

Show Me the Money: Privatization and the Public Library

Libraries have had record numbers of users in the last few years, something public library administrators once hoped would be a way to justify budgets and expansion plans. Unfortunately, it is not better staff and services that dramatically boosted our statistics, but the downturn in the economy and the many people who are jobless. Along with expanding workloads, most libraries are finding that funding is drying up. Property values and retail sales seem to drop more each month. Consequently, increased usage comes at a cost, for society and for the library.

Although the unstable economy might raise a red flag about unregulated business practices, some government administrators see a financial crisis as a time to become more “business-like.” This seems counterintuitive to me. I believe in the more traditional and truly conservative idea that public services should be insulated from the fluctuations of the economy.

Libraries are not-for-profit institutions and their overall administration does not fit the business model particularly well. This model promotes efficiency and ever increasing profitability, while essentially ignoring the ethics of our profession. Those ethics are the heart of what we do. Our code includes dedication to the following core values: equitable access, accuracy, resistance to censorship, intellectual freedom, treatment of colleagues with respect and fairness, advocating conditions of employment that safeguard the rights and welfare of all employees, and striving for excellence in our profession. (American Library Association (ALA) Code of Ethics, 1995)

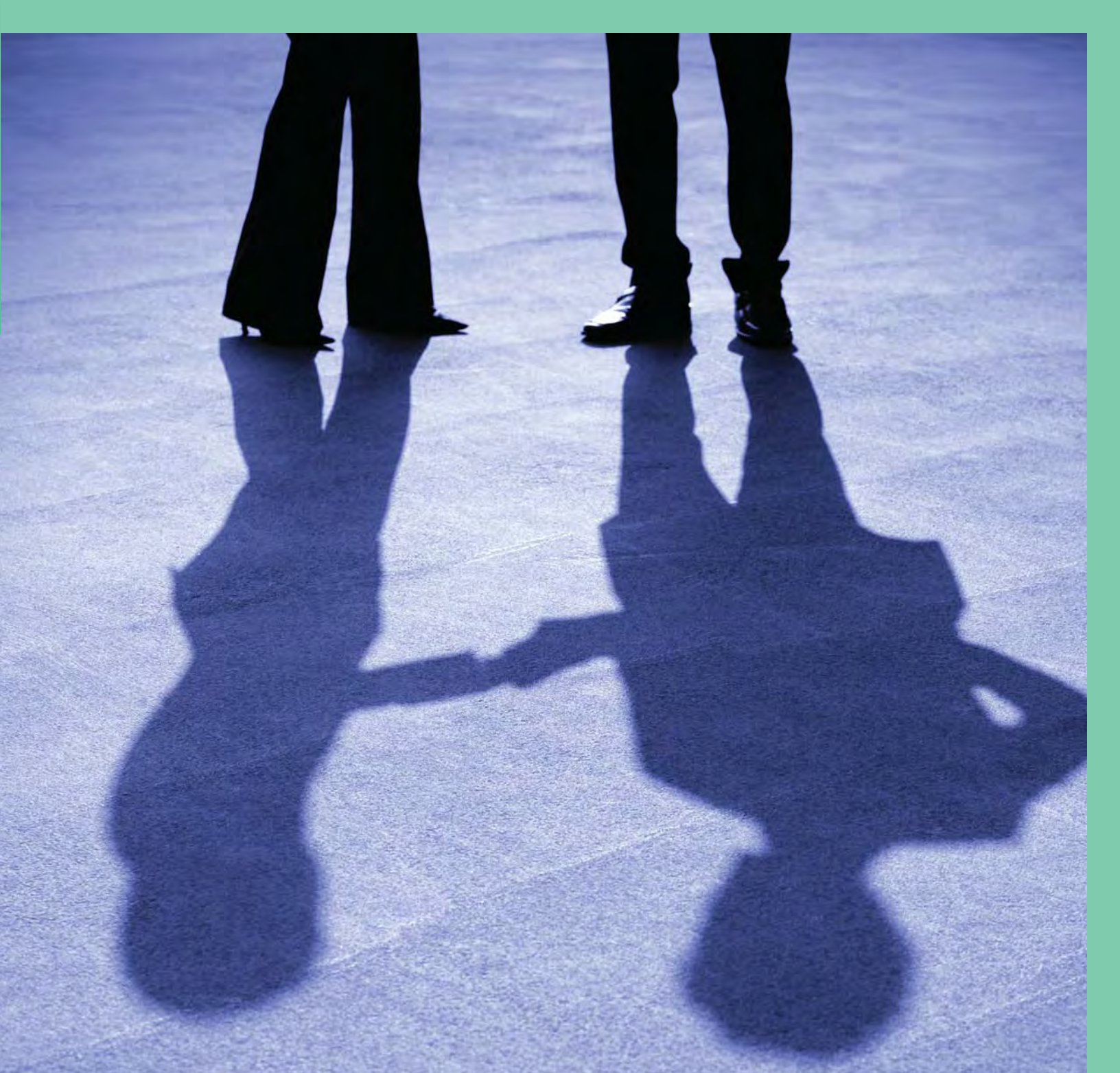
The success and survival of public libraries is due to the heroism of everyday librarians that continue serving the common good, despite the vagaries of a capitalistic marketplace. Government administrators or library boards may believe the cutbacks required by restricted funds are not only justified by the economic downturn, but desirable because they lead to a more streamlined library. This view begs the question of the most efficient, cost-effective way to run our public libraries: to privatize or not?

