

Fine-Free Policies

Results from Published Reports and Data from Library Connection, Inc. (LCI) Libraries

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The LCI Implementation Plan developed as part of the Strategic Plan process indicates that LCI should present ideas for “increasing circulation without causing increases in the cost of content.” One policy change that has gained increased popularity and seems to nearly guarantee increased circulation is the removal of daily fines. In response to the Implementation Plan, and because of multiple libraries expressing an interest in fine-free policies, LCI has determined that it would be beneficial to collect data about these policies to aid in the decision-making process. This report examines the results of fine-free policies at libraries outside of LCI as well as relevant statistics pulled from Sierra for existing fine-free policies within LCI. The four questions explored in this report are:

- 1) Are daily fines required as an incentive for patrons to return materials?
- 2) Do fine-free policies lead to increased circulation?
- 3) How have libraries managed the financial ramifications of removing daily fines?
- 4) How would fine-free policies be implemented in Sierra?

ARE DAILY FINES REQUIRED AS AN INCENTIVE FOR PATRONS TO RETURN MATERIALS?

While very steep daily fines may have a correlation with return rates, available data seems to indicate that the nominal daily fines charged by libraries for most materials have a lesser effect on when patrons return materials. While there are not many large-scale studies that assess this, a study performed in 1983 by Hansel and Burgin showed a mean overdue rate of 13.91% for libraries with fines and a just slightly larger 14.21% for libraries without fines. In fact, they found that the only factor to have a continued significant effect on return rates was blocking patrons with overdue materials, which could be accomplished without the use of fines.¹

It is worth noting that Hansel and Burgin ran a similar study in 1981 that did see some correlation between overdue fines and short-term return rates, but no correlation between overdue fines and longer-term return rates. However, this earlier study seems to be run on a smaller scale than the 1983 study and considered fewer variables, looking at just three fine-free libraries and 47 libraries with fines, not considering the amount of the fine, and examining only items due the most recent due date (presumably items one day overdue) and items due over a year prior.²

More recent insights can be gained from numerous articles reporting the success of libraries that have changed to fine-free policies. The following libraries all switched to fine-free policies and documented the effects.

¹ Burgin, Robert, and Patsy Hansel. “More Hard Facts on Overdues.” *Library Overdues: Analysis, Strategies and Solution to the Problem*, The Haworth Press, 1984, p. 8.

² Burgin, Robert, and Patsy Hansel. “Hard Facts About Overdues.” *Library Journal*, vol. 108, no. 4, 15 Feb. 1983, pp. 349–352.

Algonquin Area Public Library – This library experienced an increase in overdue materials from 1% to 2%, but still reported getting most materials back within a few weeks.^{3 4}

Dayton Metro Library – Six months after eliminating overdue fines, this library found that not only were fewer materials becoming overdue, but more materials were being returned than in the previous year.⁵

Ela Area Public Library – This library reported that “hold wait times remained steady” after enacting fine-free policies.³

Gleason Public Library – This library in Massachusetts reported that “there has been essentially no discernible difference in the amount of time that people keep materials since the library began its no-fines policy.”⁶

Milton Public Library – This library reported that more patrons were returning books on time after changing to fine-free policies.⁷

High Plains Library District – This district removed fines on everything except DVDs. After six months, 95% of materials were being returned within one week of the due date. They also assessed if this policy change resulted in any increase in “patron disappoints” when waiting for an item to be returned. They found no increase and determined that the policy change was “not negatively affecting the experience of other users of the library.”⁸

San Rafael Public Library – This library charges no fines on children’s and teen materials and has found “that people do not keep youth materials out any longer since we’ve eliminated fines.”⁹

Vancouver Island University Library - “VIU library did not experience an increase in overdue items. Rather, the library saw a small decrease in the percentage of overdue circulating items. This decrease can be attributed to an extension of loan times from 2 to 4 weeks.” In June 2012, prior to enacting the fine-free policies, VIU reported 30% of checkouts were overdue. In June 2013, after enacting the fine-free policies (and extending their loan duration), that dropped to 26% overdue.¹⁰

Vernon Area Public Library – Despite an increase in overdue items during the first week of the fine-free policy, this library found that overdue items were returned an average of eight days earlier as compared to prior to the policy

³ Womack, Matt, et al. Go Fine-Free and Still Get Your Stuff Back. <https://ischool.wisc.edu/wp-content/uploads/2016/10/Back-in-Circulation-Fine-Free.pdf>.

