



**Alameda County**  
**LIBRARY**  
*...Infinite possibilities*

**REVISED**

*Cynthia Chadwick, County Librarian*

Albany  
Castro Valley  
Centerville  
Dublin  
Extension Services  
Fremont Main  
Irvington  
Newark  
Niles  
San Lorenzo  
Union City

AGENDA ITEM NO. \_\_\_\_\_ May 7, 2019

April 12, 2019

Honorable Board of Supervisors  
Administration Building  
Oakland, CA 94612

Dear Board Members:

**SUBJECT:** APPROVE ELIMINATION OF OVERDUE FINES AND REVISED FINES  
SCHEDULE FOR ALAMEDA COUNTY LIBRARY.

**RECOMMENDATION:**

- A. Approve and authorize Alameda County Library to write off overdue fines outstanding as of June 30, 2019 in the estimated amount of \$2.3M and,
- B. Approve eliminating charging overdue fines and approve the attached revised fines schedule for Alameda County Library.

**SUMMARY/DISCUSSION:**

Since November 1, 2005, the Alameda County Library has been charging fines for overdue materials of \$0.25 per day for books and \$1.00 per day for media. A member's privileges are suspended when total fines reach \$10.00. More than 78,600 members are currently prohibited from borrowing library material. The outstanding fines total over \$2.3M. This amount is uncollectable as the library does not pursue members with overdue fines and the library does not refer debts to a collection agency.

The American Library Association (ALA) adopted a resolution in January 2019, urging libraries to scrutinize their practice of imposing fines and move towards eliminating them. In keeping with this ALA resolution and the national trend of libraries eliminating fines, the Alameda County Library is proposing to eliminate charging fines for overdue materials.

Under the revised schedule, members will be charged the list price of the material if not returned within 21 days after the due date. The overdue fine of \$2.00 per hour with maximum of \$250.00 will continue to be charged for shared technology meant for use inside the libraries, such as circulating laptops. The proposed policy will better fit with the library's purpose to encourage literacy in people from all walks of life, including low income families and other underserved populations. In addition, the policy will make better use of library funding by reducing the excessive staff time and resources required to manage fines.

Current policy creates barriers for library members by preventing access to the full range of library services. Research distributed by the Colorado State Library, which recommended libraries eliminate fines, shows punitive policies do more harm than good, driving vulnerable people away from the library for fear of penalties. Libraries are finding that when they go fine-free materials are returned within a similar period of time as when fines were charged. This suggests fines do not deserve their reputation as an incentive for people to return library materials on time. Your board is requested to approve the elimination of charging overdue fines and authorize Alameda County Library to write off all outstanding overdue fines as of June 30, 2019.

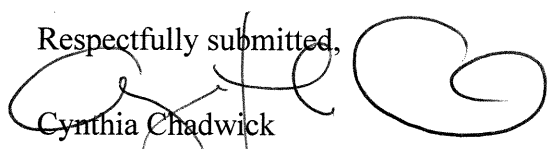
**FINANCIAL CONSIDERATIONS:**

The Alameda County Library receives about \$450K as revenue for overdue fines annually and will absorb this revenue loss within its existing budget. Some of the revenue loss shall be offset by savings in armored vehicle service contract, library staff time and other resources. There is no net County cost as a result of this action.

**VISION 2026 GOAL:**

The elimination of overdue fines meets the 10X goal pathway of Accessible Infrastructure in support of our shared Vision of Safe and Livable Communities.

Respectfully submitted,

  
Cynthia Chadwick  
County Librarian

Cc: Melissa Wilk, Auditor-Controller  
Peter Coletto, CAO Analyst  
Clerk of the Board

## Alameda County Library Schedule of Fines & Fees July 1, 2019

<b><i>Lost or Damaged Items</i></b>	<b><i>Replacement Charges</i></b>
All Books, Media, Magazines, & Equipment	<ul style="list-style-type: none"> <li>• List price, if indicated by the publisher, or;</li> <li>• Cover price, if indicated on the item, or;</li> <li>• Price determined and listed in the Library's catalog, for items without a cover price or list price in U.S. Dollars</li> </ul>

- Alameda County Library bills members the cost of any item more than 21 days past its due date. This bill is waived upon return of the item in good condition.
- An item will be billed for damage if, due to misuse or negligence on the part of the borrower, it is no longer fit to loan.

