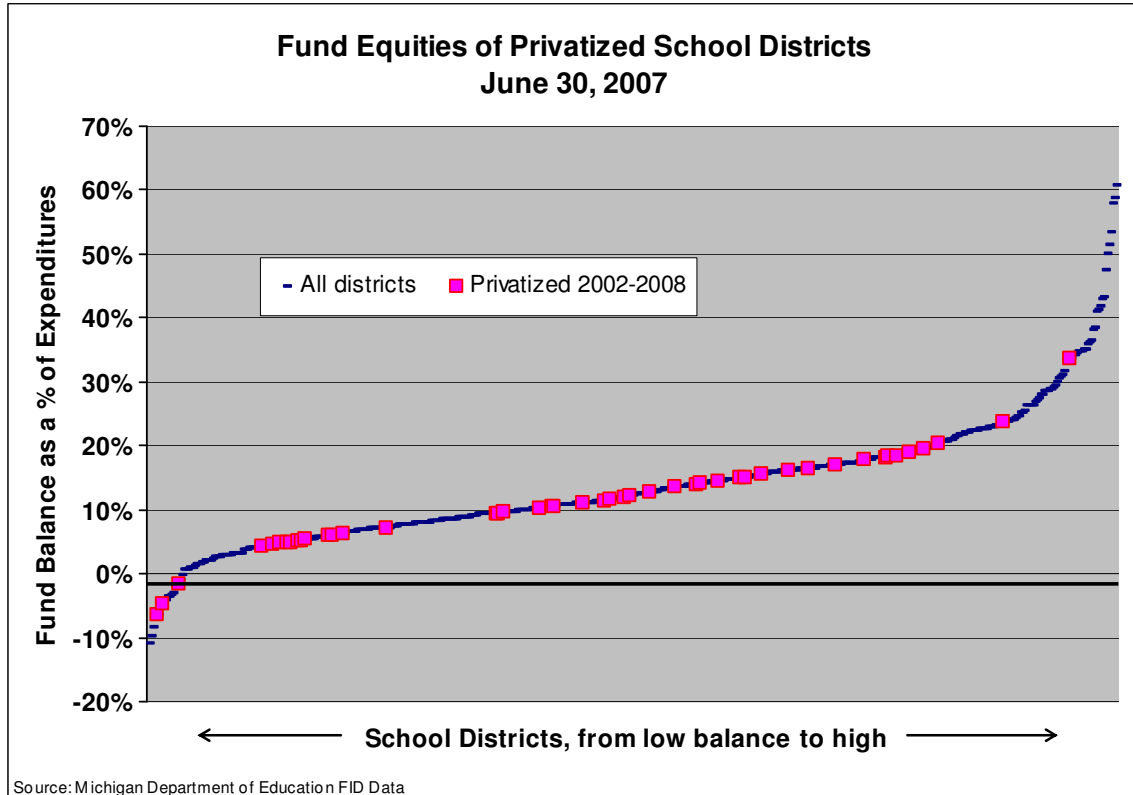


### Is Privatization Motivated by Politics or Finance?

School Boards around the state complain that falling appropriations are forcing them to privatize school services. If true, privatization would be more common among struggling school districts.

This justification can be tested by examining the fund equities of the districts that have made the decision to privatize, to determine whether these decisions are made by districts with the smallest fund balances. This is not the case.

The chart below graphs the fund equities of all school districts, with those that have recently privatized a service shown in red: the decision to privatize occurs across the spectrum. Therefore, financial pressures do not motivate privatization.



Albion	15.5%	Grand Rapids	5.9%	Lincoln	11.1%
Atlanta	4.5%	Grosse Pointe	17.7%	Linden	12.6%
Avondale	-1.7%	Gwinn	16.5%	Littlefield	18.2%
Bellaire	9.4%	Harrison	19.5%	Lowell	10.4%
Benton Harbor	-6.5%	Hartland	4.7%	Marshall	5.1%
Boyne Falls	14.1%	Hillsdale	4.2%	Midland	18.3%
Buchanan	18.5%	Holland	10.4%	Napoleon	10.2%
Carrollton	14.4%	Houghton Lake	5.3%	Paw Paw	33.5%
Clare	14.0%	Howell	5.2%	Petoskey	9.4%
Coldwater	14.9%	InLand Lakes	11.5%	Reese	11.4%
Constantine	7.2%	Jackson	4.9%	Reeths Puffer	9.5%
Durand	5.0%	Kalkaska	11.9%	Sparta	13.6%
Fremont	6.3%	Kearsley	15.0%	Superior Central	16.1%
Garden City	-4.8%	Kenowa Hills	18.9%	Whitehall	16.9%
Gobles	20.5%	Lakeview Community	6.0%		
Grand Blanc	23.6%	Lakeview SCS	12.1%		