

# Proposed Policy Change: Elimination of Late Fines

4/24/17

## CURRENT VERSION OF POLICY

### CIR7 Fines and Collections

#### CIR7.1 Fines

The purpose of collecting fines is to encourage the timely return of materials so that other patrons may have access to them.

**CIR7.1.1** The Library currently charges a fine of \$.20 per item per day (\$6.00 maximum per item) for all items except Lucky Day items and DVDs which are \$.50 per day (\$10.00 maximum per item).

**CIR7.1.2** If a patron owes more than \$25.00 and is unable to pay the full amount due on their account immediately, a payment plan may be arranged. A down payment of at least 10 percent of the total is generally required to set up a payment plan.

**CIR7.1.3** Adult patrons, defined as any patron 18 years of age or older, may have fines waived if the fines were incurred prior to the patron's 18<sup>th</sup> birthday. Staff will waive these fines on request or when a staff member

#### CIR7.2 Lost and Paid

A patron who has lost material is charged the price of the material shown in the database and a processing fee commensurate with the cost of originally acquiring and adding the item to the Library's database and collection. When a patron pays for a lost item, the Library withdraws that item from the database.

**CIR7.2.1** If a patron has mailed a payment with an incorrect amount which is larger than the amount due, the difference will be refunded by mail.

**CIR7.2.2** When a patron finds lost material that has been paid for and returns it in good condition, in person, within one year, a refund check will be mailed to the patron. The refund will be the amount paid for the lost

#### CIR7.3 Collections

Every attempt is made to work with individual patrons in reaching a mutually satisfactory resolution to any problems arising from the late return of materials. Notices are sent as a courtesy to remind patrons of overdue items. Non-receipt of a courtesy notice does not negate the patron's responsibility for returning library materials.

**CIR7.3.1** When material is five weeks overdue, a bill which includes author/title, call number, price, and processing fee is sent to the patron. Once a bill has been sent, the patron may not use their card for further check out until the problem has been resolved.

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The patron may resolve the problem by returning the item, paying for the item, or by negotiating a payment plan to pay for the item.

**CIR7.3.2** When material is seven weeks overdue, and the total charges on the patron account are at least \$50.00, the patron's account may be turned over to a collection agency to resolve the situation. A nonrefundable charge of \$10.00 will be added to the patron's account to help cover the cost of using the collection agency. Patrons following a payment plan will not be sent to collections. Patrons who are in collections may stop collection activity by following a payment plan.

**CIR7.3.3** When a patron with less than \$250.00 in charges has been stopped from using their card for more than four years, their card and any items remaining on it are withdrawn from the database and the library card deleted from the system.

**CIR7.3.4** If a patron owes \$250.00 or more, this information is retained indefinitely or until the matter is resolved.

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## PROPOSED REVISED VERSION OF POLICY

### CIR7 Fines and Collections

#### CIR7.1 Fines

~~The purpose of collecting fines is to encourage the timely return of materials so that other patrons may have access to them.~~

#### [NEW TEXT]

It has been demonstrated that the imposition of fines does not act as an effective deterrent to the late return of materials. However, fines do serve as an inequitable barrier to service, disproportionately impacting children and community members with the least financial resources. Given the Library's core values of equitable service and barrier-free access to information and services, we do not impose or collect fines for the late return of materials.

~~**CIR7.1.1** The Library currently charges a fine of \$.20 per item per day (\$6.00 maximum per item) for all items except Lucky Day items and DVDs which are \$.50 per day (\$10.00 maximum per item).~~

~~**CIR7.1.2** If a patron owes more than \$25.00 and is unable to pay the full amount due on their account immediately, a payment plan may be arranged. A down payment of at least 10 percent of the total is generally required to set up a payment plan.~~

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A patron who has lost material is charged the price of the material shown in the database and a processing fee commensurate with the cost of originally acquiring and adding the item to the Library's database and collection. When a patron pays for a lost item, the Library withdraws that item from the database.

**CIR7.2.1** If a patron has mailed a payment with an incorrect amount which is larger than the amount due, the difference will be refunded by mail.

**CIR7.2.2** When a patron finds lost material that has been paid for and returns it in good condition, in person, within one year, a refund check will be mailed to the patron. The refund will be the amount paid for the lost

#### CIR7.3 Collections

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Every attempt is made to work with individual patrons in reaching a mutually satisfactory resolution to any problems arising from the late return of materials. Notices are sent as a courtesy to remind patrons of overdue items. Non-receipt of a courtesy notice does not negate the patron's responsibility for returning library materials.

**CIR7.3.1** When material is ~~five~~ **two** weeks overdue, a bill which includes author/title, call number, price, and processing fee is sent to the patron. ~~Once a bill has been sent,~~ **When the material is four weeks overdue,** the patron may not use their card for further check out until the problem has been resolved. The patron may resolve the problem by returning the item, paying for the item, or by negotiating a payment plan to pay for the item.

