



MANAGEMENT REPORT

Date: September 17, 2020
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Meeting Date: September 23, 2020

TO: Library Board
FROM: Rhonda Sherwood, Chair, Services, Finance and Human Resources Committee
SUBJECT: **2021 New Investment Request for Expansion of Fine-Free Services**

SUMMARY

This report presents a rationale for bringing forward a new investment funding request for the expansion of fine free services as part of the 2021 budget process. The report demonstrates that fines-based systems create inequity and serve as barriers that limit full access to the library's services and resources for individuals most impacted by the affordability crisis.

PURPOSE

This report is for decision.

RECOMMENDATIONS

That the Board direct staff to submit a proposal to the City of Vancouver for \$625,000 as a new investment request in the 2021 budget process in order to expand the library's fine free services to all patrons for overdue materials.

COMMITTEE DISCUSSION

Trustees expressed their strong support for this recommendation that would remove the most significant barrier for accessing library services. Committee Chair Sherwood and Board Chair Chan inquired about options for those who are able to pay their fines, or graduated systems, and staff provided information about the range of approaches of this nature that VPL has implemented including fine free children's borrowing and the Access Card, that have been unable to achieve the desired broad effect of returning blocked users to the library and changing the perception of

the library as a punitive organization. Trustees supported developing a communication strategy with the VPL Foundation to encourage donations as a complement to a decision to implement fine free services. Board Chair Chan asked staff to prepare material to answer questions about the benefit of prioritizing fine free over other changes that could improve access and equity.

POLICY

VPL's [Diversity and Inclusion Statement](#) directs staff to work to create services that diverse communities, including those who experience barriers due to socio-economic status, identify as respectful, inclusive, and accessible.

The [Vancouver Public Library Cards](#) policy describes patron responsibilities related to borrowing services and the Chief Librarian's authority to set the fines, fees, and charges related to library cards and lending services.

The Board approves the annual operating budget and sets the strategic framework.

STRATEGIC IMPLICATIONS

Expansion of VPL's fine free service supports goal 3.1: Reduce social isolation and provide affordable access in VPL's 2020-2023 Strategic Framework. It would also support the City of Vancouver Council's 2021 priority areas: Increase Focus on Equity and Critical Social Issues.

Since the Working Together Project in 2004-2008, VPL has understood that the two greatest barriers to library use for socially-excluded residents are address requirements for membership and library fines. This understanding was confirmed by the findings of both the *Barriers to Circulation Service* report (2007) and the *Service Strategy for People Who Are Homeless* report (2010), as well as by the findings of other libraries as they have introduced fine-free services. For many socially-excluded individuals, access to library services, including borrowing, can have a significant impact on increasing equity by providing learning and recreational opportunities that would not otherwise be affordable.

INDIGENOUS CONSIDERATIONS

Vancouver's urban Indigenous community is disproportionately impacted by the affordability crisis. Among people in Vancouver who identified as "Aboriginal" in the 2016 Census, 35.1% are classified as low income by Statistics Canada, compared to 16.8% among those who did not identify as "Aboriginal".¹ In addition, the *Vancouver Homeless Count 2019* report states a total

¹ Statistics Canada. 2018. *Vancouver, CY [Census subdivision], British Columbia (table). Aboriginal Population Profile*. 2016 Census. Statistics Canada Catalogue no. 98-510-X2016001. Ottawa. Released July 18, 2018. <http://www12.statcan.gc.ca/census-recensement/2016/dp-pd/abpopprof/index.cfm?Lang=E> (accessed September 2, 2020).

of 495 survey respondents identified as Indigenous, representing 39% of all respondents, while Indigenous people account for 2.2% of Vancouver's population based on the 2016 Census.

