the students are bused to school, and 32% of the students travel in excess of 21 miles, one way, in their daily commute to school.

The district had an enrollment of approximately 3,800 students and a teaching faculty over 300 during the 2004-2005 school year. After a 6-year period of flat growth, enrollment had increased by almost 1400 students between 1996 and 2004. The last five academic years had seen enrollment growth of over 30%, and predictions for the next five years place continual growth at approximately 20% (District QAAR 2004).

The school district is located in a middle class, rural-suburban community 10 miles from Atlantic City and 50 miles from Philadelphia. Major highways, such as the Garden State Parkway and the Atlantic City Expressway make it convenient to access these metropolitan areas. The economic base of the community is primarily small industry, trades, agriculture, and tourism. Most of the taxpayers are blue-collar workers and laborers. The advent of the casino industry and the construction of three large retail

shopping districts have contributed to the economic development and revenue of the community, and consequently, the rapid population growth in the high schools.

Besides the regional district, this growing economic base supports an extensive educational system consisting of several kindergarten through 8th grade school districts. Within the regional school district, there are two educational facilities of higher learning. The first educational facility, Atlantic Cape Community College, is located in Mays Landing adjacent to Oakcrest High School. This community college offers a wide range of two-year degree programs, casino and culinary arts programs, and continuing education professional development and training. The second educational facility, The Richard Stockton College of New Jersey, is located in Galloway Township and within three miles of Absegami High School. The Richard Stockton College of New Jersey is the only four-year college in the area. It offers a variety undergraduate programs and a limited number of graduate programs. Since it lies within the Greater Egg Harbor Regional High School District, the college had enabled both Absegami and Oakcrest High School students to take advantage of its facilities and to participate in its cultural events. Another educational facility, the Atlantic County Vocational Technical School (ACVTS), located in Mays Landing is located only a few minutes from Oakcrest High School. Although it is not considered a facility of higher learning, ACTVS provided vocational and school-to-work programs to assist students in preparing for the transition from school to employment.

District students had come under increasing risk factors because of the social and economic changes in the community. Both schools are less than 10 miles from Atlantic City where the casino industry is a constant source of instability in the community.

Farmers in the community were selling their land to developers due to the expanding casino trade, resulting in an increase in low-income housing developments and apartment complexes. Some students live in waterfronts homes worth more than \$1 million dollars. However, almost one third come from areas best described as rural poverty. The 2002 per capita income for Atlantic County was \$31,702 which reflected the average of the upper and lower economic levels in the school's community.

Since the 1995-1996 school year, six budgets had passed and four had failed, with the last two years budgets being passed for the district. Even when the budget passes, there were always one or two sending districts who voted down the budget. This reluctance to pass the budget is most likely a result of GEHRHSD being a regional school district. Each of the encompassing towns had its own K-8 budget. In addition, these towns must contribute to the regional high school budget adding to increased property taxes. The towns involved are very diverse in size, amount of ratables, and socioeconomic status. This leads to a diverse local tax impact within the school district.

The demographics illustrated that the GEHRHSD had a 12-15% mobility rate, and that number has been moving steadily down over the last four years. The October 2003 ASSA report listed 546 students (15%) received free lunches on the federally funded school lunch program with minorities representing a significantly higher percentage of this grouping than they do in the general population . This number of the federally funded school-lunch program had been increasing at an average rate of 2% per year for the past 5 years. Of the school population in September 2004, 62% were Caucasian, 18% were African American, 11% were Hispanic, and 9% were recorded as other. Approximately 15% of the student population was classified as needing special education

services, and this number was projected to increase upon the arrival of the next freshman class.

The academic offerings, as listed in the Course Selection Booklets, provided for five distinct academic tracks that included AP, honors, college-preparatory, non-college-preparatory, and remedial programs. The New Jersey School Report Card (New Jersey State Department of Education, 2004) showed that 50% of Absegami High School graduates and 37% of Oakcrest High School graduates attended a 4-year college after graduation and respectively 30% and 33% of the graduates attended a 2-year community college. The average total SAT scores for 2003-2004 school year were 1014 for Absegami High School and 969 for Oakcrest High School. The March 2004 HSPA results showed that 85.0% of 11th graders were either proficient or advanced in the language arts literacy test and 72.2% were either proficient or advanced in the mathematics test.