<b><i>Overdue Fine Rates</i></b>	<b><i>Hourly</i></b>	<b><i>Daily</i></b>	<b><i>Maximum</i></b>
All Books, Media, & Magazines	\$0.00	\$0.00	\$0.00
Laptop Computers	\$2.00	\$48.00	\$250.00

- Alameda County Library charges overdue fines on specific types of equipment on a per item basis beginning the hour after the item is due.
- No fines are charged for County Holidays, or days the libraries are unexpectedly closed.
- A fine remains a part of the member's record until it is settled.

### **Suspension of Borrowing**

A member's borrowing privileges are suspended if the member owes an amount greater than or equal to the fine limit of \$10, or if the member is billed for any item more than 21 days past its due date. Borrowing privileges are restored once the outstanding issues are resolved.

*Cindy Chadwick, County Librarian*

Albany  
Castro Valley  
Centerville  
Dublin  
Fremont Main  
Irvington  
Newark  
Niles  
San Lorenzo  
Union City  
Learning Group

## Recommendation to Eliminate Alameda County Library Overdue Fines

### Background/Need:

Full access to public library services is a key component of a healthy democracy. There is growing evidence to suggest that monetary library fines create a barrier to the provision of library services. The American Library Association, at its annual meeting in January 2019, adopted a resolution that “urges libraries to scrutinize their practices of imposing fines on library patrons and actively move towards eliminating them.”

Library fines have long served a goal of ensuring that public property, in the form of library materials, are available to all members of a community. The idea is that by charging a small penalty on unreturned items, libraries encourage returning on-time. However, libraries have seen the costs of collecting fines surpass the funds collected, have seen that the concerns about scarcity of materials for borrowing are largely unfounded, and, most importantly, have discovered that library fines may be disproportionately impacting the neediest members of our communities. Given these impacts, Alameda County Library’s practice of collecting overdue fines is incongruent with Alameda County’s long-standing commitment to equity. This commitment with regard to library services was reaffirmed in October 2017 by your Board’s approval of the Urban Library Council’s Statement on Race and Social Equity.

### Recommendation:

We recommend eliminating overdue fines and simplifying borrowing and billing processes, to include:

- **Eliminating daily overdue fines** – 21 days after an item is due, the borrower receives a bill for the list price of the item. If the item is returned, the bill is removed.
- **Forgiving \$2.1m outstanding debt for overdue fines** – This would not affect bills to replace materials.
- **Eliminating the \$1 charge for replacing a lost or damaged library card** – This is poor customer service, a practice now uncommon in libraries, and unnecessary. It requires excessive staff time to mediate and is an interruption to self-service.
- **Eliminating the material processing fee** – if an item is lost or damaged, the borrower will pay the replacement cost of that item without a surcharge.
- **Eliminating the returned check fee** – this is most likely to impact people who are already struggling financially and is already rare.
- **Discontinuing the practice of allowing borrowers to provide a replacement copy in lieu of a replacement charge.**
- **Standardizing checkout times for all materials that members borrow.**

### Vision 2026 Goal:

The elimination of library fines meets the 10x goal pathways of Eliminating Poverty and Hunger through eliminating barriers and increasing access to needed services, and supports our shared vision of a Thriving and Resilient Population.

### Additional Benefits:

- Reduction of barriers in the provision of library materials and services
- Reduction of staff time managing member accounts, bills, and charges, which will allow staff to be redeployed to other, more mission-critical work
- Less negative interactions between staff and library members
- More convenient, flexible, and positive user experience for library members

### Analysis of Community Need:

Alameda County Library serves nearly 600,000 residents in unincorporated Alameda County and the cities of Albany, Dublin, Fremont, Newark and Union City. At the core of our service is reducing our residents' barriers to accessing information, government and community-based services, technology, and entertainment. With more of residents' income going to housing, healthcare, and costs of meeting basic needs, paying library fines is, understandably, not a priority. As a result, Alameda County Library is owed \$3.4 million in "bad debt" unlikely to be paid.