THE OAK BROOK EXPERIENCE


My personal experience with privatization came through my former role as director of the Oak Brook Public Library. Although privatization was rejected, at least for the present, the Village of Oak Brook Board of Trustees considered turning to an outside, for-profit company to manage the library.

A good source of historical information and theory on privatizing the administration of public libraries is provided in Heather Hill's 2009 doctoral thesis, *Outsourcing the Public Library: A Critical Discourse Analysis*. Hill discusses “New Public Management theory,” predicated on the belief that (1) the less local government intervenes in services that can be provided by the marketplace the better, and (2) all choices are verifiable and result in well-informed decisions. The idea of traditional services for less money and without the messiness of the human factor can be very seductive. (Hill, p. 9) Fire protection, transit service, school bus operations, education, and waste disposal are among the services that have been contracted out to the private sector. So why not the public library?

[continued on page 6]



“Libraries are not-for-profit institutions and their overall administration does not fit the business model particularly well.”



“The question remains:
are the needs of the
community being met?”

[continued from page 4]

Oak Brook’s village board contracted with Library Associates Companies (LAC), a California-based consulting firm with an Illinois office, to report on possible efficiencies to be found in changing how our library conducted its work. The proposal set out to “perform a Workflow Analysis and Staffing Audit in order to make recommendations as to the reduction of library costs by \$300,000 and to explore the feasibility of outsourcing as a possible solution to that end.” (LAC proposal, p. 3) Questions for staff as part of the study included, “How would you feel about a reduction in salary? How would you feel about a staff layoff? Would you offer part-time to full-time staff? What about paying more for health care?”

In the end, LAC did not propose outsourcing or privatizing the Oak Brook library. No public library in Illinois has yet outsourced its management. Library Systems and Services, Inc. (LSSI) is the only company currently privatizing public library management. Despite its impressive marketing efforts, LSSI has a limited and mixed history of success.

According to Hill’s research, fourteen communities in California, Texas, Kansas, Tennessee, and Oregon had privatized both management and staff as of 2009. Four other communities outsourced management only and are no longer doing so; nine other communities explored outsourcing but declined to do so. (Hill, Appendix B, p. 119) A recent article by Brian Kenney in *Library Journal* was critical of a presentation at the Public Library Association conference in 2010, characterizing it as an “infomercial” for LSSI. The session was titled “Outsourcing Public Library Services: Pros and Cons.”

HOW DOES PRIVATIZATION WORK?

Typically, management of the library is reassigned by contract to a private vendor. The contract is almost always written by the vendor. Again, according to Hill’s research, all of the LSSI contracts she was able to locate are consistently similar; some of the municipalities were unable to locate or furnish their contracts.

Observations based on the contracts Hill examined included the following:

- One would imagine a contractual definition of what a well-run library is and provides, but this is absent.
- The language used in the contracts reduces the public library to a commodity and patrons to customers.
- Oversight of the contract is provided by an administrator under contract to the private company; in effect, the desire for less government, less work, and lower costs, leads to scant supervision.

