Agenda - Executive Policy Committee - September 21, 2016

Report – Standing Policy Committee on Protection, Community Services and Parks – September 19, 2016

Moved by Councillor

That Rule 10(3) of The Procedure By-law No. 50/2007 be suspended in order that the following item, which was received less than 96 hours preceding the committee meeting, be considered by Committee.

Item No. 2 Elimination of Fines on Children's and Young Adult Materials

STANDING COMMITTEE RECOMMENDATION:

On September 19, 2016, the Standing Policy Committee on Protection, Community Services and Parks concurred in the recommendation of the Winnipeg Public Service and submitted the following to Council:

1. That the elimination of Library overdue fines on children's and young adult materials, including uncollected fines on library card holder files from library overdue fines on children's or young adult materials be approved.

2. That subject to the approval of Recommendation 1, this reduction in mill rate revenue be referred to the 2017 – 2019 budget process and implementation following the 2017 budget approval.

3. That the Proper Officers of the City of Winnipeg be authorized to do all things necessary to implement the intent of the foregoing.

Report – Standing Policy Committee on Protection, Community Services and Parks – September 19, 2016

DECISION MAKING HISTORY:

STANDING COMMITTEE RECOMMENDATION:

On September 19, 2016, the Standing Policy Committee on Protection, Community Services and Parks concurred in the recommendation of the Winnipeg Public Service and submitted the matter to the Executive Policy Committee and Council.

On July 11, 2016, the Standing Policy Committee on Protection, Community Services and Parks granted an extension of time to September 19, 2016 for the Winnipeg Public Service to report back on the matter.

On March, 7, 10 and 11, 2016, the Standing Policy Committee on Protection, Community Services and Parks passed the following motion:

WHEREAS Fines on children's and young adult material are a significant deterrent to library use by children and their families and have a direct negative impact on the children's potential growth and development from an early literacy perspective.

WHEREAS Many adults are in a position to pay outstanding fines, but children are not able to pay fines, and as a consequence, may be unable to borrow additional material.

WHEREAS This is especially problematic in high needs, low incomes parts of the city where families have limited funds and paying library fines may mean being unable to take a bus or pay for some other necessity.

WHEREAS In many cases, library fines for children's materials cause families stop taking out childrens and young adult materials.

WHEREAS During the recent public engagement process as part of our Strategic Planning process, the library heard that in many cases children are borrowing less material due to overdue fines and/or the fear of being unable to pay fines if they are incurred.

WHEREAS The impact of children not having access to library services is significant.

WHEREAS Many studies have shown that the early years in a child's life are the formative years for literacy and educational development. They are a critical indicator of the successful development of children. Studies show that early childhood literacy leads to adults who are better educated, less likely to end up in the social net system, less likely to end up the justice system, more likely to have a higher socio-economic position, and more likely to have better health and wellness.

Report – Standing Policy Committee on Protection, Community Services and Parks – September 19, 2016

DECISION MAKING HISTORY (continued):

STANDING COMMITTEE RECOMMENDATION (continued):

WHEREAS The elimination of fines on children's library materials would have a significant positive impact on children and their families' ability to benefit from library services. Removing fines on children's material would result in increased library usage.

WHEREAS The Winnipeg Pubic Library takes in approx. $100,000 annually in fines for children and young adult materials and that that figure is declining annually.

WHEREAS If it is determined that elimination of fines for children and young adult materials results in a significant failure to return materials at all, a policy could be developed that would prevent further loans of materials until previous materials have been returned.

WHEREAS a policy is not yet developed that would prevent further loans of materials until previous materials have been returned.

WHEREAS if just one child or young adult chooses to read a book and avoids interaction with the criminal legal system, this proposal will easily pay for itself and be a net benefit to society.

WHEREAS the Winnipeg Public Library already has a program that allows children to "Read off their fines" in the summer and that this program could be expanded.

THEREFORE BE IT RESOLVED that the Winnipeg Public Service be directed to report back to Standing Committee within 120 regarding the elimination of fines on children's and young adult materials borrowed from the Winnipeg Public Library, so that this policy may be considered prior to the 2017 budget.

Administrative Report

Title: Elimination of Overdue Fines on Children's and Young Adult Materials

Critical Path: Standing Policy Committee on Protection, Community Services & Parks – Executive Policy Committee – Council

AUTHORIZATION

Author	Department Head	CFO	CAO
R. Walker	C. Wightman	M. Ruta	D. McNeil

RECOMMENDATIONS

1. That Council approve the elimination of Library overdue fines on children's and young adult materials, including uncollected fines on library card holder files from library overdue fines on children's or young adult materials.

2. That subject to the approval of Recommendation 1, this reduction in mill rate revenue be referred to the 2017 – 2019 budget process and implementation following the 2017 budget approval.

3. That the proper officers of the City of Winnipeg be authorized to do all things necessary to implement the intent of the foregoing.

