



Memorandum

TO: NEIGHBORHOOD SERVICES
AND EDUCATION COMMITTEE

FROM: Jill Bourne

**SUBJECT: JUVENILE FINE-FREE PILOT
PROGRAM**

DATE: January 28, 2019

Approved

Date

2/7/19

RECOMMENDATION

Accept the San José Public Library's six-month preliminary report on the Juvenile Fine-Free Pilot program and provide feedback regarding the continuation of the program.

OUTCOME

The Neighborhood Services and Education Committee will be informed about the implementation of the Juvenile Fine-Free Pilot program and other library initiatives designed to increase patron access as related to the Library's Access Strategy approved by City Council on June 14, 2016.

BACKGROUND

In October 2016, the San José Public Library ("SJPL" or "Library") provided the Neighborhood Services and Education (NSE) Committee an update on its Access Strategy, which is comprised of the following goals:

- Increase Access to High Quality Educational Opportunities;
- Reduce Geographic Barriers to Access; and
- Reduce or Remove Economic Barriers to Access.

Recognizing the financial barriers that have historically inhibited residents from borrowing books and other library materials, in 2016, the City Council approved significant modifications to the Library's fines and fees structure and authorized programs to be developed that would provide library customers with alternatives to paying for fines. The changes included:

- Reduced the daily overdue fine from 50 cents to 25 cents per day;
- Reduced the maximum overdue fine from \$20 per item to \$5 per item;

- Reduced the “billed” item processing fee from \$20 per item to \$10 per item;
- Eliminated the \$3 per item fee for failure to retrieve a reserved item (“hold”);
- Raised the fines threshold for when access is blocked from \$10 to \$20; and
- Allowed access to public technology and online resources regardless of cardholder account status.

Reducing barriers supports the Library’s strategic priorities of enhancing access to library services, resources, and programs by providing opportunities for customers to eliminate their fines and regain access. Since 2017, the Library has taken several steps to reduce barriers and eliminate fines including a Two-Step Fine Forgiveness program, the ongoing book replacement program, the Read Away Your Fines and Volunteer Away Your Fines initiatives, and a multi-lingual public awareness campaign.

In 2018, the City Council unanimously adopted the Education and Digital Literacy (EDL) Strategy. The EDL Strategy specifically focuses on aligning City programming and resources with educational outcomes for children aged 0 to 18 through the following program areas: early education, learning at grade level/expanded learning, digital literacy and inclusion, and graduating ready for college and career. The Library is currently leading the City’s educational programming alignment toward the EDL Strategy’s vision and will be providing the NSE Committee and City Council with programmatic and annual reports on programming changes, improvements, partnerships, outcomes, and policy and budget changes related to the EDL Strategy.

Additionally, in 2018, the Library and Early Education Commission identified the elimination of juvenile fines as their highest budget priority. A one-year pilot program to eliminate juvenile fines was proposed in the Mayor’s June Budget Message, which was adopted by the City Council and included in the 2018-2019 Adopted Operating Budget. For fiscal year 2018-2019, the Library implemented a differentiated fine structure which has resulted in the Juvenile Fine-Free Pilot Program; late fines for youth materials were eliminated as of July 1, 2018.

This report provides an update on the Juvenile Fine-Free Pilot Program as requested by the City Council during the initial budget approval of the pilot program.

ANALYSIS

Fines and fees have been part of library operations for decades and are deeply engrained in library culture as an incentive to return materials on time. Libraries typically have operated using two different types of fees: late fines and lost/damaged materials fees. Historically, late fines have been maintained to encourage borrowers to return their materials in a timely manner. However, when a customer is late in returning an item, the Library does not sustain any financial loss as opposed to when an item is lost or in need of replacement. Many libraries, both regionally and nationwide, are eliminating late fines as a way to remove barriers to access.

Juvenile Fine-Free Pilot Program

The Juvenile Fine-Free Pilot program applies to materials in the Library's children's and young adult collections and are exempt from accruing late fines. When not returned by the due date, the materials are still noted as overdue and the borrower still receives notifications to renew or return the materials. If materials are not returned after 90-days overdue, the materials are marked as lost, and the account is charged the cost of the lost item plus a \$10 processing fee. By attaching the fine-free status to the materials, rather than to a child's or teen's library card, parents and caregivers can use their own library cards to check out juvenile materials without accruing late-fees.