There were 300 faculty members in the District to start the 2004-2005 school year, including 14 guidance counselors and 10 members of the schools Adolescent Study Teams. The faculty continued to demonstrate commitment to professional development with over 32% having earned master's degrees. A faculty attendance rate of 96.9% during the 2003-2004 school year was another example of a commitment to excellence. The schools were departmentalized in structure and included 7 department supervisors in addition to the principal and 3 vice principals.

Approximately 25% of the teachers in the district enjoyed tenure in excess of 20 years. However, this number had been decreasing each year since 1995 as a result of retirements. These experienced staff members had seen the school community and the

student body undergo significant racial and socioeconomic changes. Many resented these changes because it was clear that the diversity of the student body presented a demanding challenge for both the school and the faculty. For the most part, these experienced staff members influenced the school setting by their desire to maintain the status quo. They could be best described as the faculty members who were most resistant to change although numerous curricular and process changes had taken place over the past ten years.

The largest growth in faculty members over the past 5 years had been teachers who were hired with less than 1 year of experience. These new teachers and teachers in the mid-career stage could be best described as the "movers and shakers" in the building. They represented the staff members in the school who were implementing innovative teaching strategies and programs in their classes; serving on committees; becoming involved in meaningful professional development activities; coaching sports or serving as advisors to activity programs; and, in general, supporting school programs for the benefit of the students.

The majority of these staff members were not resistant to change. In fact, they welcomed it and had been major influences in numerous change efforts that had occurred during the past 3-5 years. Specifically, these changes included the interdisciplinary curricular programs linking English with social studies and science with mathematics that were previously mentioned and the new inclusion program. The influence of the majority of the new and mid-career teachers to the setting was considered as a positive, and fostered a creative, student centered environment.

The administrative team of each school, consisting of 7 department supervisors, 3 vice principals, and the principal, had undergone significant changes during the past ten years. Since 1992, the number of department supervisors per school had decreased from 10 to 7, and the number of vice principals had increased from 2 to 3. As of September 2004, 6 supervisors possessed less than 3 years of experience in their positions. Additionally, four of the six vice principals possessed less than three years experience. Both the Absegami and Oakcrest High School's principals have been in the district for over 20 years, their tenures as principal began in August 2003. The remaining administrators ranged in experience in their positions from 8 to 20 years.

The high school administrative team members worked very closely with one another in the process of administering the school. The working relationship between and among members of the administrative team was extremely positive. The teams met formally twice per month to discuss relevant issues at the school. The exchange of dialogue in this setting was open and honest. Administrative team members met informally throughout the period of time between formal meetings. The administrative team had served as leaders in the implementation of numerous curricular and procedural changes in the district over the past 3 years.

The superintendent of the GEHRHSD was completing his 9th year in the district. The board of education, consisting of nine members, had recently experienced turnover which had not been the case going back to 1992. Three members had served on the board for over 6 years. The remaining members, however, have been on the Board for three or less years. The superintendent and board of education were fiscally conservative but were extremely supportive of programs that serviced students. The board of education

consistently required presentations by administrative personnel when new programs were being proposed.

Organization of the Study

The remainder of this study was organized in the following manner: chapter two is a review of the literature, chapter three presents the design of the study, chapter four is a presentation of research findings, and chapter five includes conclusions, implications, and suggestions for further study.

Chapter 2

Review of the Literature

Introduction

Any School Business Administrator will tell you that one of the major parts of their job is dealing with facilities of their school district. In dealing with facilities, it is inherent that you also must deal with your custodial staff. Here is where it starts to get really difficult. The custodial staffs in most districts make up the largest segment of support staff. They usually outnumber secretaries and food service employees by a wide margin. They are the largest and are often the least educated of all employees in the district. While this is not meant in any way to degrade them or the services they provide, it must be noted to understand the problems that lie ahead.

