



DATE: November 10, 2020

TO: Mayor and Council Members

FROM: Director of Library Services

SUBJECT: Adopt a Resolution Approving the Cessation of Late Fees at Hayward Public Library

RECOMMENDATION

That Council adopts a resolution (Attachment II) authorizing the cessation of late (overdue) fines. All existing fines and fee balances on library accounts would also be removed and account holds that limit use of library cards would be lifted effective January 1, 2021.

SUMMARY

Currently, the late fee at Hayward Public Library for all library materials is \$0.25 per day per item and over 37,000 Hayward residents have library accounts with outstanding fines and fees balances. About half of these accounts have charges at-or-above \$20, the limit where the patron is no longer able to check out or renew materials until a payment is made. These account-holds disproportionately affect individuals with limited resources, children, and those without consistent access to transportation. Historically, when late fines are forgiven, patrons actually return books they have been holding on to, which in turn reduces the need to buy replacements. Fine forgiveness has also led to reductions in late returns and increases in circulation and library use. As an added benefit for Hayward, removing late fees would streamline the return processes and save staff time. Staff time savings will be used toward the operation of the new bookmobile.

BACKGROUND

Hayward Public Library (HPL) tracks several categories of fee payments on a year-to-year basis. These categories include late (overdue) fines, replacement payments (lost or damaged items), and other fees (card replacements, printouts, etc.). Annual late fee revenue has seen a steady decline over the past decade. Prior to closing the main library in FY2019 due to construction, the annual revenue from late fees had already dropped by 50% compared to FY2011. This decline is consistent with industry trends. At this point, it costs more in staff time to collect late fees than the fees bring in in revenue.

There have also been several studies in the past few years demonstrating that the elimination of late fines in libraries has many positive outcomes. These include increasing patron access to materials and services, reducing the impact on economically vulnerable populations,

improving patron relationships, and optimizing staff time and operational efficiency. In keeping with industry trends, many of the libraries in the Bay Area are now fine free.

DISCUSSION

HPL analyzed eight (8) fiscal years' worth of data from the integrated library system to see system-wide fines and fees trends. Staff also used resident address data to see how existing fines and fee balances varied by zip code within the city.

The fines and fees data were parsed out with several critical questions in mind:

1. What percentage of card holders living in Hayward had fee balances, and what percentage had balances greater than \$20?
2. How have fines and fees impacted the Hayward community?
3. How has income from late fees changed over time?
4. What is the Cost vs. Benefit of overdue fines?

Many HPL patrons are impacted by fines and fees. When the data was pulled, just over 45,000 accounts had existing fee balances. With approximately 125,000 accounts total, this meant that approximately 36% of all library accounts had fee balances. Just over 23,000 accounts (18% of all library accounts) had balances of \$20 or more, the limit where the patron is no longer able to check out or renew materials until a payment is made and the balance is brought below \$20.

To determine how fines and fees were impacting the local community, staff limited the data set to cardholders living in the five zip codes that make up a majority of Hayward (94541, 94542, 94544, 94545, and 94546). This brought the overall total to about 37,000 accounts with fines and fees balances, and about 18,500 accounts with balances above \$20.

Library patrons of all ages and financial ability accrue late fines at the same rate, but not all are able to pay fines at the same rate. Fines can be difficult or impossible to pay for those with limited disposable income. According to the publicly available IRS data, the two poorest zip codes in the city are 94541 and 94544. Residents in these zip codes make up approximately 60% of approximately 125,000 library accounts, but when staff filtered the fines and fees data set, these two zip codes account for 80% of accounts with unpaid fees, and 82% of the accounts with balances above \$20. These large discrepancies (60% vs 80% and 60% vs 82%) show that the economically challenged neighborhoods in Hayward are disproportionately impacted by fines and fees.

Children, seniors, and those without consistent transportation are also especially vulnerable to losing library access due to overdue fines. From FY 2016 through FY 2018, between 54% and 58% of overdue fines were on materials for children and teens. Every librarian at Hayward Public Library has heard parents tell their children, at least one or more times, that they could no longer check out materials because of the late fines.