BACKGROUND

Each year in March, the City begins to develop the operating budget for the following year. As part of the process, the City asks departments and Boards to put forward funding proposals for new areas for investment for Council to review and prioritize. While funding may not be available within the overall City budget to support the initiatives, requests are anticipated and considered as part of the overall process. Funding requests that support the advancement of both VPL's priorities and the City's priority areas have been received favourably in previous years' budget deliberations. In 2019, VPL received funding for an Occupational Health and Safety specialist (\$125,000 annually). In 2020, the library received funding for a temporary Disaster Planning position (\$230,000 over 2 years) and to increase hours on Sundays at 3-4 of our busiest branches (\$220,000 annually). The 2020 approved investments have not yet been fully implemented due to the financial impacts of the pandemic.

City of Vancouver Priorities:

Building on last year, the budget process will prioritize initiatives to advance Council priorities. Initiatives that were delayed in 2020, those anticipated for 2021, and new related council motions will be reviewed. These will be dependent on funding and considered by Council. The four areas to be considered in prioritizing service plans and budgets are:

- Protect and Build a Resilient Local Economy
- Increase Focus on Equity and Critical Social Issues
- Accelerate Action on Climate Change
- Address the Housing Crisis

In its budget deliberations, Council will need to consider how COVID-19 recovery elements can be integrated into each of the priorities. While the full impact of the pandemic is yet to be understood, forecasted impacts include increased unemployment, decreased per capita income and pressures on small business owners. If realized, the impacts of the pandemic will amplify the issues impacting affordability in Vancouver. The duration of the pandemic, the potential for a resurgence of the virus, and the rate of recovery will determine the degree and duration of the long term economic challenges faced by residents and the municipality.

DISCUSSION

On December 11, 2019, the VPL Board approved the 2020-2023 Strategic Framework priorities and goals. One of the goals under 'Belonging and Connection' is "Reduce social isolation and

provide affordable access". Staff recommend expanding fine free services as an action towards this goal.

VPL has implemented a number of policy and procedural practices over the years to reduce the barriers most commonly experienced by our patrons. VPL has offered fine free cards for children and reduced fines for youth for decades, and introduced a low barrier card for patrons who face financial or address barriers in accessing library service (VPL Access Card) in 2013. While these and other initiatives such as Amnesty programs that invite patrons to visit the library to return long overdue materials with waived fines, the introduction of Community Librarians, and patron-centred customer service models have all helped to alleviate the pressures of a fines-based system, the existence of late fees and the perception of the library as a punitive organization prevent many lapsed and potential users from engaging with VPL.

Permanently removing the barrier to borrowing caused by fines aligns with VPL's mission of being a free place for everyone to discover, create, and share ideas and information. Below is a story from a staff member that illustrates the impact that fines can have on a patron and their willingness to engage with the library.

I met a homeless young man on Commercial Drive. He earned enough money to eat by busking with his guitar. We talked about music, and I asked him how he learned songs. He knew that I worked for the library, so he paused before he answered - "I learned by borrowing books and magazines at the library. I got taken away to the hospital, though, and I brought back everything late. I can't afford to pay a fine, so I can't use the library." Not only did he not use the library, he wouldn't even go inside. I went to Britannia, and asked staff to look up his card. He had \$6.00 in late charges, which we waived. I went back up the street to let him know. He was very emotional, and excited that he could go into the library and start learning music again.

In November 2019, the Board received a [report](#) from staff that outlined some of the equity issues of fines-based systems in libraries, described the actions VPL has taken over the years to reduce these inequities, and identified options for removing barriers to borrowing materials. The Board directed staff to develop a proposal with budget implications for expanding fine free services in advance of the 2021 budget process. Due to the COVID-19 health emergency, this work was delayed.

Fine Free Movement

In the past two years, an increasing number of libraries across North America and internationally have amended their policies to eliminate overdue fines and other barriers to borrowing in recognition of the fact that fines disproportionately impact individuals and families with lower socio-economic statuses. In Canada, there is an increasing number of fine free library systems including Calgary, Edmonton, Burnaby, Whistler, North Vancouver and all libraries in the Province of Nova Scotia. A full list of Canadian public libraries without overdue fines is available at

<https://librarianship.ca/features/fine-free-libraries-in-canada/>. Toronto Public Library has proposed going fine-free as part of the city's 2021 Poverty Reduction Strategy.