Review of the Problem

Any district employee that gets complacent in their job can tend to be a problem to deal with; this goes for a union employee as well as a non-union employee. However, when you are dealing with a union employee sometimes it is more difficult to correct the problem. It is the union philosophy that even the worst employee is a union member and should be defended. This has led to the idea of privatizing certain support services and in particular custodial services.

Either you're in favor of privatization – which is what some on the right now refer to as “reform” – or you are inexplicably satisfied with mediocrity (Kohn, 2004). This is a belief of many people who are championing the cause of privatization. A number of employees that have been in their position for a long time feel that they are entitled to their job and the quality of their work should have no affect on their employment. This

goes back to the issue of lower educated employees. These employees often listen to others and are easily poisoned into this entitlement philosophy.

This was no more evident than in New York City, where old contracts that were never changed created custodians that were more powerful than principals. Once a self-serving bureaucracy is in place and allowed to fester, sometimes it can take nothing short of dynamite to reform the system (Fager, 1994). While this is an extreme example, it shows the ability of unions to keep the status quo.

While the issue of entitlement is important, the primary reason districts privatize non-instructional functions is to save time and money. Such agreements typically transfer recruiting, training, and employee management to the contractor. The contractor, in most cases, also are responsible for paying the employees' salaries, benefits, and any other government mandated expenses, such as workers' compensation coverage and unemployment insurance (Joyner, 2004).

Due to increased cut backs in state aid and dependency on property taxes to fund education in New Jersey, Boards of Education have to always look for ways to save more money. Privatization is one option that always comes up in these cost cutting discussions.

But does it always save the district money, according to the National Education Association (NEA); the answer is a resounding no. When talk of privatization starts, they mobilize and attack the idea swiftly by getting information out to the board and the community. They say that privatization does not save money. Contractors get in the door with low-ball bids, but quickly increase their charges. Meanwhile, local job loss means less money is going into the community (Simon, 2002).

If the financial argument does not work, the NEA then argues the idea of quality versus cost. They say that private contractors have no incentive to provide quality services to children. Because making money is the bottom line for contractors, the real incentive is to reduce or cut services (Simon, 2002). Children need to see faces they know, not minimum wage workers who won't care (Bell, 1996).

Conclusion

The balance between the costs of service versus the quality of service is where the discussion keeps coming back to. While there has been discussion of negative qualities of custodial employees, it must be noted that they can also be one of the most valuable safety tools available to a school. After all who knows better all the physical aspects of a school building? The potential safety benefits custodians can provide have not been close to being fully recognized (Trump, 2000)

The decision as to whether to privatize or not must be taken seriously and all information obtained must be weighed. The decision will affect students, teachers, parents and administrators as well as the buildings themselves.

Chapter 3

Design of the Study

Introduction

The focus of this study was to make an informative decision as to whether privatizing custodial services was feasible for the Greater Egg Harbor Regional High School District. Feasible as to whether there was a cost savings and if there if it was great enough to offset any other problems that could arise from privatization.

General Description of the Research Design

The research design was comprised of interviewing School Business Administrators who work in districts where custodial services have been privatized in some manner. The districts ranged from small to large so as to get a view from both sides.

Development and Design of the Research Instrumentation

No formal instrument was used in the research. Each participant was interviewed as to their experiences with custodial privatization. The interview progressed depending on the participants answers.

Description of the Sampling and Sampling Techniques

The participants were chosen through e-mail solicitations. The New Jersey Association of School Business Officials was used as a host to solicit the participants. After the participants showed interest in the study, they were contacted directly for interviews. They were contacted subsequently as needed for additional information.

Description of the Data Collection Approach

The study reviewed the opinions of the participants and created a pro and con list of custodial privatization.

Description of the Data Analysis Plan

The answers given by the participants were analyzed and weighed as to their importance to the study. The success and the failure of the programs at the participants' districts had a direct effect on the study outcome.

