

Florida Public Libraries & Privatization

A Guide for Florida Library Boards and Friends

September 2000

Recently companies interested in contracting with counties and cities to administer their public libraries have been marketing their services in Florida. This could result in library administration by a for-profit corporation and in library staff being transferred from county or city employment to a corporation. While libraries already take advantage of cost savings available by outsourcing, or contracting for incidental services from the private sector, there is concern in the library community that privatization, or contracting for management of library services is not in the best interests of Florida communities.

After lengthy study, the Florida Library Association Executive Board adopted the following statement in May 1999.

The Privatization of Publicly Funded Libraries - "The Florida Library Association believes it is not in the best interest of the residents of Florida for publicly supported libraries to be managed by for-profit organizations. Therefore, the Association opposes any efforts to provide library services by contracting with such organizations."

Public Library Privatization Concerns

- 1. Privatization Reduces Local Government Accountability to Citizens for Quality of Service** - One concern raised about local government privatization is that once contracts are established, decision makers are shielded from accountability to citizen customers for the quality of services provided. Experience shows that in some cases with privatization of services such as trash collection, that when citizens complain about deteriorated services, officials refer citizens to providers who in turn claim that their contracts don't allow them to correct problems, with the result that poor service continues. In some cases it appears that privatization is actually a local government strategy for reducing services and avoiding accountability.
- 2. Florida Communities Are Particularly Vulnerable to Loss of Citizen Input in Library Decision Making** - Active community participation in library planning and decision making through involvement of library advisory boards and Friends groups is largely responsible for the success of public library service in Florida. The possibility of privatization places Florida communities at risk of losing this citizen involvement. In many states, public libraries are governed by citizen boards that approve library budgets, plans, and policies. In Florida, responsibility for local services is consolidated in counties and cities and citizen involvement is encouraged through optional library advisory boards. Consequently, a Florida county or city could eliminate or dramatically reduce accountability by contracting

for library administration with a private firm and abolishing the Library advisory board. This would threaten the citizen involvement which is vital to the success of library service in Florida communities.

3. Outsourcing Savings Are Already Being Realized - Through competitive bidding and outsourcing services like custodial, security, maintenance, and library technical services, many of the potential cost savings claimed by privatization are already being realized. The library community believes it is appropriate to outsource certain activities, but not functions and "**decision rights**" that are "**core**" to the mission of the library.

4. Questionable Economics & the Threat of Harmful Results - Privatization cost savings are often illusionary and are achieved by reducing the quality of service. Typically local governments privatize to reduce costs. In order to reduce costs and generate a profit, contractors achieve savings either through increasing efficiency or reducing expenditures for services. Often savings are achieved by reducing staff costs, i.e. reducing numbers of staff, qualifications, experience, salaries, and retirement, health and other benefits. It is difficult to conceive of how reductions can be made in staff costs without reducing quality of staff and services.

Further, firms may low-ball initial contract bids, then later increase costs when agencies no longer have the staff or capacity to perform services themselves. While investors may be initially willing to incur deficits to get their foot in the door, sooner or later companies must generate a reasonable return for investors. It would be very difficult for companies to obtain sufficient savings through increased efficiency to provide private companies with a reasonable profit and rate of return for investors.

5. Eliminates Publicly Employed Library Director as Leader and Advocate - Historically the public library director is the lead advocate and catalyst for improving library services and rallying grassroots citizen and Friends' support. Under privatization, with the library director replaced by a corporate office, the community is deprived of its library leader and chief advocate. Also under privatization, questions arise about the company employed manager's motivation - is it to work for resources to spend for needed service, or to maximize the contractor's profits?

6. Public Libraries Are Not Well Suited for Privatization - A good sign that public libraries aren't good candidates for privatization is that, to our knowledge, currently only five public libraries out of over 8,900 nationally are privatized. Of those, prior to privatization, one did not have an existing library administration having previously contracted for services from a city, thus making privatization a uniquely attractive option. In two cases, the privatization decision was highly controversial and in one case the decision was tied up in court for months before a contract could be settled.

Typically, government services that have been successfully privatized involve clearly defined tasks, e.g. trash collection, building and equipment maintenance, and security. In bold contrast, library administration requires great independent judgement, including anticipating and interpreting community needs, developing and evaluating services, interaction with the community, citizens groups and other agencies.

7. **Eligibility for State and Federal Funding Not A Sure Thing** - To remain eligible for State and Federal funding, privatized public libraries will still have to meet all requirements of Florida law. Privatization models have not yet been proposed or evaluated so at this time there is no assurance that privatized libraries would be eligible for State Aid and Federal Library Services and Technology Act funding.

