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# Public Library Privatization: Evading Civic Responsibility

— Whitney McCoy, MLIS Candidate —

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# Public Libraries: Investing in Us

***“Forming communities and collaboration is the core of what libraries do.”***

-President Walter Isaacson, Aspen Institute

# Public Libraries: Investing in Us

Characteristics of public libraries:

- Supported by taxes (mostly local)
- Governed by a library board **to serve the public interest**
- Open to all, and collections are accessible to every member of a community
- Provide basic services without charge

(Rubin, R. E., 2010, *Foundations of Library and Information Science*)

# Public Libraries: Investing in Us

## Public library funding:

- *"Public libraries have long relied on local funding sources. According to a recent Institute of Museum and Library Services public library survey, nearly 85 percent of all public library operating revenue comes from local sources, including general revenue funds, dedicated property taxes, voter-approved taxes and a portion of sales taxes." - [Garmer, A. \(2014\)](#)*
- Locally-funding libraries keeps taxpayer dollars in the local community
- Public libraries should not be viewed as an *expense*, but as an **investment**
  - An ALA study found that for every \$1 spent on public libraries, the local community receives \$5.48 in economic value ([ALA, 2017](#))
  - The average U.S. citizen spends \$36.96 annually in taxes for the public library

# Public Libraries: Investing in Us

## Public Library Ethics and Mission

- Curate an unbiased, diverse collection of materials reflecting multiple perspectives and points of view
- Promote literacy and lifelong learning at all stages of development
- Identify and remove barriers to information access to all
- Serve as a cornerstone of democracy by protecting intellectual freedom: “the right of every individual to both seek and receive information from all points of view without restriction. It provides for free access to all expressions of ideas through which any and all sides of a question, cause or movement may be explored.” [\(ALA, 2017\)](#)

## Public Libraries: Investing in Us

“Google can bring you back a hundred thousand answers. A librarian can bring you back the right one.”

- Neil Gaiman

# Public Libraries: Investing in Us

Why do we need librarians?

- Highly educated, Master's degree-holding **civic servants**
- Skilled professionals who are trained in protecting intellectual and civic rights, teaching literacy and technology skills, and providing services to diverse populations
- They serve our community because they are part of it!
- Librarians create service plans targeted to groups that are marginalized, disenfranchised, and overlooked: people experiencing homelessness, adults who struggle with literacy, teenagers, new immigrants, non-English speakers, young children, unemployed people, etc.

# The Escondido Public Library

- Cornerstone of our community since 1894
- Service population of 150,760 people -- 36,028 are children under 14
- 447,827 visits in 2015-2016: 1,435 visitors per day!
- 53 employees and 25 FTE volunteers
- 17,133 people attended 410 programs
- 80,360 annual uses of public computers
- Total materials collection of over 200,000 items
- EPL's budget comprises only **3%** of Escondido's general fund budget (Diaz, O., 2017, <https://www.times-advocate.com/articles/keep-the-escondido-public-library-public/>)

Source for EPL Statistics: [CA State Library](#)



# The Escondido Public Library

## Spending

- Office of City Manager has pointed to Grand Jury report indicating that the library does not adequately meet the needs of Escondido as a reason for exploring privatization (Library Board of Trustees Meeting, 7/11/17)
- *What the report actually says:*
  - “**Unused allocated funds** from the Escondido Library operating budget are **not** used to benefit the library.” ([San Diego County Grand Jury Report, 2017](#))

# The Escondido Public Library

## Unused allocated funds?

<b>Date</b>	<b>Total Operating Income</b>	<b>Total Operating Expenditures</b>	<b>Difference Income - Expenditures</b>
2008/09	\$4,245,860	\$3,483,717	\$762,143
2009/10	\$3,654,339	\$3,911,064	(\$256,725)
2010/11	\$3,465,805	\$3,002,025	\$463,780
2011/12	\$3,558,454	\$2,862,061	\$696,393
2012/13	\$3,595,443	\$2,499,092	\$1,096,351
2013/14	\$3,789,189	\$3,026,503	\$762,686
2014/15	\$3,872,778	\$2,994,878	\$877,900

# Library Systems and Services, LLC

“If you're looking for a sign that local political leaders are intent on giving up all pretense of working for the public interest, look no further [than the outsourcing of public library management].” - [Michael Hiltzik, LA Times, 2016](#)

- Private, for-profit company that manages municipal libraries via outsourcing
- Not supported by the ALA; see [ALA Policy Manual B.8.8](#)
- Based in Maryland
- As a private company, nothing forces them to disclose profits, salaries of CEO and Board of Directors, employee pay and benefits, etc.