In the United States, there are over 270 fine free systems, including a number of large urban libraries: Seattle Public Library, San Francisco Public Library, Free Library of Philadelphia, Los Angeles Public Library and Chicago Public Library: <https://www.urbanlibraries.org/member-resources/fine-free-map>. The shift to fine free has been tied to affordability concerns and is often connected to overarching city initiatives around race, equity, and social justice.

The fine free movement has gained momentum for several reasons:

- To enhance access to physical materials for all patrons, no matter what their background or economic status is to align with the goal of breaking down barriers to library service;
- Fine revenue is not a sustainable revenue source for public libraries given the growth in digital collections;
- Experience has demonstrated that fine free status has increased circulation, enhanced good will among patrons and incentivized lapsed and non-users to return to the library.

And more recently:

- To safely and effectively manage patron relations and workflow in a post COVID-19 world and dedicate staff resources to more qualitative patron interactions.

Libraries that have gone fine free report a number of benefits including increased number of card holders, increased circulation of materials, reductions in lost materials, and re-engagement of lapsed borrowers. As an example, Salt Lake City Public Library saw an [11% increase in checkouts and an 11% increase in borrowers](#) in the first year after going fine free.

A common concern is that patrons will be not motivated to return their library materials without fines. At VPL, this would be addressed through continued billing for lost items. Other public libraries that have eliminated overdue fees have not shown an increase in unreturned material. The Chicago Public Library realised a [240% increase in returned books](#) in the first three weeks after going fine free.