The actual change in management is accomplished by terminating the library employees, with the private company rehiring those they need, usually at reduced pay. The administrator is often the only professional in the library, while paraprofessionals do the bulk of the work. Library staff members are no longer public employees, so no longer receive the same health care coverage or retirement benefits. The vendor’s profit derives from salaries, benefits, and materials budgets; in cases Hill observed, these were renegotiated downward after an initial introductory period. The question remains: are the needs of the community being met while efficiencies lead to cheaper labor?

A SKEPTICAL VIEW

My own experiences and observations have led me to be skeptical of the promises offered in privatizing or outsourcing the management and staffing of libraries. For the community these can be summarized as minimal library services, collections, and professional staff. From a staff perspective, privatization means loss of a job or poorer health care and retirement benefits, lower salaries, and more work.

As to ethical concerns, a private company may decide to use or sell patron records for marketing purposes and feel no obligation to adhere to the ALA's stand on retaining private information. Underserved populations may get short shrift, since the contractor will focus on easily achieved benchmarks of success. Sunshine laws do not apply in private industry. When the public good is not easily quantified, standards in collection development and services become prey to economics and the profit motive.

If that is not enough to make one skeptical of privatization, its history should be. Matt Sylvain, in discussing the LSSI-run Riverside (Calif.) library system, notes that the unit cost for service delivery increased by 58 percent after an initial introduction. Sylvain writes that the Fargo (N.Dak.) library system, when run by LSSI, was delinquent in its bills and the contract was terminated. He concludes, "So with LSSI we could spend more, get less, and send our money to a business hundreds of miles away." (Sylvain)

ADVOCACY AND OTHER RESPONSES

The Friends of the Oak Brook Public Library was against privatizing and protested at several village board meetings, wrote letters, and called trustees. Because of their advocacy, the Village of Oak Brook board members determined privatization would be a last resort, though they retain the option. Protests are not always as effective. According to Hill, "In one community, a library board member called citizen protest of outsourcing the library 'misguided' and that 'it's a normal reaction to change, and people fear change, but we have the best interests of everybody in mind.'" (Hill, p. 81)

What do you do if your governing body is considering privatizing/outsourcing your library? My advice is to be proactive: make the best case you can, and if necessary, make budget cuts and rework your current organizational structure. A privatized library is one that resides outside of the control of the community and ultimately is unresponsive to its needs. Where capitalism reigns, the benchmarks of success have little to do with community needs. Whoever defines a good library and what model to use, defines where the budget is spent. We librarians must remain skeptical of the for-profit world and use only what is helpful to our mission. We cannot embrace a business model that devalues what makes our profession rich and different, no matter the easy enticements that are offered.

SOURCES

American Library Association Code of Ethics, 1995.

Library Business Model:

Harriman, Joy HP. *Creating Your Library's Business Plan: A How-to-do-it Manual with Samples on CD-ROM*, New York: Neal-Schuman Publisher, Inc., 2008, 280 pgs. plus CD.

Library Management Privatization:

Hill, Heather. *Outsourcing the Public Library: A Critical Discourse Analysis*, PhD dissertation presented to the Faculty of the Graduate School at the University of Missouri, May 2009, 129 pgs. <http://edt.missouri.edu/Spring2009/Dissertation/HillH-040709-D1408/research.pdf>

Kenney, Brian. *Library Journal.Com*, April 2, 2010. www.libraryjournal.com/article/CA6725123.html

Sylvain, Matt. "Library Professional Speaks Out on Possible Library Privatization," *Southcoast Today/Chronicle*, January 28, 2009. <http://www.southcoasttoday.com/apps/pbcs.dll/article?AID=/20090128/PUB02/901280372>

Oak Brook Public Library Controversy:

Village of Oak Brook, Illinois, Special Meeting, June 15, 2009, Agenda Item & attachment. *LAC Proposal for: Consulting Services for Staffing Study & Organization Assessment*, submitted to: Oak Brook Public Library, June 3, 2009.

Constable, Burt. "Ugly Battle Has Librarians in Oak Brook Turning to Teamsters," *Daily Herald*, October 1, 2009. Available online: <http://www.dailyherald.com/story/?id=325508>

Carlson, Prescott. "Oak Brook Man Hates Libraries, Children, Puppies," *News (Chicagoist)*, October 2, 2009. Available online: http://chicagoist.com/2009/10/02/oak_brook_man_hates_libraries_child.php

Editorial. "Standing Up for Libraries," *Daily Herald*, October 6, 2009. Available online: <http://www.dailyherald.com/story/?id=326650>

ILA