Chapter 4

Presentation of the Research Findings

Introduction

The School Business Administrators from the following three districts were interviewed: South Bound Brook, Ventnor and Paterson. South Bound Brook and Ventnor are both small one school districts and Paterson is a large school district. Each business administrator was asked a series of questions dealing with their experiences with privatization and their interviews can be found attached in appendixes A through C.

The interviews focused on four main topics: the major problems, the positive aspects, the cost savings and worthiness of privatization. While each business administrator interview was different the overall out come was quite similar.

What are the major problems with the custodial privatization?

The common reply here was the lack of control. According to Patricia Leonhardt, School Business Administrator from the South Bound Brook School District, there is lack of control over personnel hiring, lack of control over personnel status and lack of control over staff flexibility. Jann Cohen from the Ventnor School District agreed with this assessment, she is not kept in the loop with staffing and when someone is out sick there is often no replacement.

This sentiment is also reinforced by Paterson School District School Business Administrator Michael Azzara. Mr. Azzarra complains that there is high absenteeism and lack of substitutes. Communication problems are caused by employee apathy as well as language barriers.

Another problem noted is the quality of the employees themselves as well as the way they are treated by the contractors. The contractors pay low wages, which means that quality of the employee is not high. The training is inadequate and morale seems to be very low. As noted above, when employees call out sick, there is often no replacement, which means more work for the remaining employees.

Since these custodians are not their employees, these business administrators are not involved in the hiring process. This means that they do not know much information about the employees that are being hired. Ms. Leonhardt does not know who is in her building at any given time. She does not receive any employee information that she would have if they were her own employees, such as criminal history records. There was at least one time that Ms. Leonhardt was nervous about working late and being left in the building alone with people that she does not know.

Contractors' interaction with district employees has not been a problem in Ventnor or South Bound Brook, but Mr. Azzara sees this as a major problem in his district. While over 200 custodians have been privatized, the 50 chief custodians remain district employees. These employees have not accepted the privatization and "supervision is less than efficient". As for interaction with students, only one incident was noted, which led to the dismissal of a contractor employee for inappropriate remarks.

What are the positive impacts of custodial privatization?

Since cost will be addressed later, the main positive aspect noted was also the main negative noted. Ms. Cohen stated that she considers not being involved with the hiring or discipline process as the main positive. Ms. Leonhardt was glad to have the day

to day operations “out of her hair.” Both admitted that this contradicted with their complaint that they had lack of control over employees.

The only other positive mentioned was the fact that workers compensation was no longer an issue for this class of employee. The contractor maintained their own workers compensation insurance, so they had to worry about this common business administrator headache.

Besides cost, Mr. Azzara did not have anything positive to say about privatization of custodial work.

Did privatization of custodial services save the district money?

The respondents disagreed on this question. The two small districts, while they believe that there was initial cost savings, do not believe that these savings now exist. Ms. Cohen, who came in after privatization, has done a study with another equal size school district that has in-house custodians and has found that the costs were quite comparable. Ms. Leonhardt stated that most of the high salary custodians that were rified would have retired within a couple of years so the savings were only “temporary”. She also noted that the district was hit hard by unemployment costs and are still paying for this.

Mr. Azzara admitted that the cost savings was great. Currently his district is paying 66% of what it would cost to do it in-house. His savings would be even greater if the local board did not mandate that some level of minimum health care be part of the bid specifications. Mr. Azzara goes on to state that while the negatives of the privatization outweigh the savings, it has become fiscally impossible to go back to in-house services. The rified custodians still retain the right to come back and would end up at the top of the

guide. Even the staff on the bottom of the guide would be significantly more expensive in both salary and benefits.

If you had to do it over, would you privatize custodial services?

The panel is unanimous on this question.....definitely not. Knowing what they know now, none of the interviewed business administrators would move forward with privatization of custodial services. Too much control is given up and the cost savings are not great enough to make up for that loss of control.