Though HPL does not track fines and fees based on race, ethnicity, etc., many studies have shown that overdue fines in libraries disproportionately impact African Americans and people of color. A study from the Government Alliance on Racial Equity (GARE) found that

Interpersonal, Structural and Institutional racism all come in into play in the case of library fines and recommends that libraries “reduce or remove financial barriers to library use whenever possible” (Attachment III).

While late fines are a source of revenue for the Library, the total amount these fines bring in each year has been on a steady decline. From FY 2011 through FY 2018, annual revenue from fines and fees decreased by 49.7% (from ~\$110,000 to ~\$55,500), with an average YoY decline of ~7.7%. Late fines revenue made up about 84% of all fines and fees revenue collected from FY 2011 through FY 2018 and has seen an average YoY decline of ~8.3%. For the purposes of this trends evaluation, staff omitted data from FY 2019 and FY 2020. Late fines for FY 2019 were substantially lower due to the delayed opening of the new Downtown Library, and fines collected for FY 2020 were also low due to closures in response to COVID-19. However, by using the six months of data available from FY 2020 prior to the start of shelter in place, there is a downward trend to bring in under \$40,000 by fiscal year end.

While late fee revenue has decreased substantially, the costs associated with tracking and gathering the fees have not. Collecting fees involves many steps, including: tracking fines in the online system, sending out notifications to patrons, placing holds (blocks) on accounts, and removing holds if-and-when fines are settled. With all the steps required, it costs Hayward Public Library more in staff time than is received in income. This is not unique to HPL. Many Bay Area libraries have discontinued levying and collecting late fines. These include (but are not limited to): Alameda County Library; Belvedere Tiburon Library; Berkeley Public Library; Contra Costa County Library; Livermore Public Library; Mountain View Public Library; Oakland Public Library; Pleasanton Library; Redwood City Library; Richmond Public Library; San Francisco Public Library; San Mateo County Libraries; and San Rafael Public Library. Those that have switched have seen many benefits. Revenue has not been lost, due to significant operational savings. Collections were not pillaged (as is often the misconception). Instead, there has been a reduction in late returns, long-overdue books (once assumed to be lost) have been returned once there was not a large payment due upon return, and circulation and visits have increased - especially in low-income areas.

Hayward Public Library proposes the City waive all existing fee balances and remove all account holds (blocks) effective January 1, 2021. This will allow all patrons to start a new chapter at HPL in the new year and will be an effective draw for students who are being homeschooled to utilize the library as an educational resource. Hayward Public Library would no longer charge patrons fines for late returns, but would still collect fees for the replacement of lost (items that are more than 35 days overdue), for damaged items, for library card replacements, printouts, etc. This proposal was presented to the Library Commission at their meeting on October 19, 2020, where it received unanimous approval.

ECONOMIC IMPACT

Approval of the attached resolution is expected to have minor economic impacts on the community.

FISCAL IMPACT

The City will see a reduction of revenue estimated annually of between \$40,000 to \$70,000. This should have no other fiscal impact on the City. Staff time savings that would have previously been spent administering late fees will be used to operate the new bookmobile.

STRATEGIC ROADMAP

This agenda item supports the Strategic Priority of Support Quality of Life. This item is not specifically related to a project identified in the Strategic Roadmap. Staff is bringing forth this new item because Hayward Public Library's core mission is to provide equitable access to information and service to all residents in the community. Late fines go against that mission by disproportionately affecting residents in low-income households, children and teens, and other vulnerable populations. Eliminating late fees will help make library access easy, equitable, and enjoyable for everyone. Staff will include this item in the next Strategic Roadmap update.

PUBLIC CONTACT

Public notice for approval is not required for this change. If adopted, the change would be communicated through online notices on the website and social media, distribution of fliers, and signs at the library.

NEXT STEPS

Upon approval of the attached resolution, existing fee balances will be waived, patron account holds will be lifted, and the library will stop collecting late (overdue) fees. Effective date would be January 1st, 2021.

Prepared by: Brad Olson, Management Analyst II – Library Services

Recommended by: Jayanti Addleman, Library Services Director

Approved by:



Kelly McAdoo, City Manager