



June 27, 2019

TO: Library Advisory Commission

FROM: Gayathri Kanth, Assistant Director

RE: Late Fines

Thank you for the discussion on fines and consideration of the elimination of fines at the LAC meeting on February 28, 2019. Per your request, I am providing you a short overview of the history of fine collection and elimination at various local libraries for your review and consideration.

In the past few years, libraries nationwide have been working to provide equitable access to services and resources to their communities. By no longer charging late fines for materials, libraries are striving to become an even more welcoming space for all. Many of the libraries in the Bay Area have followed this trend and have either eliminated late fines or are in the process of eliminating late fines. Berkeley Public Library, Contra Costa Library System, and the San Mateo County Library system have all recently eliminated fines. San Francisco Public and Mountain View are currently working on eliminating fines.

From a budget viewpoint, money collected from fines and replacement fees has gone down steadily as a result of no longer collecting the fines on children's items (since 2018). From a marketing viewpoint, fines create conflict between patrons and the library and lead to less use of library resources and potentially a greater negative view of the library. From a workflow efficiency viewpoint, fine collections results in inefficient use of staff time and do not consistently ensure borrowed materials end up back on library shelves.

In a perfect world, the library would not collect any fines on materials, as they would be returned on time in excellent condition.

Typically, most libraries that have eliminated fines have already been working towards eliminating the impact of fines by adopting one of more of the following:

- No fines on children's or young adult books, music, movies, and more
- No overdue fines for School Library Cards
- Elimination of overdue fines for all ages
- Forgiving all outstanding fines

Please keep in mind that the library will implement Automatic Renewal in the coming year, meaning that items checked out will be automatically renewed for the customer, if there is no hold and if the item has not reached the total maximum check outs (X). Automatic Renewal of items mean that it is very difficult to accrue fines. In addition, e-materials, like e-books and digital magazines, have never accrued fines.

If the LAC recommends eliminating late fines, the following policies remain in place:

- Library users still need to return items and will still receive reminders when a due date approaches and when it has passed.
- Even with eliminated late fines, library users who do not return materials will have their accounts blocked until the items are returned.
- The library will still collect fees for lost and damaged items.

Additional information on fine free libraries is available on many library websites that are fine free:

<https://ccclib.ask.libraryh3lp.com/questions/37027>

<https://smcl.org/blogs/post/san-mateo-county-libraries-go-fine-free/>

<https://www.berkeleypubliclibrary.org/library/faqs/home>

<https://sfpl.org/uploads/files/pdfs/commission/Fine-Free-Report011719.pdf>

<https://sfpl.org/uploads/files/pdfs/commission/Fine-Free-Report011719.pdf>

<https://www.sandiego.gov/public-library/services/lending/finesfees>

<https://sppl.org/fine-free/>



DATE: June 27, 2019

TO: Library Advisory Commission

RESEARCH RE: Library Department Overdue Fines Modification Findings

RESEARCH COLLECTED BY: Sarah Kilpatrick, Library Administration Intern

BACKGROUND

The San Francisco Bay Area is at the forefront of a national movement to eliminate overdue fines for library patrons. Libraries within the San Francisco Bay Area such as the Berkeley Public Library, San Jose Public Library, and the San Mateo County Library are seeing positive rates of return, both fiscally and socially, after eliminating fines. In fact, Palo Alto City Library (PACL) neighbor, Mountain View Public Library, has moved towards eliminating late fees this year. Over the past few years, data and statistics from many studies across the country have resulted in the same conclusion: eliminating fees does not have a significant impact on financial stability, but it will support the public library's mission as an equal, open and free institution for all residents, regardless of class, income level, or background.

Library fines at PACL have been in effect for the entirety of the modern library era.

- For the past 10 years, fines have held steady at \$0.30/day per book (\$9 max).
- In Fiscal Year 2017-18, PACL removed Youth Materials Fines of \$0.30/day per book (\$9 max). This led to a drop in library revenue.
- Later in 2019, due to upgrades in software, PACL will institute automatic renewal, which is expected to contribute to further drops in fines revenue.