As shown in Table 1, in a comparison of two six-month periods (July – December 2017 and July – December 2018), the Library has seen the following increases in usage:

Table 1: Juvenile/Teen Library Usage Comparison – 6 Month

Category	July-Dec. 2017	July-Dec. 2018	Increase
New adult card holders	17,501	17,977	2.7%
New juvenile & teen card holders	6,050	6,382	5.5%
Circulation of teen e-books/e-audiobooks (Overdrive)	32,593	44,921	38%
Circulation of juvenile e-books/e-audiobooks (Overdrive)	45,687	56,748	24%
Streaming/downloading juvenile & teen books, audiobooks, music, & movies (hoopla)	6,979	7,906	13%

Table 2 shows the changes in juvenile and teen card holder behaviors between June 5, 2018 and December 26, 2018 with increases in the number of card holders actively checking out materials and the number of materials checked out.

Table 2: Juvenile/Teen Library Account Comparison – Point in Time

Category	June 5, 2018	Dec. 26, 2018	Percentage Change
Juvenile & teen card holders	87,625	93,103	6.25%
Juvenile & teen card holders with physical materials checked out	9,719	10,530	8.3%
Physical materials checked out by juvenile and teen card holders	59,727	64,378	7.79%
Juvenile and teen card holders with fines	35,097	31,976	-8.89%
Fines on juvenile and teen accounts	\$804,437.81	\$745,662.00	-7.31%

Library patrons have expressed gratitude for the elimination of fines on juvenile and teen materials, for example:

- A teacher who had been paying out of his own pocket for overdue fines for student material, and
- Parents who restricted the number of items they allowed their children to check out in order to mitigate the amount of overdue fines they would inevitably owe.

Upon learning about the Juvenile Fine-Free Pilot program, many families have decided to check out more materials without worrying about their accounts being blocked, and they are visiting libraries more often. One family at the Dr. Martin Luther King, Jr. Library commented, "This is a great program that helps low income children keep up with their literature and education because their accounts won't be blocked anymore, and they won't have to worry about late fees." The savings for a family with several overdue children's books is a relief; a family with four overdue books can owe as much \$20, even after the materials have been returned.

Additionally, while digital and streamed materials do not incur late fines as access to the material automatically ends, the publicity around elimination of late fines has had the added benefit of encouraging many youths to acquire library cards and access library materials. As a result, staff has seen a significant increase in youth access of digital/streamed materials.

Impact on School/Library Partnerships

In 2017, the Library endeavored to create a school-issued library card in partnership with San José Unified School District ("SJUSD"). The partnership would have enabled SJUSD to validate a student's identity and issue a joint library-student identification card; teachers could have had the ability to assign work or utilize specific SJPL resources in their curriculum. However, the potential accrual of late fines on youth materials was a significant impediment to this partnership. The existence of late fines would likely require parental intervention and, therefore, prevent consistent and equitable access to materials for all students of the school district.

The elimination of fines on juvenile and teen materials has made it possible for the Library to re-initiate development of student library cards in partnership with three school districts: Moreland, Mt. Pleasant, and Union School Districts, thereby increasing access to library materials and resources for more than 12,000 students in these districts alone. The continuation of a Juvenile Fine-Free program for youth would allow the Library to advance library card partnerships with all 19 school districts that serve San José students, including SJUSD.

The Juvenile Fine-Free Pilot program has resulted to date in increased use of books and materials for children and teens, increased number of active children and teen library card memberships, and increased partnerships with San José school districts. Due to these short-term outcomes, the department will propose to continue this program indefinitely as part of the 2019-2020 Proposed Operating Budget process, which will take into account other competing service needs and fiscal position of the City's General Fund.

In addition to efforts directly related to the Juvenile Fines-Free Pilot program, the Library continues to provide numerous programs and services that empower residents of all ages to retain their access to the wealth of Library resources and to pursue their educational and learning goals, particularly in the event of lost or damaged materials:

Volunteer/Read Away Your Fines

The Volunteer Away Your Fines and Read Away Your Fines programs accept volunteer service and time spent reading as acceptable “payment” for fines and fees. The Volunteer Away program is available to customers of all ages, while the Read Away program is for children and teens. Since the inception of Volunteer Away Your Fines in 2016, 2,914 library customers provided enough volunteer support to eliminate \$48,220 in fines and fees. In total, the program has produced 5,038 volunteer hours for activities supporting SJPL branches. The Read Away Your Fines program supported the elimination of \$42,220 in fines from the accounts of 3,141 children.