That being said, none of the business administrators have immediate plans to bring custodians back as in-house employees. Political reasons are the main reason behind this. To bring back your own employees would not only hit the pockets of the taxpayers but it would also mean that the administration was wrong in recommending this. They all agreed once you privatize, the process to reverse it is even more difficult.

Conclusion

It was quite interesting to have such similar answers to most questions posed to the interviewed business administrators. However, it was surprising to have two out of the three respondents claim that savings were not really being seen by privatization of custodial services.

This information will be used along with my research to come up with final conclusions.

Chapter 5

Conclusions, Implications, and Further Study

Conclusions and Implications of Study on Leadership Skills

As an educational leader, you must be able to take into account many different aspects of an issue. The issue of privatization of custodial services is no different. To look solely at cost, it would seem that privatization is the probably the best course of action. However, quality of work, quality of workers, as well as control over the entire operation has to be reviewed. An administrator should never give up control over operations unless the positive aspects greatly outweigh the loss of this control.

From the research results obtained, it does not appear that privatization of custodial services meets this standard, at least at this time. While there are certain budget requirements that are currently impacting district budgets and school taxes are on the rise, the overall climate is not such that demands cost savings over everything else.

Implications of Study on Organizational Change

The study conclusions do not call for any changes in any operating procedures. Therefore there are no recommended changes to our organizational structure.

Further Study

As stated above there is not a recommendation to move forward with privatization of custodial services. Therefore, at this time no further study is needed. However this does not mean that a time will come when the budget climate will dictate such dire needs for change. At that time this issue will again need to be revisited to deem if it is feasible at that time.

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Appendix A

Interview with Michael Azzara

Feasibility of Privatizing Custodial Services
INTERVIEW

Michael Azzara – Paterson School District (Large District)

When did you privatize?

- Within past 5 years

To what extent did you privatize? Types of positions? Number of positions?

- About 200 custodial positions were contracted out making both day and night custodians. About 50 chief custodians remain in-house employees.

Do you have your own district employed Facilities manager?

- The district facility manager is an in-house employee.

If the Facilities manager is from the privatized company – Do they have to be certified?

- Not applicable.

Do you have any district employees left in B&G? Number?

- The 50 chief custodians are still district employees.

Do the privatized employees interact with your employees? If yes, how do they get along?

- The chief custodians have never accepted the privatization and therefore supervision is less than efficient.

Do the privatized employees interact with students? If yes, have you had any problems?

- There have not been major problems with interaction with students.

Did you go out to bid and how many did you receive?

- Many bids were received; however the larger national companies come in high, which means you end up with other than the best companies.

What are the major problems?

- Large turnover of staff.
- High absenteeism and lack of substitutes.
- Communication/language problems.
- Lower work ethics.
- You run into legal hassles when you try to hold the company's feet to the fire.

What are any positives?

- The only upside is cost savings

Did you save money?

- We currently pay about 66% of what it would cost to do it in-house. However, our local board insisted that some level of minimum health care be part of our specifications. Without that we would be paying about 55% of the cost of doing it in-house.

Were the savings worth it?

- No, the negatives outweigh the savings. However, it becomes financially impossible to go back to in-house services. Our retired custodians retain the right to come back so we would end up with top of the guide staff and even the bottom of the guide staff would be significantly more expensive in both salary and benefits.

If you were starting again would you privatize?

- Definitely not. But no plan to switch back, cost and politic issues would not allow.

Appendix B

Interview with Jann Cohen

Feasibility of Privatizing Custodial Services
INTERVIEW

Jann Cohen – Ventnor School District (1 school)

When did you privatize?

- The Ventnor school district privatized their custodial services 10 years ago. She has been with the district for 6 years.

To what extent did you privatize? Types of positions? Number of positions?

- All 12 custodial and 2 maintenance positions were privatized. The breakdown between day and night is 2.5 (two maintenance and .5 custodians) during the day and 9.5 custodians at night.

Do you have your own district employed Facilities manager?

- There is no facility manager. Ms. Cohen actually acts in that capacity. One of the maintenance men takes the lead during the day and one of the custodians is the lead at night. These lead people act as the liaison with Ms. Cohen.