Outstanding Debt	Amount	# of Members Who Owe	Average Per Member
Overdue Fines	\$2,018,710.38	160984	\$12.54
Manual Charges	\$91,291.27	19759	\$4.62
<b>Billed Items</b>	<b>\$1,337,123.94</b>	19526	\$68.58
Total	\$3,447,164.84		

**Total Amount to Forgive\* \$2,110,001.65**

**\*\$1.3 million in outstanding charges for billed items will not be forgiven**

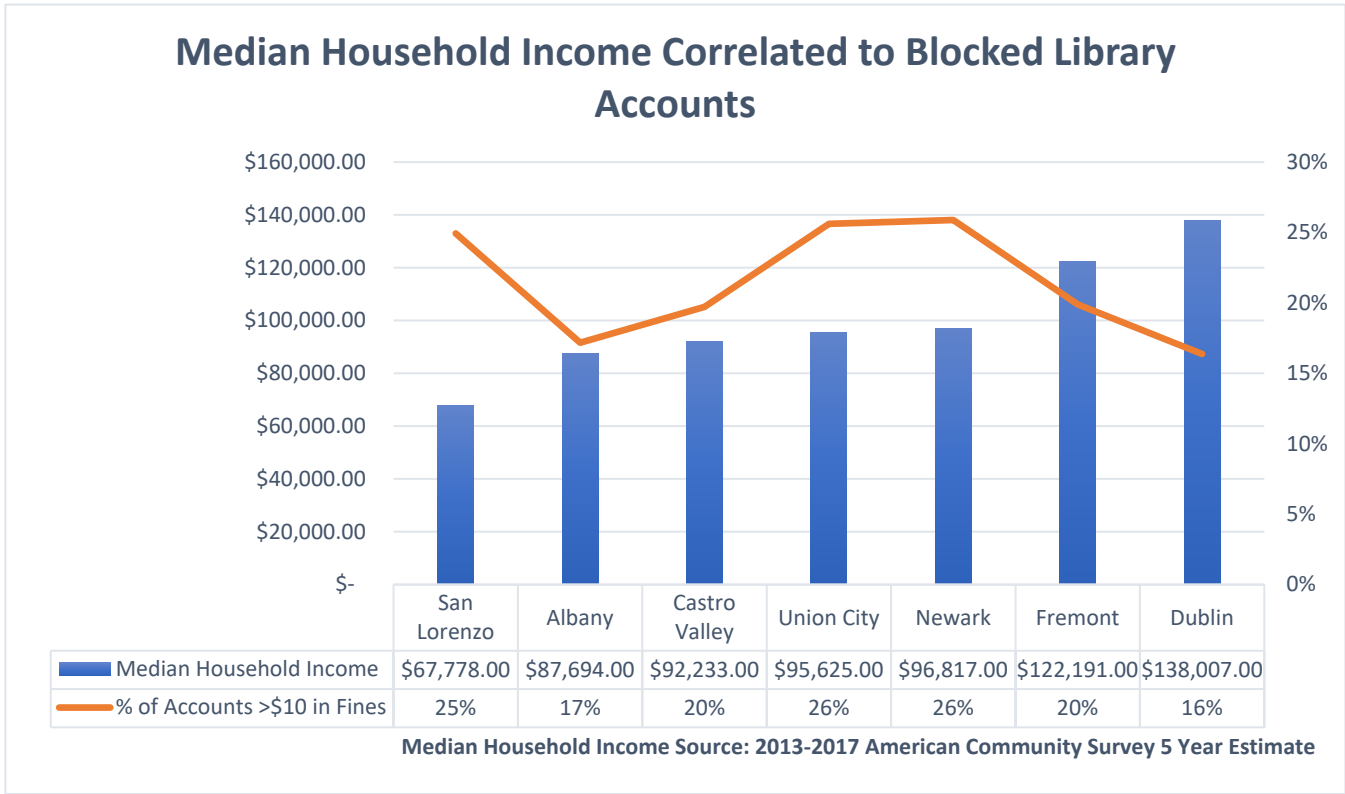
*See Appendix B for additional information*

Nearly one in five Alameda County Library cardholders is now blocked from borrowing materials due to \$10 or more in library fines and charges. The chart below shows the frequency of blocked access among borrowers of different ages. Of particular concern is the fact that higher percentages of kids and teens are blocked than adults.