At the request of the Council Finance Committee, PACL has the opportunity to reassess its position on overdue fines and determine whether the benefits of fines outweigh the cost. Before the era of digitization of our library materials, overdue fees helped control a finite number of resources. Now, with the rise of eBooks, online materials, and material sharing services such as Link+, overdue fees impact are less obvious. With the shift to digital collections, institution of automatic renewals, and a focus on lean management, assessing the usefulness and impact of fines now is appropriate.

FINE POLICIES AT NEARBY LIBRARIES

	Overdue Rate/Day	Maximum Fine	Lost/Damaged Fees
Palo Alto City Library	\$0.30/Day	\$9	Cost of item + \$5
San Jose City Library	\$0.25/Day	\$5	Cost of item + \$10
Santa Clara County Library	\$0.25/Day	\$10	Cost of item + \$10
Santa Clara City Library	\$0.25/Day	\$25	Cost of item + \$15
Sunnyvale City Public Library	\$0.30/Day	\$10	Cost of item + \$10
Mountain View City Library	\$0.25/Day	\$25	Cost of item + \$10
San Mateo County Library	N/A		
San Mateo City Library	\$0.25/Day	\$15	Cost of item + \$5

Several local library systems are moving beyond overdue fines and other fees in order to reinstate the library as an accessible center of information for the community. The following are currently fine-free for some or all residents:

- San Jose Public Library
- San Mateo County Library- Eliminating fines reestablished access for over 13,200 residents.
- Berkeley Public Library- Over 11,000 patrons in Berkeley’s three lowest-income zip codes regained access.
- Peninsula Public Library- Over 13,000 minors regained access to library
- San Rafael Public Library
- Contra Costa County Library

THE CITY’S EXPENSES: COST TO COLLECT FEES LIBRARY REVENUES -

- Late fines Revenue in Fiscal Year 2018-19 is about \$59,000 and amounts to 0.61% of the total Library budget of \$9.7 million; these fees are not meant to be cost recovery.
- The Library contracts with a collections agency to collect dues past 60 days, this costs the Library about \$7,923.73 per year.
- Staff time: A staff person at each branch spends one hour per day open to collect fines, as demonstrated in the following table:

Library	Days Open/Week	Annual Hours Spent on Fines	Library Specialist Salary	Hourly Specialist Salary	Salary spent on Fines
Rinconada	7	364	\$63,561	\$30.56	\$11,123.18
Mitchell Park	7	364	\$63,561	\$30.56	\$11,123.18
Downtown	5	260	\$63,561	\$30.56	\$11,123.18
Children's	7	364	\$56,665	\$27.24	\$9,916.38
College Terrace	4	208	\$31,781	\$15.28	\$5,561.68
			Total Salary Dollars Allocated to Fines		\$48,847.60
			Total Staff Hours Allocated to Fines Administration**		1560*

*Note that these hours and dollars would not be eliminated if fines were removed, but would be reallocated to other Library duties.

**Fines Administration duties take one hour each morning due to Citywide audit recommendations implemented about 10 years ago by the purchasing department. Money must be counted each morning and a certain paperwork process must be followed.

- Other hidden costs to the City include:
 - Cost of the armored car to pick up money 3 times a week at Rinconada Library
 - Cost to manage the credit card machine at all five library branches
 - Cost of Revenue Services staff time to process paperwork and deposits

Revenue Source	FY19 Total Revenues
Lost Books and Miscellaneous	\$25,440
Overdue Fines	\$59,557
Other Fines	\$6,730
Expired Hold Fees	\$7,909
Reservation Fees	\$1,571
Photocopy Fees	\$15,981
Other Revenue from Other Agency	\$9,000
Other Sales	\$3,450
Donations/Contributions	\$6,150
Other Miscellaneous Revenue	\$55,434
<i>Total</i>	\$191,222
Percentage of Overdue Fines of Total Library Revenue	31%

Overdue fees make up about 30% of total library revenue but have been steadily decreasing in magnitude in the last few years, primarily due to the elimination of fees for children’s materials. It is expected that “Automatic Renewals”, to be implemented later in 2019, will contribute to a further decrease in fines revenue.