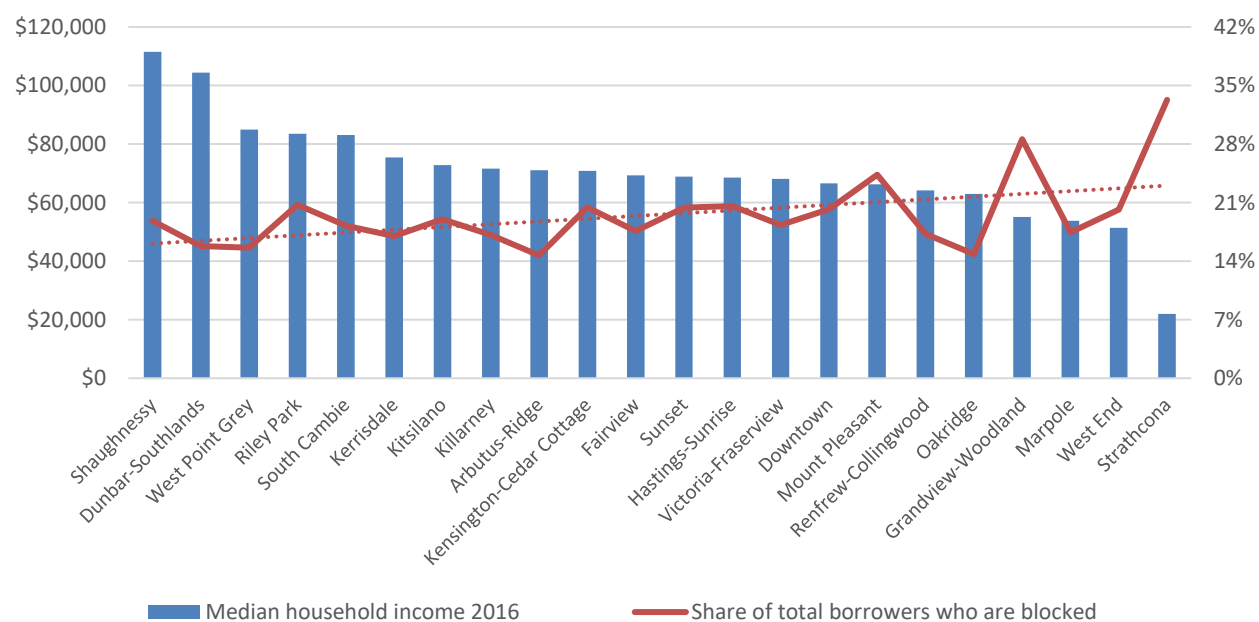
Impact of Fines in Vancouver

Research at other libraries that have moved to fine free services has shown that library fines disproportionately impact the Indigenous community, families with young children, and people of colour. Currently, when a VPL borrower accrues more than \$10 in fines and fees, their borrowing privileges are suspended until payment is made to bring the amount below \$10. Borrowers also have the option of talking with Library staff about their circumstances, and staff have the discretion to work with the borrower to develop a payment plan or to waive a portion or all of the amount owing so that the person can continue borrowing. As noted above, staff may also suggest alternative cards to the patron to lower their risk of financial impact in the future. Analysis of VPL's blocked cards reflects the findings of other libraries, with a disproportionate

number of unpaid fines and blocked cards in some neighbourhoods. In Vancouver, there is a higher concentration of people who have lost their borrowing privileges in neighbourhoods with lower median incomes, and in most neighbourhoods where a greater proportion of residents are Indigenous or Black.

Strathcona is the neighbourhood with the city's lowest median household income and highest proportion of Indigenous people. In analyzing previous library cardholders who have lost borrowing privileges, staff found that Strathcona has the highest proportion of people who have lost the ability to borrow library materials, at 33%, and the highest accumulated library debt of any neighbourhood in Vancouver (figure 1). In comparison, neighbourhood with the highest median household incomes have half the proportion of blocked cardholders: Shaughnessy (19%) and West Point Grey (15%). The relationship of median income to blocked borrowers is illustrated in Figure 1 below.

Figure 1: Distribution of Blocked Borrowers by Neighbourhood



The amount of library debt and proportion of blocked cardholders in the city's lowest income neighbourhoods would be much higher without the presence of a community librarian based out of each of the náčá?mat ct Strathcona and Mount Pleasant Branches, as well as the option of the VPL Access Card. Community librarians use collaborative community engagement techniques to assist in developing responsive service to community groups and community members who may or may not be presently served by the library, following a community development approach. They seek out individuals who may face barriers to using library services and discuss ways to provide or restore their access, guided by the learning from the Working Together Project from 2004-2008. Their interactions with community members and service providers inform library practice and policies.

The total revenue collected from fines in 2019 was \$550,461. At the end of 2019, 43.4% of all borrowers had money owing on their account, whether due to fines, lost items, or other incurred charges. Vancouver residents made up 76.9% of all borrowers with library debt. Of these Vancouver borrowers with debt, 44.9% are blocked from borrowing materials as a result of owing \$10 or more. In other words, 168,948 prior Vancouver cardholders are unable to access library materials as a result of financial barriers.²