# Library Systems and Services, LLC

- Made claims that savings come from bulk buying of materials, eliminating low-circulating materials, reducing overhead costs, and increasing efficiency (Library Board of Trustees meeting, 7/11/17)
- Actual savings come from employee pay that is much lower than the industry average, poor employee benefits, and insufficient expenditures to meet community needs ([Martin, R.S., ALA Report on Outsourcing, 2000](#))
- Savings are not returned to the local community -- this is a for-profit company

# Library Systems and Services, LLC

- Founded by Frank Pezzanite, who said that “A lot of libraries are atrocious. Their [employment] policies are about job security. You can go to a library for 35 years and never have to do anything and then have your retirement. We’re not running our company that way.” [LA Times](#)
- Another quote: LSSI prefers to have full control of all library employees because “We have much more control. We can incent them. If an employee does a good job, we like to give them a \$5 gift certificate to Borders Books or Mrs. Fields.” [Library Journal](#)

# Library Systems and Services, LLC

- In 2006, ahead of his retirement, Pezzanite sold a majority stake in the company to Islington Capital Partners, a Boston private equity firm, in an undisclosed multi-million dollar deal. LSSI projected \$23 million in sales that year. [Source](#)
- In 2015, Argosy Private Equity acquired a controlling ownership interest in the company, stating that LSSI fit their model for “value acceleration.” Investment partners from Argosy were given Board of Directors positions at LSSI as part of that deal. [Source](#)
- Santa Clarita’s 3 branch system was LSSI’s first acquisition of a library not in distress: \$4 million deal for initial contract [\(Source\)](#)
- Is this where we want our local taxpayer money to go?

# Riverside County Library

- LSSI manages operations at all 37 service points of the Riverside County Library System, and presents this system as the poster child of their services
- Important to note: Riverside County transferred operations to LSSI as a last resort instead of shutting down their library system entirely following an economic crisis in the 1990s ([ALA](#), 2000)
- ALA report: LSSI's materials budget is "still inadequate to maintain the branch library collections, which are in the main too small for the populations they are intended to serve, and are generally old and worn. The few branches whose collection appears in better condition have clearly benefited from infusions of additional local funds." ([ALA](#), 2000)

# Riverside County Library

- ALA survey of RCLS employees:
  - *“Only fifty-six percent thought that their work schedule enabled them to get their work done in a professional manner”*
  - *“Staff turnover appears to be significant among newer employees”*
  - *“LSSI has demonstrated a willingness to hire staff without professional qualifications to perform functions that had previously been performed by professional librarians”*
  - *“forty-three percent of [library staff] surveyed clearly felt that funds for collections were inadequate to address community needs”* ([ALA](#), 2000)



# Changes in Service Quality: By the Numbers

Escondido Public Library: One branch, 11 ALA-accredited MLIS librarians

Riverside County Library: 37 service points, 36 ALA-accredited MLIS librarians

San Diego Public Library: 36 service points, 113 ALA-accredited MLIS librarians

Source: California State Library Public Library Statistics Portal, [2015-2016 Summary Data Ready Report](#)

# Changes in Service Quality: By the Numbers

Escondido Public Library: 36,028 children served, \$46,000 spent on children's materials

Riverside County Library: 287,571 children served, \$57,763 spent on children's materials

San Diego Public Library: 319,439 children served, \$586,025 spent on children's materials

Source: California State Library Public Library Statistics Portal, [2015-2016 Summary Data Ready Report](#)

# Why It Matters

- Privatizing a public library is a red flag for a local government that is derelict in its duties to its citizenry
- Contracting with LSSI will remove our taxpayer money from the local community and put it in the hands of a private, for-profit, equity firm-controlled company with no obligation for transparency and no incentive for responding to our needs
- We need a public library that represents our local interests and is staffed by qualified professionals who are compensated fairly
- Outsourcing library management goes against the fundamental role of the library as integral to our community, to our public education, and to our democracy

# Why It Matters

“There’s this American flag, apple pie thing about libraries. ... Somehow they have been put in the category of a sacred organization.”

-Frank J. Pezzanite, founder of Library Systems & Services

**Our opinion: the public perceives public libraries as a sacred organization because that is exactly what they are, and now it’s up to us to defend our own!**