REASON FOR THE REPORT

As part of the 2016 budget deliberations, the Standing Policy Committee on Protection, Community Services and Parks directed the Winnipeg Public Service to report back to Standing Committee within 120 days regarding the elimination of overdue fines on children's and young adult materials borrowed from the Winnipeg Public Library, so that this proposed change in policy may be considered prior to the 2017 budget.

Council approval is required to eliminate Library overdue fines on children's and young adult materials.

EXECUTIVE SUMMARY

Early literacy skills are fundamental for children and young adults to succeed in today's world and the public library plays an important role in the development of those skills. The public library offers a wealth of materials, programs and services that meet the literacy and educational needs of children and young adults.

During the Library's recent Strategic Planning and Public Engagement process, the public indicated that the advancement of early literacy skills needed to be one of the Library's strategic priorities.

Library staff's experience shows that families most in need of this support, living in higher needs neighbourhoods, may not be able to benefit from the Library because of outstanding overdue fines and an associated inability to pay.

The Library collected approximately $105,000 in overdue fines on children's and young adult materials in 2015. This accounts for 15% of the total fines and fees collected annually. Elimination of overdue fines on children and young adult material will result in a projected annual revenue loss of approximately $102,000.

The Library's Read Away Your Fines program has helped some children to read away their fines and regain their borrowing privileges. Enrollment represents a small percentage of the overall number of children with outstanding overdue fines on their files. There is approximately $122,036 in outstanding fines from overdue children's and young adult materials on library card holder files at this time. Eliminating this uncollected revenue will help some children and young adults to borrow library materials once again.

The Library would continue to send out several notices to Library users to return overdue library material in a timely manner. However, if the material is not returned after 30 days, the library would continue to bill the parents of children and young adults for the costs associated with the loss of this library material and the associated collection agency fees.

There are a growing number of public library systems in Canada who are no longer charging overdue fines to children and young adults. This includes Vancouver and Surrey (B.C.), Red Deer (Alberta) Regina (Saskatchewan), Western Counties Regional Library (Nova Scotia), and many public libraries in the United States. As a result of this policy change they have not experienced an increase in the amount of library material being returned late and they have seen an increase in the number of children and young adults registering for a library card, and in the amount of material checked out.

IMPLICATIONS OF THE RECOMMENDATIONS

There are no regulatory or environmental implications to approving the recommendations in this report.

Elimination of overdue fines on children and young adult material will result in a projected annual revenue loss of approximately $102,000, requiring an increase to the department's tax supported budget effective January 1, 2017.

HISTORY / DISCUSSION

As part of the 2016 budget deliberations, the Standing Policy Committee on Protection, Community Services and Parks heard from the Winnipeg Public Library Board and City Councillor Matt Allard (Library Board member) during the delegation process about the

importance of early childhood literacy for children and young adults and the impact that outstanding fines can have on access to library services.

As part of the 2016 budget deliberations, the Standing Policy Committee on Protection, Community Services and Parks directed the Winnipeg Public Service to report back to Standing Committee within 120 days regarding the possible elimination of overdue fines for children's and young adult materials borrowed from the Winnipeg Public Library, so that a change in policy may be considered prior to the 2017 budget.

Libraries and Literacy

Winnipeg Public Library heard from the public during the public engagement phase of its recent strategic planning process that the advancement of early literacy skills needed to be one of the Library's strategic priorities.

The public library plays an important role in providing access to collections and programs that assist children and young adults with their literacy and educational needs. Through a network of twenty branches, the public library offers a wide range of hours for children and young adults to access library services. Most of these collections, programs and services are offered free of charge to the residents of Winnipeg.

Library Overdue Fines

Library fines are in place to encourage the timely return of material so they can be enjoyed by as many citizens as possible. However, library materials are returned overdue for a wide variety of reasons. The public library's procedures are in place to balance providing access to library materials with the need to ensure that these city assets are protected and made accessible to as many citizens as possible.

The library assists the public in returning material in a timely manner by providing notifications before, and after, an item is overdue to help prevent, or limit, the amount of fines accrued by the library user.

The library sends out an automated pre-overdue notification three days before an item is due as a reminder to return items on time. After an item is overdue the library sends out two automated telephone notices within a 30 day period. If the item is not returned, a billing notice is sent for the cost of the item. **It should be noted that this process, and the associated costs for the replacement of the item, would not change if overdue fines on children's and young adult material are eliminated.**

If, after 45 days the item remains overdue, this information is sent to a Collection Agency and two more notices are sent asking for the material to be returned. This notice also includes a collection agency charge. **It should be noted that this process, and the associated fees, would not change if overdue fines are eliminated on children's and young adult material.**

If the Collection Agency is unable to recover the material and fines, the information is turned over to a credit agency.

Library card holders are allowed to carry up to $15.00 in fines and fees on their file before their borrowing privileges are suspended. Once they bring their outstanding amount under the $15.00 threshold they can borrow material again. However, on an annual basis all fines and fees on a

card holder's account must be paid off. The library collects approximately $550,000 in overdue fines annually.