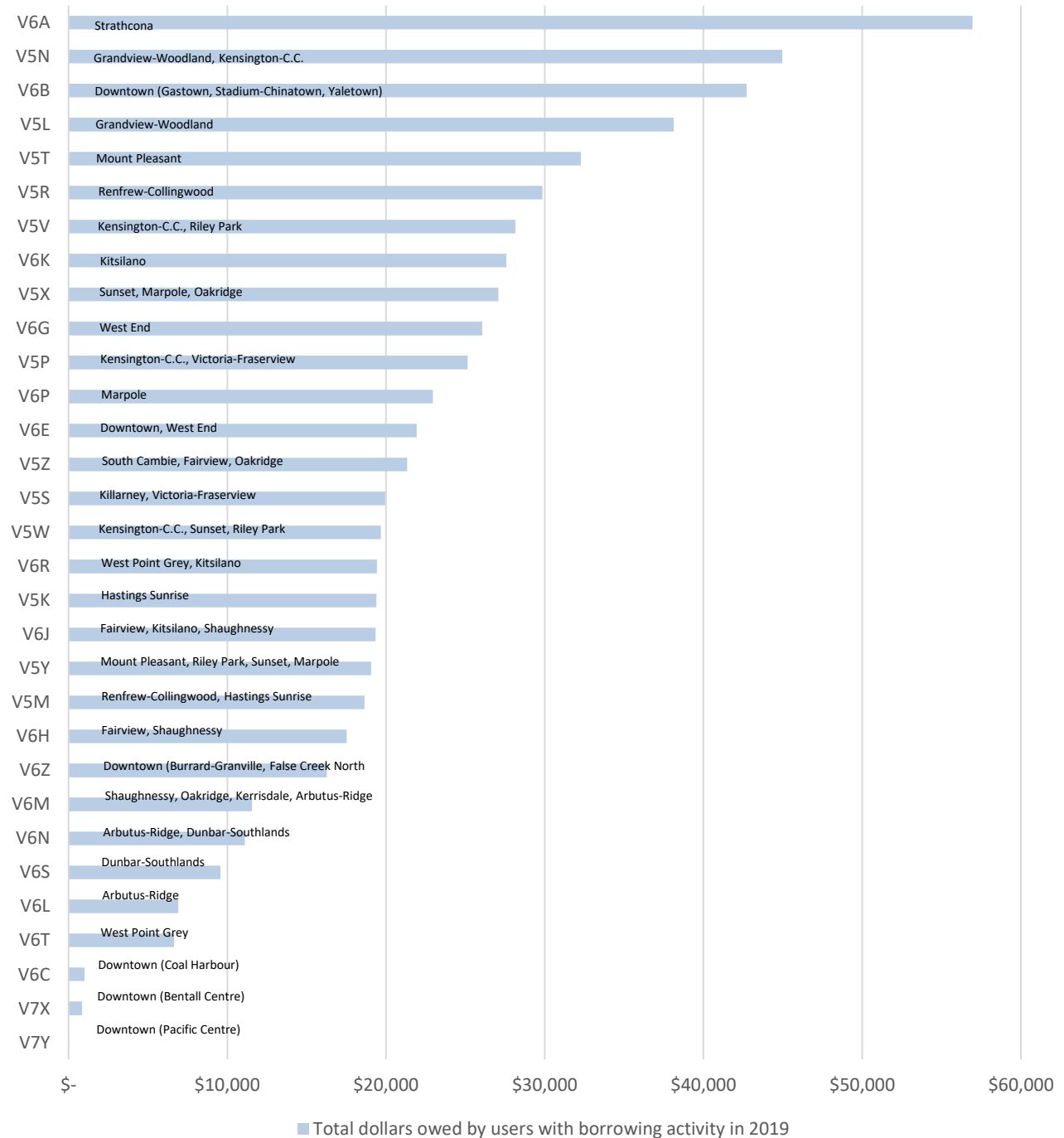
Figure 2 below shows the distribution of debt across Vancouver neighbourhoods, using the FSA (partial postal code). The neighbourhoods with patrons owing the most to the library are among those with the lowest median household incomes in Vancouver:

- Strathcona (\$56,946 or 8.6% of total),
- Grandview-Woodlands/Kensington CC (\$44,967 or 6.8%),
- Downtown (Gastown, Stadium-Chinatown, Yaletown) – (\$42,724 or 6.5%),
- Grandview Woodland (\$38,117 or 5.8%),
- Mount Pleasant (\$32,274 or 4.9%).

The neighbourhoods with the lowest total owing are Downtown (business core), West Point Grey (\$6,647 or 1%), and Arbutus Ridge (\$6,908 or 1%).

² Statistics based on all borrower types, active and inactive, with “Vancouver” listed as their city of residence in the borrower record.

