

Title: FINE FREE LIBRARY MATERIALS

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Purpose

This report outlines context and rationale to support a recommendation to implement Fine Free status at EPL, along with outlining the benefits and drawbacks. Fine free at EPL is being proposed for four reasons:

- a. to enhance access to physical materials for all members of our society no matter what their background or economic status aligning with the goal of breaking down barriers to library service;
- b. fine revenue is not a sustainable revenue source for public libraries given the growth in digital collections use;
- c. to more safely and effectively manage customer relations and workflow in a post COVID-19 world and dedicate staff resources to more qualitative customer interactions; and,
- d. experience has demonstrated that fine free status has increased circulation, enhanced good will among customers and incentivized lapsed and non-users to return to the library.

Background

Across North America, increasing numbers of public libraries have either eliminated or reduced late fees for library materials in the interest of reducing barriers to accessing library service. Indeed, over 270 libraries have either gone fully or partially fine free as illustrated in this [map](#) compiled by the Urban Libraries Council. In Canada, Whistler, Pemberton, Smithers, Burnaby, North Vancouver, Thunder Bay and most recently Calgary Public Library have gone fine free. Several other Canadian libraries (Vancouver, Brampton, Oakville, and New Brunswick Public Library) do not charge overdue fees for youth.

Why Fine Free?

Fine free is being proposed for the following reasons detailed below.

- a. **Late fees are barriers to accessing library materials.** [EPL's Top Five Barriers to Library Services & Recommendations for Eliminating Those Barriers](#) research confirmed this, and many studies have done so as well. The people most negatively affected by late fees are socially vulnerable individuals, and families

and children with low socioeconomic status. Analysis of EPL's blocked customers correlates with this data, showing higher concentrations of blocked customers in neighbourhoods with a lower socioeconomic status, as well as being more likely to identify as visible minorities and single parent households.

Prevalence of late fees at EPL

- **30%** of EPL memberships have late fees
- **12%** exceed the \$10 threshold.
 - Currently, EPL has 53,273 blocked customers, owing \$10 or more.
 - An additional 58,507 customers, who owe \$40 or more, have had their accounts referred to Unique Management Service (UMS), EPL's collection management service provider.
- EPL customers with the highest blocked rates are found at the following service points:
 - Abbottsfield-Penny McKee (**27%** of customers with a status of blocked or in collections),
 - Sprucewood (**22%**), and
 - Highlands (**21%**)
- When reviewing the juvenile customer profiles for these three branches
 - **32%** of juvenile customers are blocked at Abbottsfield,
 - **26%** at Sprucewood, and
 - **25%** at Highlands.
- The catchment areas served by these three branches are some of the lowest average income areas of all EPL's catchments, with Sprucewood and Abbottsfield serving the lowest income areas of all EPL's branches.
- There is a higher concentration of some visible minority and Indigenous groups in these three catchment areas.
- Sprucewood's catchment has the highest concentration of single parent households, with Highlands and Abbottsfield in the top 10 catchment areas with higher concentrations of single parent households.

As noted in *Long Overdue: Eliminating Fines on Overdue Materials to Improve Access to San Francisco Public Library* ¹

“Overdue fines do not turn irresponsible patrons into responsible ones, they only distinguish between patrons who can afford to pay for the common mistake of late returns and those who cannot. Overdue fines are a practice that negatively impacts low-income individuals by denying them exactly the service a library exists to provide. For patrons who can afford to pay, fines represent little more than a minor inconvenience.”

- b. **Fines are no longer a sustainable revenue source for public libraries.** EPL has experienced an increase in usage of digital content, and a decline in usage of

physical materials. In fact, since 2013, there has been a 213% increase in digital content usage and a 23% decrease in the usage of physical content.