Members Blocked by Age	Kids Under 12	Teens 12-24	Adults 25-65	Adults 65+	Birthdate not shared	Total
Total Accounts	39980	72508	202564	27108	81767	423927
Total Accounts Blocked	6,295	14,009	28,689	1,298	28,309	78,600
% of Total Accounts Blocked	16%	19%	14%	5%	35%	19%

*See Appendix C for additional information*

The graph below shows the frequency of blocked access among borrowers of different regions, with their corresponding median household incomes. This graph shows that residents of San Lorenzo, Newark, and Union City are 50% more likely to have blocked accounts than residents of more affluent Dublin, while even that wealthier community sees 16% of all accounts blocked.



See Appendix C for additional information

### Fiscal Analysis:

Annually Alameda County Library assesses an average of \$920,000 in charges for:

- Overdue fines
- Library card replacements
- Material replacement and processing

Charges & Revenue	Total	Portion
Average Annual Amount Charged	\$920,000	100%
Waived	\$95,000	10%
Paid	\$525,000	58%
Unpaid	\$300,000	32%
Payments Associated with Collection	\$(75,000)	
<b>Annual Net Revenue After Costs</b>	<b>\$450,000</b>	

See Appendix D for additional information

### Financial and Staff Impact:

Implications of Proposed Changes	Amount
<b>Projected Total Annual Reduction in Revenue</b>	<b>\$415,000</b>
<b>Projected Total Reduction in Number of Transactions</b>	<b>350,000</b>

There is a significant cost to collecting and tracking these transactions. Even with the adoption of E-commerce options, around 325,000 transactions are recorded in-person annually, each of which must be rechecked to settle library accounts. Each contributes to the overall staff and administrative cost in the following ways:

- Staff time per transaction (negotiating, explaining, refunds, cash-handling, etc.)
- Repeated transactions for members that dispute charges or do not pay until they have talked with staff multiple times
- Reduced use of self-service options due to blocked accounts
- Settling cash drawers, reconciling registers and accounting software, managing change funds
- E-commerce cost for online payments
- Armored vehicle service pickups
- Finance staff oversight and training
- Auditor oversight

Computing the exact opportunity cost of all this time would be difficult. However, the reduction of staff time managing member accounts, bills, and charges will allow staff to be redeployed to other, more mission-critical work.

While our budgeted annual net revenue is currently \$450,000, revenue from fines has been dropping annually for the last 4 years, and charges for material replacements will continue. Thanks to careful fiscal planning, the Library is prepared to absorb this loss with no net County cost.



## Community Impact:

We anticipate that the elimination of overdue fines will have the following annual increases:

1. 10,000 (or 7%) Increase in active borrowers (defined as within the past 18 months)
2. 40,000 (or 2%) Increase in library visits
3. 200,000 (or 4%) Increase of physical circulation
4. \$20,000 (or 10%) Increase in direct donations

In preparation for this recommendation to eliminate fines, we conducted Fine Forgiveness events in 2017 (two weeks in length) and 2018 (two months in length) to gather data about fiscal and community impacts. We collected quantitative and qualitative data that demonstrates how access barriers manifest in many ways for our members. One of the most powerful quantitative findings was that during the total of 75 days with no fines, Alameda County Library welcomed back 5,263 borrowers. We see this as a great start, but only a start, as it accounts for less than 7% of the total number of blocked borrowers. It's time to significantly increase that percentage.