Impact of Library Overdue Fines

The majority of children's and young adult material checkouts are done by parents and caregivers. Until the age of 17 the responsibility for the payment of overdue fines rest with the parent or caregiver who signs for a library card.

In some cases, the parents or caregivers are unable to pay and as a result children and young adults may have their borrowing privileges suspended. This is especially true for families living in higher needs neighbourhoods. The Library's Outreach Services Division works in higher needs neighbourhoods and reports that parents are often reluctant to let their children join the Library because of the fear or embarrassment of incurring overdue fines they cannot pay.

If library overdue fines on children's and young adult materials could be removed, the library will be in a stronger position to support parents and caregivers in preparing their children and young adults in their literacy and educational needs.

Library Read Away Fines Program

The Library does offer a Read Away Your Fines program for children and young adults up to 17 years of age. This program does help some library users to restore their borrowing privileges. In 2015, 657 children and young adults under the age of 17 registered for the program and approximately $12,833 in fines were "read away" through the program. This resulted in 472 library cards being reactivated.

While this program has had a positive impact on reducing barriers to access, it represents only a small percentage of the total number of children and young adult library users who have outstanding overdue fines on their cards. If the recommendations in this report are accepted, this program would no longer be required.

Other Options

The library has considered other options that would reduce the impact that library fines have on children and young adults and their ability to borrow library materials.

Increasing the amount of outstanding fines and fees a library user (in this case, children and young adults) could carry on their cards before their borrowing privileges would be suspended, could assist some children and young adults in continuing to borrow library material under a higher threshold (E.g. moving the threshold from $15- $30). However, it could also result in a larger amount of outstanding fines on children and young adult card holder's accounts and compound the challenge of paying off accounts as the library requires all accounts to be paid off on an annual basis when an address check is confirmed. Changes would also be required in the Collection Agency processes to account for this rise in threshold and could impact their ability to recover outstanding fines and materials.

Reducing the overdue fine rate from 20 cents to 10 cents and reducing the maximum overdue fine amount on an item from $4.50 to $2.25 would make it easier for some library users to pay outstanding fines. It could provide some children and young adults with additional room within the $15.00 threshold for children and young adults before their borrowing privileges are

suspended. There would be an unknown impact on the amount of revenue the city collects in a year.

Financial Implications

The Library collected approximately $105,000 in overdue fines on children's and young adult materials in 2015. The Library currently charges 20 cents per day on children's and young adult materials to a maximum of $4.50 per item that is overdue.

Based on the 2016 adopted revenue for overdue fines, if overdue fines on children's and young adult material are eliminated starting January 1, 2017 the projected loss of revenue would be approximately $102,000.

The Library would continue to send several notices to library users to return overdue library material in a timely manner. However, if the material is not returned after 30 days, the library would continue to bill the parents of children and young adults for the costs associated with the loss of this library material and the associated collection agency fees.

Other Jurisdictions

There are a growing number of public library systems in Canada that have eliminated overdue fines for children and young adults. This includes Vancouver and Surrey (B.C.), Red Deer (Alberta) Regina (Saskatchewan), Western Counties Regional Library (Nova Scotia), and many public libraries in the United States.

As a result of this policy change they have not experienced an increase in the amount of library material being returned late, and they have seen increases in the number of registered card holders and the amount of children's and young adult materials checked out.

FINANCIAL IMPACT

Financial Impact Statement

Date: April 29, 2016

Project Name:

Elimination of Fines on Children's and Young Adult Materials

First Year of Program **2017**

	2017	2018	2019	2020	2021
Capital					
Capital Expenditures Required	$ -	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Grants (Enter Description Here)	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other - Enter Description Here	-	-	-	-	-
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs		$ -	$ -	$ -	$ -
Less: Incremental Revenue/Recovery	(102,000)	(102,000)	(102,000)	(102,000)	(102,000)
Net Cost/(Benefit)	$ 102,000	$ 102,000	$ 102,000	$ 102,000	$ 102,000
Less: Existing Budget Amounts		-	-	-	-
Net Budget Adjustment Required	$ 102,000	$ 102,000	$ 102,000	$ 102,000	$ 102,000

Additional Comments: The elimination of fines on children and young adult materials effective January 1, 2017 will result in a projected annual revenue loss and increased mill-rate support of $102,000 annually.

"Original signed by"

Kelly Lemoine, CPA, CA
Manager Finance & Administrative Services
Community Services Department

CONSULTATION

In preparing this Report there was consultation with:

N/A

OURWINNIPEG POLICY ALIGNMENT

01-6 Libraries
Direction 1: Provide Quality, Responsive and Innovative Library Programs and Services that Emphasize Literacy and Life-Long Learning and that Enrich All Winnipeggers and their Communities

Provide Winnipeggers with equitable, convenient and cost-effective access to library materials in a variety of formats and languages.

SUBMITTED BY

Department: Community Services
Division: Library Services
Prepared by: Rick Walker
Date: June 15, 2016