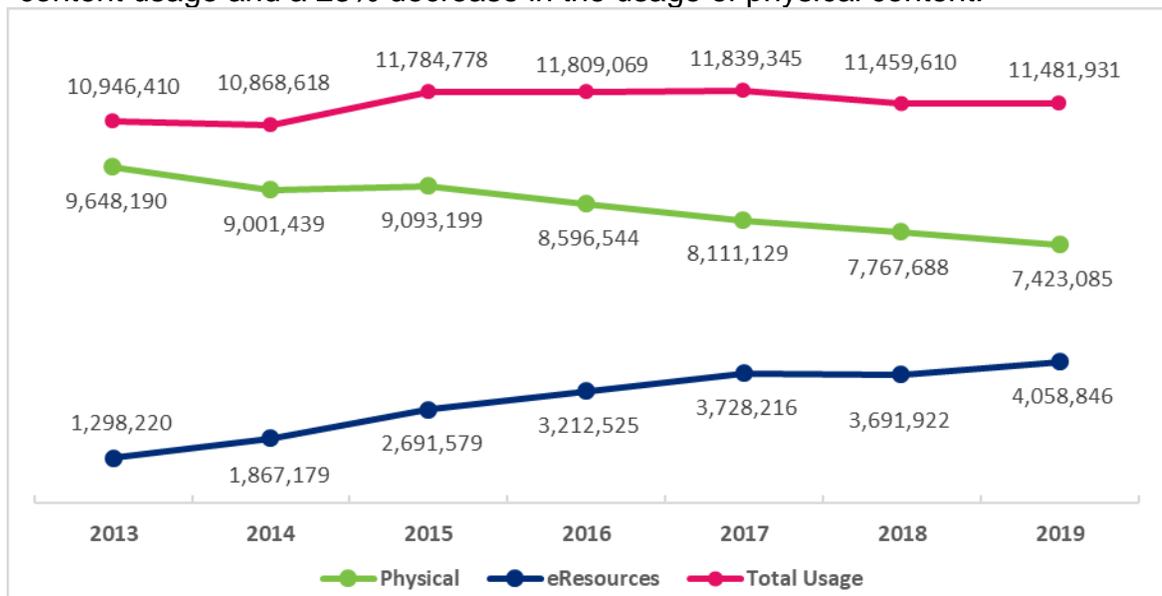


Table 1: Digital and Physical Content Usage 2013 - 2019

Usage of digital content does not result in late fees as the items are automatically 'checked in'. As digital content usage continues to grow, libraries cannot rely on late fees as a stable revenue source.

As a result, total late fee revenue has declined over the past five years by 29% (see Appendix A). Late fee revenue comprised 0.6% of EPL's 2019 operating budget. With the COVID-19 pandemic, EPL will be facing even more significant revenue lost from late fees in 2020.

c. **Eliminating late fees will enable EPL to more safely and effectively manage customer relations and workflow in a post COVID-19 Edmonton.**

Fine free will enhance EPL staff efficiency, enabling resources to focus on more qualitative customer interactions and reduce transactional cash handling duties. This will also ensure a safer working environment by significantly reducing cash handling during the current health crisis. Cash handling accounts for an estimated weekly average of 4% of staff time or 4.9 FTE's (\$367,500) in a year. While cash handling also includes staff time related to photocopying and printing, the majority of cash handling duties relate to late fees. An additional 1 hour/week is attributed to staff activity related to fee waiving. This estimate is very conservative and does not factor in managers' time handling escalated fee discussions and waiving, nor the time that managers and staff spend interacting with customers regarding late fees. Effective March 15th, EPL suspended any late fees due to the COVID-19 crisis and temporary service point closures across the city. Overall,

eliminating late fees (\$387,350 in 2019) will be offset by staff time savings (\$367,500) from not having to process late fee transactions.

- d. **Research demonstrates that fine free models implemented across public libraries in North America result in increased circulation and memberships and did not have a negative impact on return of materials.**

Despite the common perception that fees result in higher accountability to return library materials on time, data shows otherwise. A 2019 interview survey of nine library systems that had eliminated fines found that none had experienced an increase in late returns, longer hold waits or collection gaps.¹ Within six months of removing fines at the High Plains Library District (Colorado), circulation increased 16% in children's material alone², and "95% of their materials were returned within a week of the due date".³ The Stark County District Library (Ohio) waived overdue fees in 2014 and saw an 11% increase in circulation within one year, an increase in items checked out, and no significant increase in lost items.⁴ Salt Lake City saw an 11% increase in checkouts *and* borrowers in the year after going fine free.⁵ Most startling of all, Chicago Public saw a 240% increase in overdue material returns in the month after going fine free in September 2019.⁶ The result is clear: the elimination of overdue fees tends to result in more customers borrowing more items and non-impacted or higher return rates of overdue material.

Risks & Mitigation Strategies

Late returns will prevent and/or delay access to materials for other library users. Libraries that have implemented fine free models have not experienced an increase in late returns. Options for mitigating the potential increase in referrals of customer accounts to UMS (EPL's collection agency) as a result of going fine free will be explored. Also, EPL will increase the frequency of late item notices to customers via email in order to encourage the timely return of materials. Customers will continue to be billed for lost items and EPL will explore shortening the timeline from which an item is categorized as lost.

¹ Office of the Treasurer & Tax Collector, City and County of San Francisco. [Long Overdue: Eliminating Fines on Overdue Materials to Improve Access to San Francisco Public Library](#), January 2019. p. 6.

² Unrein, Sabrina. [Overdue Fines: Advantages, Disadvantages, and How Eliminating Them Can Benefit Public Libraries](#). April 2020. p. 9.

³ Depriest, Meg J.. [Removing Barriers to Access: Eliminating Library Fines and Fees on Children's Materials](#), 2016. p. 18.

⁴ Marx, Anthony W.. [The case against library fines—according to the head of The New York Public Library](#), December 18, 2017.

⁵ Bromberg, Peter. [Impact of Going Fine Free](#). April 17, 2018. p.1.