Qualitatively, there are many ways removing this barrier will lead to improved outcomes for our residents. Below are some comments received during our Fine Forgiveness events:

- *"Thanks for this! I was ill and returned the series I'd plan on reading quite late. The fee was the equivalent of a prescription copay."*
- *"Thank you for waiving my late fees. I think it sends a wonderful message to the community and our children learn that forgiveness leads to wisdom"*
- *"The Fine Forgiveness program did not impact me (unfortunately), but it places the Library on a higher level. If you're willing to do that for people - (1) What else are you potentially willing to do, and (2) what might we (the public) consider doing for the Library - that houses SO MUCH opportunity for the community?"*
- *"Punishing with fines only creates discouragement. Try other means of reminding children. Please try more innovative ways of reminding children to return on time."*
- *"Fine forgiveness is a fantastic program that I hope you offer every year. It shows that librarians have a heart as well as a brain!"*
- *"Thank you!!! I haven't been able to use my card in almost a year."*

## Implementation Timeline:

June 2017 – Conduct 1<sup>st</sup> Fine Amnesty event

June/July 2018 – Conduct 2<sup>nd</sup> Fine Amnesty event

July 1, 2018 – Berkeley Public Library eliminates overdue fines

January 1, 2019 – Contra Costa County Library eliminates overdue fines

January 7, 2019 – San Mateo County Library eliminates overdue fines

February/March 2019 – Vet Recommendation with CAO and BOS offices

April 2019 – Bring Recommendation to the Board of Supervisors for reading and adoption

May 2019 – Meet & Confer with represented labor groups (SEIU 1021, ACMEA)

May/June 2019 – Train staff on changes with new documentation provided

May/June 2019 – Announce the policy change and roll out communications plan

July 1, 2019 – Implement new policy

### Survey of Fines & Charges at Other Libraries:

Alameda County Library is just one of many local institutions with a wide range of policies and practices around fines and loan periods. Currently, ACL is more punitive than many of our neighbors, even those such as Oakland and San Jose that have made the news for their large volume of unpaid fines. The proposed policy would bring Alameda County Library in line with other regional libraries opting for increased access over punitive and unproductive fines.

<b>Library</b>	<b>Daily Fine Amount</b>	<b>Loss of Borrowing Privileges</b>
<b><u>Alameda County Library (Proposed)</u></b>	No fines as of 7/1/19	Blocked after 21 days
<b><u>Alameda County Library (Current)</u></b>	\$.25 per day for books \$1 for DVDs and audiobooks	Blocked after \$10
<b><u>Berkeley</u></b>	<b>No fines as of 7/1/18</b>	Blocked after 30 days
<b><u>Contra Costa County</u></b>	<b>No fines as of 1/1/19</b> <b>Waived all past fines</b>	Blocked after 30 days
<b><u>San Mateo County</u></b>	<b>No fines as of 1/7/19</b> <b>Waived all past fines</b>	Blocked after 30 days
<b><u>Oakland</u></b>	\$.25 per day for adults No fines for children's materials	Blocked after \$50
<b><u>Santa Clara County</u></b>	\$.25 per day for adults No fines for children's materials or seniors	Blocked after \$20
<b><u>San Francisco City/County</u></b>	\$.10 per day for adults, and \$.05 per day for seniors No fines for children	Blocked after \$10

## Appendix A: Draft Policy Language:

To encourage the responsible use and timely return of County-owned property, Alameda County Library bills members for damaged and unreturned items. We do not charge overdue fines.

- Members will be billed the cover price of any item not returned in good condition by 21 days after the due date. If an item does not have a cover price, the member will be billed the price listed on the item's library catalog record.
- All bills remain on the member's account until paid. No interest is ever charged.
- Bills are not reported to collection agencies and will not affect a credit score.
- Borrowing privileges are suspended if the member's account has an unpaid bill for a damaged or unreturned item.

**Example:** All items check out for 21 days. A member borrows a book with a cover price of \$17. The chart below indicates the amount the member would owe based on the amount of time the book is kept.

