

STN'S SCHOOL BUS
EXPO 2001

Privatization of Transportation Depends on Needs of Individual School District, Panel Says

RENO, Nev. – The decision to outsource transportation or keep operations in-house should be based on the size and needs of the school district, a panel of contract specialists reported at the STN Expo 2001.



Mark Walsh



Dr. Ken Stokes



Ed Donn



Don Carnahan

Mark Walsh, principal consultant of Transportation Advisory Services, moderated the panel consisting of Dr. Ken Stokes and Al Sauvadon of Student Transportation of America, Ed Donn of Donn & Associates and Don Carnahan of Laidlaw Educational Services. Walsh asked the four experts to outline the pros and cons school districts should consider when deciding whether privatization will meet their specific needs.

In support of privatization, Stokes said that, in California at least, costs are reduced 10 to 30 percent when school districts decide to contract for transportation services, leaving more money to be spent in more important areas.

"I'd rather see more money in the classroom where it belongs," he said.

Sauvadon said the issue is one of management. He said bus contractors are better equipped to control costs due to the pro-market affect, have more control over their operations than school districts, can hire the people they want and can be more creative with programs like training and bonuses. He also said that bus contractors are better able to deal with driver demands than schools because school districts' hands are often tied over discipline matters.

Donn said the decision to go private also depends on the kinds of transportation problems the school district faces.

"(Out-sourcing) can give you a system where a contractor can offer what a district can't," he said.

Carnahan pointed to the expertise and resources that bus contractors can rely on as being the No. 1 reason school

districts should look at privatizing their transportation operations.

On the other side of the issue, a sense of community and of ownership are good reasons to stay with a district-run transportation operation.

Keeping transportation within the school district gives people the perception that the school system is a prominent employer in the community, even

though most contractors also hire from within the community, said Carnahan.

"In some communities, this is a really big issue," he said.

Donn and Stokes pointed to another perception, that of public ownership, as a reason for keeping bus operations within the district. Donn said school systems have the ability to underwrite transportation costs, whereas contractors cannot. The school systems "own" their own fleet and provide services to their communities. School systems lose that control when contractors are involved. Stokes said school districts often have a sense of pride in owning their own transportation services.

Sauvadon said the feeling of family within the transportation operations of smaller districts, those with 85 or fewer buses, is lost when contracts are outsourced. But, he said that larger districts should consider contracting.

"It really is an emotional issue and is different place to place," he said.

Walsh said he often tells school districts to retain control over their own fleets because they are looking to contractors for the wrong reasons. If they desire efficiency, they can become more efficient by simply being more accountable, employing better policy and using private management tools.

"It depends on the idiosyncrasies of the school district," he said.