Figure 2: Distribution of Library Debt by Neighbourhood



Vancouver's lower-income neighbourhoods include a higher proportion of the city's urban Indigenous populations (figure 3) and a slightly higher proportion of the city's Black community (figure 4). The Library does not gather demographic data about cardholders therefore the income and identity of cardholders who have lost borrowing privileges is not available.³

Figure 3: Neighbourhoods with blocked cards and urban Indigenous populations

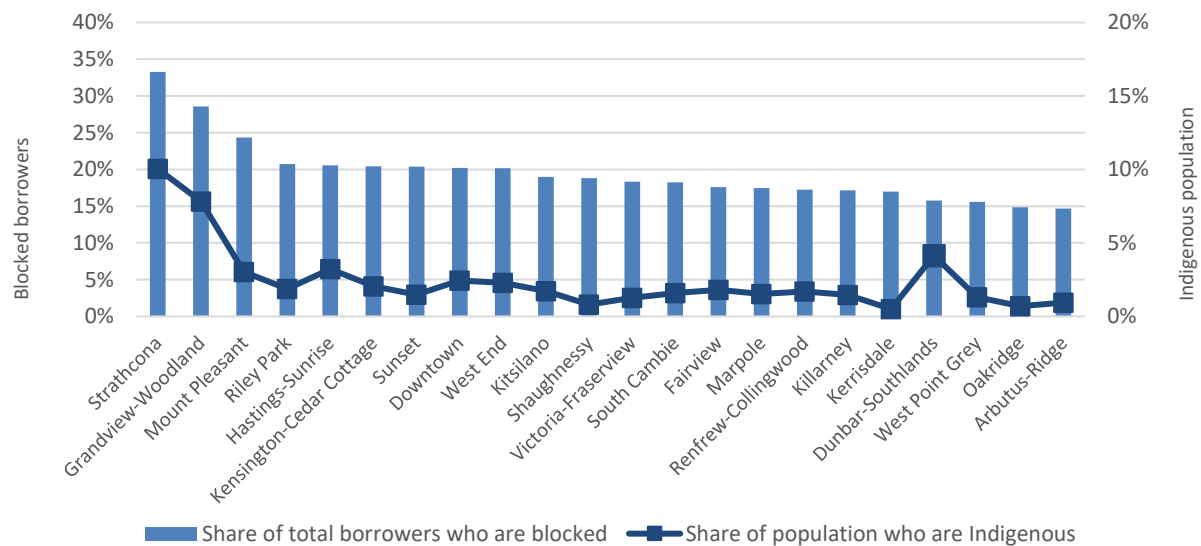
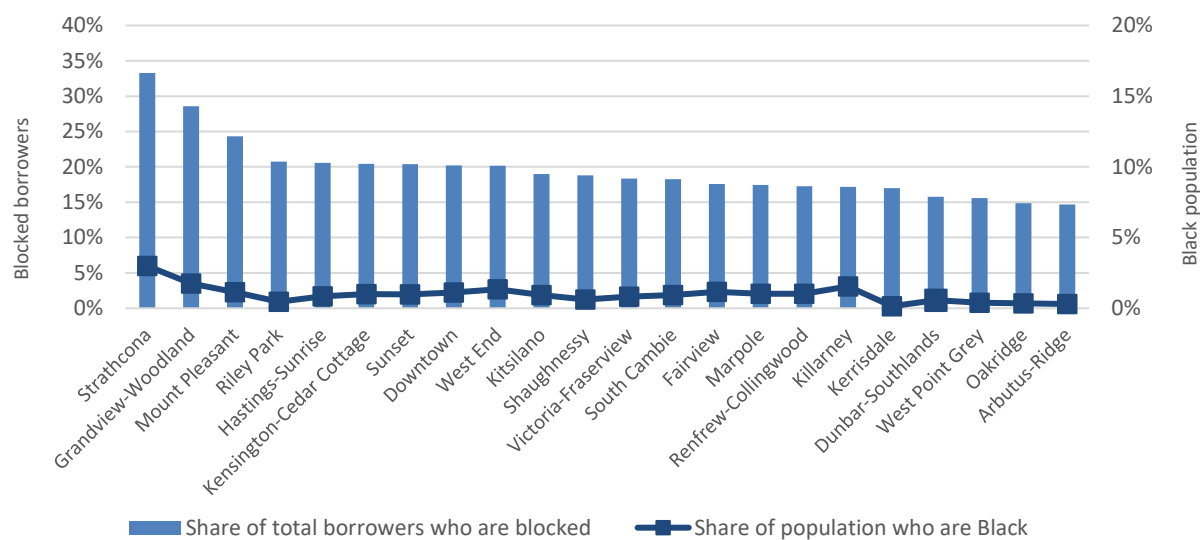


Figure 4: Neighbourhoods with blocked cards and Black community



Fines as Revenue

The library has experienced a steady decline in fine revenue over the past ten years due to the increases in digital circulation and improvements to customer service such as automatic due date

³ Note re demographic data added September 28, 2020.

reminders. Digital materials expire automatically at the end of the loan period, and as a result do not accrue overdue fines.