Book Replacement Program

The Book Replacement program allows a customer to donate a new book from a prepared list of authors, titles, and subjects to replace the value of a book that was not returned or “lost.” This program received 3,927 items with a total value of \$84,422. As a result, 2,680 accounts have been returned to good standing.

Outreach and Awareness

The Library’s Marketing and Communication team created excitement and increased visibility to inform customers about the SJPL Juvenile Fine-Free Pilot program by:

- Creating a webpage: www.sjpl.org/finefreeitems;
- Adding print and digital messaging to checkout receipts, the online payment portal and patron account information;
- Sending out newsletters;
- Producing and posting videos on social media;
- Creating materials in various languages such Spanish, English, Vietnamese and Chinese;
- Creating signs and posters for all 24 branch locations;
- Utilizing the Library’s quarterly program guide, *SJPL Bound*; and
- Connecting with local media to broadcast.

The Library is also partnering with the San José Sharks to promote both the Juvenile Fine-Free program and a new Library Card Membership Campaign. The promotion will target non-SJPL members and will include advertisement on VTA, in parks, community centers, schools, places of worship, and local businesses.

Upcoming Projects

The Library is pursuing several new objectives to continue to expand and enhance library access to the community. Access goals for 2019 include:

- Implementing a broad awareness and Library Card Membership Campaign to increase library membership by 10 percent;
- Piloting a school-issued library card to students in Moreland, Mt. Pleasant, and Union School Districts;
- Continuing to reach lower-income communities through the early education Bridge Library partnership with First 5;
- March opening of the SJPL Bridge Branch at Robert Sanders Elementary School: Mt. Pleasant Neighborhood Library (or Biblioteca de la Comunidad Mt. Pleasant);
- Piloting the use of SMS text messaging to remind customers of upcoming book return or renewal deadlines;
- Increasing the number of notices sent to delinquent accounts prior to those accounts being sent to a collection service; and
- Enabling an automatic renewal option: Automatic renewals could be provided for up to three renewal periods provided the material has not been reserved by another patron.

EVALUATION AND FOLLOW-UP

The Library will continue to review and analyze patron and borrowing data and monitor revenue information related to the impact of the Juvenile Fines-Free Pilot program. This memo, as well as future information about the program, will be provided to the City Manager's Budget Office in coordination with the development of the 2019-2020 Proposed Operating Budget.

PUBLIC OUTREACH

This memorandum has been posted on the Neighborhood Services & Education website for the February 14, 2019 Committee meeting.

COMMISSION RECOMMENDATION/INPUT

The creation of the Juvenile Fine-Free Pilot was identified as the Library & Early Education Commission's top fiscal year 2018-2019 budget priority. The Commission has received regular updates on the status of the program and is supportive of the pilot becoming a permanent benefit for San José youth.

FISCAL/POLICY ALIGNMENT

The pilot program was funded through an initial allocation from the City's Essential Services Reserve of \$234,000. These funds were used to offset the Library's anticipated revenues in 2018-2019. Revenue from fines and fees are budgeted as a revenue source in the General Fund, although behavioral, economic, and program changes impact the amount of revenue received by the Library. At midyear 2018-2019, Library revenues were tracking at approximately 50 percent of the projected total for the year, indicating that the "cost" of the program as calculated by deferred revenues was accurately set at approximately \$234,000 for the initial year.

Though reducing resources available to the General Fund, eliminating late fines may produce workflow efficiencies and contractual cost-savings within the Library Department. Staff will no longer process and refer these accounts to the Library's collection services vendor, which could potentially cause a reduction in the contractual obligation for management of those accounts. This change could allow for direct cost savings or allow for a reallocation of resources for staff to focus on other work, such as outreach, customer support, and registering San José residents for library card membership. Should the pilot continue, the permanent loss of ongoing revenue would be factored into future General Fund forecasts.

/s/

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