PACL PATRONS AFFECTED

- Total Borrowers in FY 2018-19: 67,000
- Borrowers currently above the \$10 fine borrowing limit (essentially blocked): 3,692
- 6% of PACL patrons are blocked in the Library system -Patrons who are blocked cannot use online library hold services, LINK+, or check out books, ebooks, DVDs, or other materials
 - These patrons include only adults, youth materials’ late fees were eliminated last year; however, it doesn’t include additional family members impacted by their relative’s blocked account.

→ Eliminating library fines would reinstate access to 1 in 20 PACL borrowers

Current Library Policy	Proposed Library Policy	Maintained Library Policy
<ul style="list-style-type: none"> • Fines accrue \$0.30 per day for regular Adult materials • No late fines for youth materials • Maximum dues are \$10 before being blocked • Lost/Damaged fees cost \$5 + the cost of the item 	<ul style="list-style-type: none"> • Eliminate the \$0.30 per day overdue fees for adults • Waive dues for 3,692 patrons currently blocked • Create initial amnesty periods for patrons to return overdue materials, no questions asked 	<ul style="list-style-type: none"> • Maximum dues remain at \$10 before being blocked; LINK+ fees and fines for Lost/Damaged fees still apply • Fees for Lost/Damaged items remain at \$5 + cost of the item

Full List of Local Libraries Doing Fee Eliminations:

Library	Fines Eliminated For	Reason for Elimination	Policy Notes
San Jose Public Library	Children and Teens only	Mission to provide equal access to info	Pilot program for FY 2018-19
San Mateo County Libraries	Everyone	Up to 19% of patrons regained access w/ eliminated fees	N/A
Peninsula Library System	Children and Teens	Over 13,000 minors regained access w/ elimination of fees	N/A
Berkeley Public Library	Everyone	Over 11,000 people in Berkeley's three lowest-income zip codes regained access	N/A
Contra Costa County Library	Everyone	Libraries should be "open for the entire community"	N/A
San Rafael Public Library	Children Only	Overdue fines often "lead to youth no longer using the library because their account is locked"	N/A

Library Fines at the Palo Alto City Library

Library Advisory Commission

June 27, 2019



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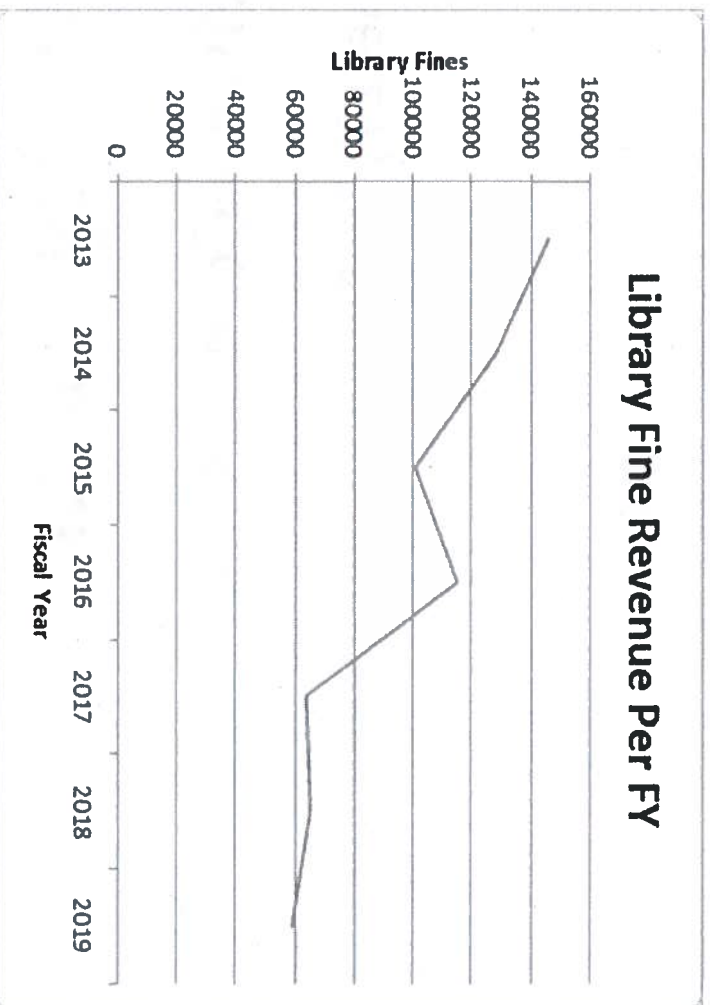
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Current Palo Alto Library Fines