How long the item is kept	Amount billed
Returned 15 days after checkout or renewal – this is early!	\$0
Returned 21 days after checkout or renewal – on the due date	\$0
42 days after checkout or renewal the member is billed for the cost of the item and may not borrow again until the item is returned or the bill is paid	\$17 – the cover price of the book This charge is non-refundable
Returned 45 days after checkout or renewal – 24 days late	\$0, the bill is removed if the book is returned in good condition
Returned 365 days after checkout or renewal – it was under the bed for a year!	\$0, the bill is removed if the book is returned in good condition
Never returned, or seriously damaged	\$17 – the cover price of the book This charge is non-refundable
<b>Exception to this Rule</b>	
Tech It Out Laptops	\$2.00 per hour; Maximum \$250 at 5 days – this charge will <u>not</u> be removed when the laptop is returned

Proposal to Eliminate Alameda County Library Overdue Fines  
Appendix B: Outstanding Debt by Year

Outstanding Debt as of 3/21/2019			
	Amount	Number of Members Who Owe	Average Per Member
Overdue Fines	\$ 2,018,710.38	160984	\$ 12.54
Manual Charges	\$ 91,291.27	19759	\$ 4.62
<b>Billed Items</b>	<b>\$ 1,337,123.94</b>	<b>19496</b>	<b>\$ 68.58</b>
Total	\$ 3,447,164.84		
<b>Total Amount to Forgive*</b> <b>\$ 2,110,001.65</b>			
*\$1.3 million in outstanding charges for billed items will not be forgiven			
Will impact 160,000 current and inactive members, restoring borrowing privileges to 57380 members owing more than \$10			
	Remaining Debt by Year	Cumulative Total Debt	
Prior to 2005	\$ 451,316.05	\$	451,316.05
2005	\$ 175,292.99	\$	626,609.04
2006	\$ 165,247.53	\$	791,856.57
2007	\$ 136,083.20	\$	927,939.77
2008	\$ 159,884.09	\$	1,087,823.86
2009	\$ 148,009.11	\$	1,235,832.97
2010	\$ 147,090.05	\$	1,382,923.02
2011	\$ 144,528.22	\$	1,527,451.24
2012	\$ 145,214.38	\$	1,672,665.62
2013	\$ 231,928.34	\$	1,904,593.96
2014	\$ 290,588.87	\$	2,195,182.83
2015	\$ 243,281.06	\$	2,438,463.89
2016	\$ 244,482.83	\$	2,682,946.72
2017	\$ 263,374.24	\$	2,946,320.96

## Appendix B: Outstanding Debt by Year

### Debt Owed by Library Members by Age and by Location

By Age Group	Kids <12		Teens 12-24		Adults 24-65		Adults 65+		No Birthdate		Total		
	Total	39980	72508	202564	27108	81767	423927						
	More than \$10 in fines	6295	14009	28689	1298	28309	78600						
	% of Accounts >\$10 in Fines	16%	19%	14%	5%	35%	19%						
	% of Accounts >\$10 active in 18 months	48%	18%	24%	23%	2%	17%						
By Location*	Albany		Castro Valley		Dublin		Fremont		Newark		ASH/SLZ/CHR	Union City	Total / Average
	Total Registered Accounts	31900	51874	54520	132483	23149	32607	40472	367005				
	More than \$10 in fines	5480	10227	8928	26345	5993	8130	10369	75472				
	Total Owed by all Registered Accounts	\$ 213,254	\$ 451,688	\$ 353,606	\$1,085,029	\$256,080	\$362,570	\$454,139	\$3,176,366				
	% of Accounts >\$10 in Fines	17%	20%	16%	20%	26%	25%	26%	21%				
Average Owed per Account	\$ 6.69	\$ 8.71	\$ 6.49	\$ 8.19	\$ 11.06	\$ 11.12	\$ 11.22	\$ 8.65					
Median Household Income*	\$ 87,694	\$ 92,233	\$ 138,007	\$ 122,191	\$ 96,817	\$ 67,778	\$ 95,625						

\* Source: American Community Survey 5 Year estimate 2013-2017  
Data current as of 12/28/18, Does not include Bookmobile or other service points