⁶ Spielman, Fran. [Lightfoot's decision to eliminate library fines triggers 240% increase in book returns](#). October 30, 2019.

Lost revenue is a concern. How will EPL recoup that revenue?

Late fees represent 0.6% of EPL's operating budget (\$387,000 in 2019) and are not a sustainable source of revenue, given the increase in digital content usage. To cover this shortfall, EPL will reduce the collections budget DVDs, CDs and physical audio materials have declined in usage and are slowly being removed from the market and therefore EPL's collections. EPL will reallocate funds from these areas to cover the revenue shortfall from late fees. This will not impact EPL's ability to secure high usage quality physical collections for customers.

Without late fees, customers will not be motivated to return their library materials. EPL would continue to bill for lost items, and as noted above, will expedite the timelines for identifying overdue materials as lost. This monetary incentive would continue. Other public libraries that have eliminated overdue fees have not shown an increase in unreturned material.¹ The Fort Vancouver Regional Library noted that guilt and shame-free reminders (like automating the sending of emails to customers when an item is auto-renewed) seemed to contribute to higher and more timely return rates of their materials.⁷ After decades of being fine free at FVRL, the best balance they have found is to mark items lost after 4 weeks of not being returned (after the auto-renewal period has ended), and to block borrowing privileges for customers with more than \$25 owing on their accounts.

EPL is cutting a revenue source during difficult challenging financial times. EPL is making the decision to allocate funding designated for collections to reduce barriers for customer access to library services. Late fees are not a sustainable revenue source and have declined over the past 5 years by 29%, a trend that will continue with increased usage of digital content. While budget allocated to materials that are declining in production will be used to offset this revenue loss, this funding could have been designated to enhancing other areas of EPL's collection (like digital content where costs have risen substantially). However, it is recognized that eliminating barriers to access is a priority, and when the economy is suffering, public library use historically increases so EPL wants to ensure that Edmontonians have the best access to collections that the need and want.

How will the impact of going fine free be measured? In following other libraries who have gone fine free, a follow-up report will be completed after EPL has been fine free for one year. This report will compare metrics in the pre- and post-fine free period. These metrics have commonly been used by other fine free libraries to determine the impact of removing fines and include total revenue from fee collections, return rates, hold wait times, number of borrowed items, number of new memberships, community feedback, etc.

⁷ Cameron, Brenda. "50 Years of Being Fine Free", webinar presentation at the SirsiDynix Connections Summit. 19 May 2020.

Recommendation:

That effective immediately EPL discontinue charging late fees for library materials and that the section on “Overdue Library Materials” in the [Library Use Policy](#) be deleted.

Late Fees and Charges

1. Charges

Recovery Fee: The Library may charge a recovery fee for expenses incurred in providing services that are over and above the normal library service extended to customers as outlined in the administrative [The Borrowing Guide](#).

~~*Overdue Library Materials:* A borrower who fails to return an item by the due date will be charged late fees as outlined in [The Borrowing Guide](#).~~

Lost or Damaged Materials: A borrower of library materials, onsite or off, will compensate the Library for lost materials, and may be charged for damaged materials as outlined in the [The Borrowing Guide](#).

Processing Fees: The Library may charge a processing fee for expenses incurred, as outlined in the [The Borrowing Guide](#).

Appendix A

	Credit	%	Debit	%	Cash	%	Cheque	%	Total
2019	62,822	16%	140,902	36%	183,100	47%	526	0%	387,350
2018	60,119	15%	143,985	35%	208,831	50%	706	0%	413,641
2017	59,573	13%	149,330	34%	233,798	53%	1,280	0%	443,981
2016	64,250	13%	158,395	32%	272,970	55%	1,707	0%	497,322
2015	64,350	12%	175,801	32%	299,806	55%	2,012	0%	541,969

Table 1: Late Fees Collected by Year (UMS recoveries removed)

	Budget	Actual	Variance	Credit	%	Debit	%	Cash	%	Cheque	%	PayPal (Debit & Credit)	%	Total	%
2019	922,500	748,353	(174,147)	97,631	13%	200,276	27%	236,933	32%	91,706	12%	121,807	16%	748,353	100%
2018	790,000	778,362	(11,638)	96,556	12%	205,859	26%	269,929	35%	16,104	2%	189,914	24%	778,362	100%
2017	880,600	815,078	(65,522)	98,759	12%	214,745	26%	296,295	36%	56,519	7%	148,760	18%	815,078	100%
2016	962,834	888,361	(74,473)	103,611	12%	226,231	25%	339,368	38%	64,662	7%	154,488	17%	888,361	100%
2015	1,047,834	955,586	(92,248)	99,704	10%	242,944	25%	363,637	38%	99,536	10%	149,765	16%	955,586	100%

Table 2: Late Fees Budgeted & Collected by Year (UMS recoveries included)