- Daily Overdue Adult Fines: \$0.30/Day
- Max Charge Before Suspension: \$9.00

■ Eliminating Fees now would:

- Reinstate access for 3,692 patrons, over 1 in 20 of our registered users.
- Join dozens of city libraries nationwide in eliminating fees.



Fine Policies Across the Bay Area

	Overdue Rate/Day	Maximum Fine	Lost/Damaged Fees
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Why Are Libraries Going Fine Free?

- *"Libraries are a public good, supported by tax dollars because they are essential to democracy, not because they turn a profit."*
 - Westchester Public Library System, New York
- *"There's nothing worse than working in the circulation department and having to deal with fines on a daily basis. We're not about generating revenue; we're about getting people through the door and using the library."*
 - Vigo County Public Library, Indiana



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Why Are Libraries Going Fine Free?

- *“Checkouts rose 10% at Salt Lake City Public Library, and the number of new cardholders rose 3.5%.”*
 - Salt Lake City Public Library System, Utah
- *“Library staff would have up to 3,464 hours freed up annually to focus on other duties instead of fine collection.”*
 - San Francisco City Public Library, California



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Cost to Collect Fines

Explicit Costs

- Collection Agency: \$7,923.73 in FY18
- Armored vehicle cash pickup
- Credit Card Machine

Implicit Costs

- Library Staff Hours
- Revenue Services staff time
- Access to thousands of residents

Staff Time

Library	Days Open/Week	Annual Hours Spent on Fines	Library Specialist Salary	Hourly Specialist Salary	Salary spent on Fines
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College Terrace	4	208	\$31,781	\$15.28	\$5,561.68
Total Salary Cost					\$48,847.60
Total Staff Hours Cost					1560
Total Days of Staf Time Allocated to Fines					65

Serving our Community

Palo Alto City Library would reinstate access for patrons proportional to libraries who have already eliminated fees.

Palo Alto City Library

Name	Regained Access	Percentage of Patrons
Palo Alto City	> 3,500	6.50%

Greater Bay Area

Name	Regained Access	Percentage of Patrons
San Francisco City	> 17,500	4%
San Mateo County	> 13,200	8%
Berkeley City	> 11,000	10%



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Conclusion of Policy

Current Library Policy	Proposed Library Policy	Maintained Library Policy
<ul style="list-style-type: none"> • Fines Accrue \$0.30 per day for regular materials 	<ul style="list-style-type: none"> • Eliminate \$0.30 per day overdue fees 	<ul style="list-style-type: none"> • Maximum dues are \$9 before account suspension
<ul style="list-style-type: none"> • Maximum dues are \$9 before account suspension 	<ul style="list-style-type: none"> • Waive dues for 3,692 patrons currently blocked 	<ul style="list-style-type: none"> • LINK+ overdue fees and Lost/Damaged fees will not change
<ul style="list-style-type: none"> • Lost/Damaged Fees are \$5 + cost of the item 		

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