**Members Blocked Due to Billed Items & Overdue Fines**

Location	Total Blocked	Blocked by Billed Items	Blocked by Overdues	% Blocked	% Blocked by Overdues	Total Members
Albany	5480	1006	4474	17%	82%	31900
Castro Valley	10227	2800	7427	20%	73%	51974
Centerville	1324	336	988	20%	75%	6634
Dublin	8928	1594	7334	16%	82%	54520
Fremont	24404	5064	19340	20%	79%	123231
Irvington	462	131	331	25%	72%	1843
Newark	5993	1690	4303	26%	72%	23149
Niles	155	35	120	20%	77%	775
San Lorenzo	8130	2594	5536	25%	68%	32607
Union City	10369	2842	7527	26%	73%	40472
All (Does not include Bookmobile or other service points)	75472	18092	57380	21%	76%	367105

Active VS Inactive Members	Total Blocked	Blocked by Billed Items	Blocked by Overdues	% Blocked	% Blocked by Overdues	Total Members
Active Members (Borrowed since 01/01/2017)	16505	5979	10526	12%	64%	139948
Active Members under 18 (Borrowed since 01/01/2017)	5379	2140	3239	14%	60%	37155
Inactive Members	58967	12113	46854	26%	79%	227157
Inactive Members under 18	6499	1923	4576	26%	70%	24791

Indicates about 1/8 Library Members get blocked and never come back for that reason. 3/4 of blocked members are due to overdue fines, meaning we could see an increase active membership 9.5% or more than 13,000 members w/o fines

Proposal to Eliminate Alameda County Library Overdue Fines  
Appendix D: Revenue From Library Fines

Paid VS Library Revenue		FY 18-19 (1st Half)		FY 17-18		FY 16-17		FY 15-16		FY 14-15		FY 13-14	
Total Paid Per Year	\$ 162,229.34	\$ 397,555.66	\$ 480,190.33	\$ 527,489.91	\$ 554,794.72	\$ 564,356.21							
Total Library Revenue Per Year	\$ 391,500.00	\$ 405,000.00	\$ 437,036.00	\$ 458,000.00									
Revenue as Percent of Total Paid	98%	84%	83%	83%									

Individual Charges Paid or Waived by Year		FY 18-19 (1st Half)		FY 17-18		FY 16-17		FY 15-16		FY 14-15		FY 13-14	
Total	188045	399512	426705	403204	435737	425005							
Online	28782	63782	69600	74856	75683	71877							
Percent Paid or Waived in Person	85%	84%	84%	81%	83%	83%							

Detailed Payment Data for FY 15-16 through FY 17-18 (3 years)

Library	Library Members	Active Members	Paid Per Active Member	Total Collected	Overdue	Billed Item	Manual	Waived
Albany	31900	13535	7.02	\$ 95,050.14	\$ 90,179.50	\$ 3,768.13	\$ 1,102.51	\$ 40,337.03
Castro Valley	51974	23975	8.23	\$ 197,338.74	\$ 177,765.34	\$ 12,928.75	\$ 6,644.65	\$ 84,555.21
Dublin	54520	22990	6.67	\$ 153,269.73	\$ 138,924.24	\$ 8,355.19	\$ 5,990.30	\$ 65,205.01
Fremont	132483	52230	7.85	\$ 410,135.02	\$ 379,932.67	\$ 19,123.77	\$ 11,078.58	\$ 170,471.30
Newark	23149	8601	8.36	\$ 71,918.63	\$ 64,554.91	\$ 4,813.19	\$ 2,550.53	\$ 37,777.03
San Lorenzo	32607	12291	6.84	\$ 84,036.90	\$ 74,016.85	\$ 6,011.19	\$ 4,008.86	\$ 36,260.42
Union City	40472	13817	7.68	\$ 106,133.67	\$ 96,073.88	\$ 5,409.18	\$ 4,650.61	\$ 51,020.48
Totals (Does not include Bookmobile or other service points)	367105	147439	7.58	\$ 1,388,660.64	\$ 1,267,183.04	\$ 81,105.74	\$ 40,371.86	\$ 485,626.48
Paid Online Average Per Year			\$ 270,777.81	\$ 245,735.65	\$ 20,696.34	\$ 4,345.82	\$ -	\$ 161,875.49
			\$ 462,886.88	\$ 422,394.35	\$ 27,035.25	\$ 13,457.29	\$ -	\$ -