If the Facilities manager is from the privatized company – Do they have to be certified?

- The regional manager actually has the certification, but his office is in Northfield (about 20 miles away). Ms. Cohen is not sure how often he is there but she requires monthly meetings with him.

Do you have any district employees left in B&G? Number?

- There are no district employees left on the buildings and grounds staff.

Do the privatized employees interact with your employees? If yes, how do they get along?

- The contracted employees seem to interact well with the district staff. It has been ten years since the switch; so much of the animosity is gone.

Do the privatized employees interact with students? If yes, have you had any problems?

- The interaction with students at night is minimal. On occasions there have been problems, but only one incident where contractor's employee needed to be fired due to inappropriate remarks.

Did you go out to bid and how many did you receive?

- Ms. Cohen has gone out to bid three times since she has been there. The last time there were 3 bidders. However, the same company has been there since the beginning, winning every bid. The contractor is Tri-Mark.

What are the major problems?

- Lack of Control *****
- Not being kept in the loop with staffing. If an employee is out sick, there is never a replacement
- The contractor does not treat the employees well. No adequate training, low wages and no coverage for people out. This has led to poor morale
- Quality has not been a problem.

What are any positives?

- Workers compensation is not an issue.
- Not involved with hiring. (A negative also)
- No control over discipline.

Did you save money?

- Ms. Cohen does not believe she is saving money. She did a study with a nearby school district with a comparable school size and who has in house custodial staff and their costs are comparable.

Were the savings worth it?

If you were starting again would you privatize?

- Definitely not. But no plans to return to in-house custodians due to political reasons.

Appendix C

Interview with Patricia Leonhardt

Feasibility of Privatizing Custodial Services
INTERVIEW

Patricia Leonhardt – South Bound Brook School District (1 school 500 students)

When did you privatize?

- Privatization was done in 2002. Ms. Leonhardt is new, within last two months, so she was not there when it happened.

To what extent did you privatize? Types of positions? Number of positions?

- All custodial positions as well as supervisor were privatized. Six total positions, 5 were custodians and 1 was the supervisor. They have no grounds employees and the custodians do maintenance work.

Do you have your own district employed Facilities manager?

- No. The supervisor is the contractor's employee, but he was a district employee before being hired by the contractor

If the Facilities manager is from the privatized company – Do they have to be certified?

- She is not sure if they have to have the same requirements, but she imagines that they must.

Do you have any district employees left in B&G? Number?

- No. All staff are employees of the contractor. They are in the process of bringing the supervisor back in as a district employee. This is so they can have more control over the work being done.

Do the privatized employees interact with your employees? If yes, how do they get along?

- The two daytime employees are the supervisor, who use to be a district employee, and another custodian. They both get along well with the staff. This is helped by the other custodial employee having a good personality. The nighttime custodians are a problem. You never know who is going to show up. There is no control over the hiring and they are not kept updated as to employee status. One time the BA was working late and being left alone in the building with the contractor's employees was not a comfortable feeling, because she did not know them and they were acting strange. The BA does not get any hiring records such as fingerprinting or criminal history.

Do the privatized employees interact with students? If yes, have you had any problems?

- Interaction with students goes well during the day. The nighttime crew really has no student interaction.

Did you go out to bid and how many did you receive?

- She believes that there were only two bids. Sodexo was the winning bidder.

What are the major problems?

- Lack of Control of personnel hiring
- Lack of control of knowing the status of personnel
- Lack of control over flexibility of staff
- Due to low paying wages (\$8.50 hour), quality of employees is low
- Issues with quality/cleanliness – although this issue has been addressed by the contractor

What are any positives?

- The day to day operations are out of your hair.

Did you save money?

- Can't say for sure, but since there were a number of high salaried employees when they made the switch, there would have been an initial savings. However, these employees would have retired soon, so the savings was only temporary. Also, unemployment costs have been high due to the employees that were let go.

Were the savings worth it?

- Since she is new, she really can't come down on any side

If you were starting again would you privatize?

- No