VPL fine and fees budgets and actual revenues for overdue and lost materials have declined 33% and 21% respectively over the past 10 years and they are likely to continue to decline as use of digital increases. The amount of fine revenue that is not able to be collected has increased annually, underscoring the disproportionate impact of overdue fines on those who can't afford to pay. It is critical, and fiscally responsible, for the Library to build a vision for the future that maintains operations without reliance on fine revenue.

COVID impacts

Due to COVID-19, when VPL re-opened five locations in July, the Library suspended the collection of fines and fees in order to reduce cash handling to protect both our staff and our patrons, and to ensure that our resources were accessible to all during this period.

Vancouver has been experiencing an affordability crisis for a number of years, and VPL's fine-free access for children has helped to support families with equitable access to library services. However, many adults also face significant financial pressures, job loss, and social isolation, and these have been exacerbated by COVID-19. While there are many ways that VPL contributes to equity by supporting job seekers and small business development, offering free programming that supports adults and children, and providing collections and information services that support learning and affordability, eliminating the barrier presented by a fines-based system will ensure that access to these critical library services are available for all, and will demonstrate VPL and the City of Vancouver's commitment to equitable service delivery. This change would support the City of Vancouver's Equity Framework by addressing systemic inequities in how the Library operates.

Evaluation

In following other libraries that have gone fine free, a follow-up report would be completed after VPL has been fine free for one year. This report would 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 collections, return rates, hold wait times, number of borrowed items, number of new memberships, and community feedback.

FINANCIAL IMPLICATIONS

VPL fine and fees budgets and actual revenues for overdue and lost materials have declined significantly over the last ten years, per the table below:

YEAR	ANNUAL BUDGET	ACTUAL COLLECTED IN YEAR
2010	\$1,057,900	\$844,300
2011	\$938,300	\$915,300
2012	\$940,300	\$884,200
2013	\$901,500	\$798,600
2014	\$906,500	\$744,700
2015	\$839,500	\$729,700
2016	\$814,900	\$734,700
2017	\$729,800	\$724,700
2018	\$706,800	\$713,600
2019	\$706,800	\$666,500
10 year change	-33%	-21%

***Note: the amount collected in a year can be from the current or prior years**

The numbers in the table above reflect the anticipated (budgeted) and actual amount of fines and fees that are estimated to be collected in any one year. The value of fines and fees billed to a patron account in any given year is higher than the budgeted amount, as it is known from analysis of prior year trends that only a portion of the annual fines and fees that are accumulated in accounts will be recovered.

The Council approved 2020 VPL operating budget for revenue is \$55.25M. This is comprised of \$4.93M of library-generated revenue, and \$50.32M of City funding.

Within the library-generated revenue amount, the budget for fine revenue is \$609,300, and the budget for fee revenue is \$97,500, for a total of \$706,800. This represents 14.33% of VPL generated revenue, and 1.28% of total VPL operating budget revenue.

The reduction in fine revenue over the years has been a result of increasing use of ebooks and digital magazines, streaming services, and improved patron services such as automatic renewals.

An investment request of \$625,000 would reduce the library-generated revenue budget, and increase the City funded portion of the VPL annual operating budget, but could be phased in over 2 years to reduce the initial impact to property taxes by delaying the start date to mid-year.

FINAL REMARKS

The elimination of a fine-based system is in alignment with the value of equitable access for all. By removing this barrier, VPL will create an environment conducive to re-engaging lapsed borrowers and welcome new ones.