**CIR7.3.2** When material is seven weeks overdue, and the total charges on the patron account are at least \$50.00, the patron's account may be turned over to a collection agency to resolve the situation. A nonrefundable charge of \$10.00 will be added to the patron's account to help cover the cost of using the collection agency. Patrons following a payment plan will not be sent to collections. Patrons who are in collections may stop collection activity by following a payment plan.

**CIR7.3.3** When a patron with less than \$250.00 in charges has been stopped from using their card for more than four years, their card and any items remaining on it are withdrawn from the database and the library card deleted from the system.

**CIR7.3.4** If a patron owes \$250.00 or more, this information is retained indefinitely or until the matter is resolved.

**RECOMMENDATION**

Library administration recommends that the Board of Directors eliminate the imposition and collection of overdue fines for late return of materials. The Library will continue to bill and collect for lost items and block patron card access if items are not returned or paid for in a reasonable amount of time.

**LIBRARY MISSION AND VALUES**

Fines have not been shown to be an effective deterrent to the late return of materials. However, fines have been shown to act as an inequitable barrier to service, disproportionately impacting children and community members with the least financial resources. It is notable that in March 2017, patrons from the Glendale, Day-Riverside, and Chapman branches accounted for less than 15% of our circulation but accounted for 32% of our accounts blocked for financial reasons. Late fines are therefore in opposition to the Library’s core values of equitable service, fostering early literacy, and barrier-free access to information and services. From both a mission and a values standpoint, late fines should be eliminated.

**BACKGROUND**

The Library currently charges overdue fines as follows:

All Materials (except DVDs and items in the lucky Day Collection)	20¢ per day, per item
DVDs and Lucky Day items	50¢ per day, per item
Maximum fine (all materials except DVDs and Lucky Day items)	\$6.00 per item, per loan period
Maximum fine for DVDs and Lucky Day items	\$10.00 per item, per loan period

**FISCAL IMPACT**

The current FY17 budget includes \$315,000 revenue in the “Fines” line. This represents a \$40,000 increase from the FY16 budget. Of the \$315,000, \$215,000 was projected to be fines, with \$100,000 projected to be from charges for lost materials. As of March 30, 2017, we are collecting fines at a lower rate than projected, and at the current rate we will collect approximately \$165,000 in fines; a 23% decrease from the expected revenue of \$215,000.

The circulation of physical materials has been decreasing over the past seven years, even as circulation of electronic materials is on the rise. We can therefore anticipate that fine revenue will continue to decrease naturally as there are fewer physical items being returned late. Estimating a 10% drop in fines in FY18, should we continue to levy them, the projected loss of revenue due to the elimination of fines is \$148,500.

**Recommendation for Fine-Free Policy at Salt Lake City Public Library**  
Submitted to the Library Board by Executive Director Peter Bromberg, April 24, 2017

The experience of many libraries that have gone fine free suggests that this drop in revenue will be offset to a large degree by other savings. Staff time is involved in numerous interactions with patrons that revolve around fines including:

- Negotiating the appropriateness of fines and fine waivers
- Negotiating fine payment plans
- Assisting patrons in paying their fines in cash or by check
- Assisting patrons in paying their fines by credit card, either on the web or at self-check stations
- Fiscal staff tracking and reconciling payments from eight locations, in three forms (cash, check, credit), and through multiple credit systems (Heartland, Paypal). Payments from all sources must then be reconciled with the fine records of Polaris, our Integrated Library System.

The San Rafael (CA) Public Library analyzed fine transactions and determined that each transaction requires approximately ten minutes of staff time when factoring in payment, processing at service desks, counting and processing of cash at service points, counting of cash for deposit, and processing and reconciliation by their finance department.

The Vernon Area (IL) Public Library District reports that “the cost of staff time to handle overdue fines and of processing the amounts to more than what they’re earning back from patrons.” (see [Public Libraries Online](#))

Tena Wilson, Executive Director of the Stark County (OH) District Library reports that “it cost more money in staff time for the tracking, collecting and accounting of the overdue fines than the \$188,000 the district collects in penalties each year” and also found that the “fines tend to penalize the library’s loyal customers the most.” (See: [Article in CantonRep.com](#))

The Colorado State Library, after conducting a [comprehensive study](#) on the impact of fines on library usage concluded that, “[t]he administrative costs, including equipment rental, collection contracts, and staff time associated with collecting funds from patrons, often equals or exceeds the revenue earned from library fines and fees.” The Colorado study also reported that:

[The] High Plains Library District (Colorado) eliminated late fines on library materials and found the financial repercussions to be “neutral” because they were able to eliminate costly credit card technology on their self-check machines. Staff time and money-collecting technology are expensive, and when the amount generated by charging fines is compared to the costs associated with collecting them, it becomes clear charging fines for revenue may not make sense....

