

The New York Times Reprints

This copy is for your personal, noncommercial use only. You can order presentation-ready copies for distribution to your colleagues, clients or customers [here](#) or use the "Reprints" tool that appears next to any article. Visit www.nytreprints.com for samples and additional information. [Order a reprint of this article now.](#)

PRINTER-FRIENDLY FORMAT
SPONSORED BY

FROM
ACADEMY AWARD®
WINNER
DANNY BOYLE

September 26, 2010

Anger as a Private Company Takes Over Libraries

By **DAVID STREITFELD**

SANTA CLARITA, Calif. — A private company in Maryland has taken over public libraries in ailing cities in California, Oregon, Tennessee and Texas, growing into the country's fifth-largest library system.

Now the company, [Library Systems & Services](#), has been hired for the first time to run a system in a relatively healthy city, setting off an intense and often acrimonious debate about the role of outsourcing in a ravaged economy.

A \$4 million deal to run the three libraries here is a chance for the company to demonstrate that a dose of private management can be good for communities, whatever their financial situation. But in an era when outsourcing is most often an act of budget desperation — with janitors, police forces and even entire city halls farmed out in one town or another — the contract in Santa Clarita has touched a deep nerve and begun a round of second-guessing.

Can a municipal service like a library hold so central a place that it should be entrusted to a profit-driven contractor only as a last resort — and maybe not even then?

"There's this American flag, apple pie thing about libraries," said Frank A. Pezzanite, the outsourcing company's chief executive. He has pledged to save \$1 million a year in Santa Clarita, mainly by cutting overhead and replacing unionized employees. "Somehow they have been put in the category of a sacred organization."

The company, known as L.S.S.I., runs 14 library systems operating 63 locations. Its basic pitch to cities is that it fixes broken libraries — more often than not by cleaning house.

"A lot of libraries are atrocious," Mr. Pezzanite said. "Their policies are all about job security. That's why the profession is nervous about us. 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. You come to us, you're going to have to work."

The members of the Santa Clarita City Council who voted to hire L.S.S.I. acknowledge there was no immediate threat to the libraries. The council members say they want to ensure the libraries' long-term survival in a state with increasingly shaky finances.

Until now, the three branch locations have been part of the Los Angeles County library system. Under the new contract, the branches will be withdrawn from county control and all operations — including hiring staff and buying books — ceded to L.S.S.I.

“The libraries are still going to be public libraries,” said the mayor pro tem, Marsha McLean. “When people say we're privatizing libraries, that is just not a true statement, period.”

Library employees are furious about the contract. But the reaction has been mostly led by patrons who say they cannot imagine Santa Clarita with libraries run for profit.

“A library is the heart of the community,” said one opponent, Jane Hanson. “I'm in favor of private enterprise, but I can't feel comfortable with what the city is doing here.”

Mrs. Hanson and her husband, Tom, go to their local branch every week or two to pick up tapes for the car and books to read after dinner. Mrs. Hanson recently checked out [Willa Cather](#)'s classic “Death Comes for the Archbishop,” although she was only mildly in favor of its episodic style; she has higher hopes for her current choice, on the shadowy world of North Korea.

The suggestion that a library is different — and somehow off limits to the outsourcing fever — has been echoed wherever L.S.S.I. has gone. The head of the county library system, Margaret Donnellan Todd, says L.S.S.I. is viewed as an unwelcome outsider.

“There is no local connection,” she said. “People are receiving superb service in Santa Clarita. I challenge that L.S.S.I. will be able to do much better.”

As a recent afternoon shaded into evening, there were more than a hundred patrons at the main Santa Clarita library. Students were doing their homework. Old men paged through newspapers. Children gathered up arm's loads of picture books. It was a portrait of civic harmony and engagement.

Mrs. Hanson, who is 81 and has been a library patron for nearly 50 years, was so bothered by the outsourcing contract that she became involved in local politics for the first time since 1969, when she worked for a recall movement related to the Vietnam War.

She drew up a petition warning that the L.S.S.I. contract would result in “greater cost, fewer books and less access,” with “no benefit to the citizens.” Using a card table in front of the main library branch, she gathered 1,200 signatures in three weekends.

L.S.S.I. says none of Mrs. Hanson’s fears are warranted, but the anti-outsourcing forces continue to air their suspicions at private meetings and public forums, even wondering whether a recall election is feasible.

“Public libraries invoke images of our freedom to learn, a cornerstone of our democracy,” Deanna Hanashiro, a retired teacher, said at the most recent city council meeting.

Frank Ferry, a Santa Clarita councilman, dismisses the criticism as the work of the [Service Employees International Union](#), which has 87 members in the libraries. The union has been distributing red shirts defending the status quo. “Union members out in red shirts in defense of union jobs,” Mr. Ferry said.

Library employees are often the most resistant to his company, said Mr. Pezzanite, a co-founder of L.S.S.I. — and, he suggested, for reasons that only reinforce the need for a new approach.

“Pensions crushed [General Motors](#), and it is crushing the governments in California,” he said. While the company says it rehires many of the municipal librarians, they must be content with a [401\(k\)](#) retirement fund and no pension.

L.S.S.I. got its start 30 years ago developing software for government use, then expanded into running libraries for federal agencies. In the mid-1990s, it moved into the municipal library market, and now, when ranked by number of branches, it places immediately after Los Angeles County, New York City, Chicago and the City of Los Angeles.

The company is majority owned by Islington Capital Partners, a [private equity](#) firm in Boston, and has about \$35 million in annual revenue and 800 employees. Officials would not discuss the company’s profitability.

Some L.S.S.I. customers have ended their contracts, while in other places, opposition has faded with time. In Redding, Calif., Jim Ceragioli, a board member of the Friends of Shasta County Library, said he initially counted himself among the skeptics.

But he has since changed his mind. “I can’t think of anything that’s been lost,” Mr. Ceragioli said.

The library in Redding has expanded its services and hours. And the volunteers are still showing up — even if their assistance is now aiding a private company. “We volunteer more than ever now,” Mr. Ceragioli said.