Holt and Holt (2010) observed, “Reacting to fines and the cost of lost books, or just fearing such expenses, parents and caregivers in poor families may make a rational

decision to not allow their children to get a library card or to check out books that might get lost.” The SPELL research (Zhang, 2013) confirms this assertion.

Additionally, the elimination of fines has been found to increase usage of library materials, which results in a higher return on investment in the collection.

## **RESEARCH AND EXPERIENCE OF OTHER LIBRARY SYSTEMS**

Public libraries across the United States are increasingly eliminating overdue fines, recognizing that fines serve no positive purpose but act as a significant and inequitable barrier to service.

Libraries that report success with a move to a fine-free library include: Addison (IL) Public Library, Algonquin Area (IL) Public Library, Alpine County (CA) Public Library, Bellwood (IL) Public Library, Chelmsford (MA) Public Library, Columbus (OH) Metropolitan Library, Delaware County (OH) Library District, Dover Town (MA) Library, Ela Area (IL) Public Library, Forest Grove (OR) Public Library, Gleason (MA) Public Library, Imaginelf (MT) Library, Licking County (OH) Library, New London (WI) Public Library, North Plains (OR) Public Library, Parkersburg and Wood County (WV) Public Library, Stark County (OH) District Library, Thomas Memorial Library (ME), Vernon Area (IL) Public Library, Washoe County (NV) Library System, Westford (MA) Public Library and Worthington (OH) Libraries.

There is an increasing body of research and direct experience that supports the elimination of fines. Libraries that have eliminated fines have consistently reported that:

- There is no significant negative impact to the return of materials
- Circulation of materials increases
- Card registrations increase
- Staff morale is improved
- Staff time can be redirected from transactions to more customer-focused activity (i.e. reader’s advisory, merchandising)
- Customer satisfaction increases

When the San Rafael Public Library experimented with the elimination of fines for children’s materials in 2014–2015, they saw a 39% increase in youth card registrations. Remarkably, that increase was driven by a 126% increase in registrations at their Pickleweed Branch which serves the most economically disadvantaged neighborhood in San Rafael. (San Rafael City Council Agenda Report, 1/17/17)

Nearing its one-year anniversary of instilling the policy, the Algonquin Library of the Vernon Area Public Libraries (VAPL) reports that they have seen no adverse effects. An article in [Public Libraries Online](#) reports that, “In fact, it’s only increased the goodwill of patrons towards the public library. Since introducing the no overdue fines policy, VAPL has also received only

positive responses from their patrons and the community at large.”

The Colorado State Library issued a White Paper entitled, [Removing Barriers To Access](#), that explored the impact of fines and fees on access to library services for children. This comprehensive study concluded this:

The Colorado State Library recommends public library administrators and governing bodies eliminate library fines, and reconsider fees for lost or damaged items, on children's materials, and other items as deemed appropriate for local service. Fines are punitive, not educational incentives... The profession has little empirical evidence that charging fines results in greater circulation of library materials, or indeed the return of items in a timely manner.

The administrative costs, including equipment rental, collection contracts, and staff time associated with collecting funds from patrons, often equals or exceeds the revenue earned from library fines and fees. At a time when libraries struggle to remain relevant and increase library use, it may be counterproductive to enforce policies that are punitive in nature and further the stereotype of libraries as authoritarian institutions to be feared.

Other findings from the Colorado study include:

- The threat of accumulating fines for overdue materials and the fees associated with damaged or lost books is keeping low-income families away from libraries, or from checking out items to take home.
- Based on the research, these [fine-free] user-friendly policies will bring more community members into the library, especially the low-income populations who need libraries the most.

## **CONCLUSION**

The overwhelming body of evidence suggests that fines do not serve their intended purpose of promoting timely return of materials. They do however create significant barriers to access and use of the library, and these barriers inequitably impact children and residents with lower income. The imposition of fines is at odds with our core values and mission of providing equitable access, promoting learning, and fostering early childhood literacy.

There is much research that suggests that one of the keys to lifelong academic and economic success is the early acquisition of vocabulary and reading skills. By disenfranchising children, particularly children from economically disadvantaged families, we are not only negatively impacting these individuals, we are negatively impacting the long-term health and vitality of our city.

## **Recommendation for Fine-Free Policy at Salt Lake City Public Library**

Submitted to the Library Board by Executive Director Peter Bromberg, April 24, 2017

Research also suggests that the small anticipated loss in revenue is likely offset by savings in the costs associated with imposing, collecting, and managing late fees. Any small loss in revenue will certainly result in a significant benefit to the residents of Salt Lake City in improved access to our collections and services and the collective value that such access provides to the community as we support early literacy and lifelong learning for all, regardless of socioeconomic status.