⁴ Inklebarger, Timothy. “No More Late Fines at the Library?” OakPark.com, <http://www.oakpark.com/News/Articles/12-5-2016/No-more-late-fines-at-the-library?/>.

⁵ Frolik, Cornelius. “The Dayton Library Ended Late Fees. Here’s What Happened.” myDayton Daily News, 5 Jul. 2018. <https://www.mydaytondailynews.com/news/local/the-dayton-library-ended-late-fees-here-what-happened/ZGaTCrUqhZQsbaH9QxTbiJ/>

⁶ West, Nancy Shohet. “Late? No, fine.” Boston.com, http://archive.boston.com/news/local/articles/2012/03/25/some_greater_boston_libraries_are_dropping_fines_for_overdue_materials

⁷ Dixon, Jennifer and Gillis, Steven. “Doing Fine(s)? Fines & Fees.” Library Journal, 4 Apr. 2017. <https://www.libraryjournal.com/?detailStory=doing-fines-fines-fees>

⁸ Depriest, Meg Johnson. “Removing Barriers to Access: Eliminating Library Fines and Fees on Children’s Materials.” Colorado State Library, <https://www.cde.state.co.us/cdelib/removingbarrierstoaccess>

⁹ Morehart, Phil. “An Overdue Discussion: Two Takes on the Library-Fine Debate.” American Libraries, 1 Jun. 2018. <https://americanlibrariesmagazine.org/2018/06/01/library-fines-overdue-discussion/>

¹⁰ Reed, Kathleen, et al. “Putting a Sacred Cow Out to Pasture: Assessing the Removal of Fines and Reduction of Barriers at a Small Academic Library.” The Journal of Academic Librarianship, vol. 40, 2014, pp. 275–280.

change. They also changed their renewal limits at the same time, which likely explains the extreme drop in overdue return dates, which is not normally reported as being that dramatically earlier.^{3 4}

RELATED STATISTICS FROM SIERRA

With one LCI library having instituted fine-free policies in December 2018, multiple libraries having fine-free policies for seniors, and one library using a “pay what you want” model, there is a significant amount of data available to determine the effects of fine-free policies on patron behavior. This section of the report will examine whether fines are an incentive to return materials earlier as indicated by these three scenarios.

Fine-Free Policies at Mansfield Public Library

On December 3, 2018, Mansfield Public Library instituted nearly full fine-free policies. The only items that remain with fine-based policies include computer and a/v equipment, tablets, cake pans, and tools. While these materials are a valuable part of their collection, they account for less than 1% of total checkouts and thus should not have any significant effect on the collected data. As Mansfield provided approximately three months advance notice of this policy change, we were able to collect daily data to demonstrate if patron behavior changed as a result of the new policies. These assessments include transactions involving child, teen, adult, and senior patrons, omitting patrons who may have loan rule exceptions, such as staff, homebound, teacher, etc.

Average Return Date

To assess the average return date, check-ins were tracked between 8/21/18 and 3/16/19. The difference was taken between when each item was returned and when it was due, providing a numeric return date in relation to the due date. This accounts for 104 days before and after the policy change and a total of 62,350 transactions.

	Before Policy Change	After Policy Change	Difference
Average # of Days Items Returned Before Due Date	10.56	9.97	-0.59 Days
% Items Returned by Due Date	94.78%	93.35%	-1.43%

For comparison, a library without any policy changes that was used as a control sample showed a decrease from 10.51 to 10.22 average number of days items were returned before the due date during the same time period, and a drop in on-time percentages from 94.85% to 94.43%. While these decreases are smaller than those for Mansfield, it does indicate that some of the already small changes seen after Mansfield’s policy change may be caused by unrelated factors. These results seem consistent with other data collected for this report, showing that there likely is a correlation between later return dates and fine-free policies, but that the correlation is relatively small, as the difference for Mansfield was just over half a day.

Average Percent Overdue

A daily report was run to assess the percent of checked out items that were currently overdue. This was done between 9/5/18 and 3/6/19, giving 85 days of data before and after the policy change¹¹. In order to maintain a

¹¹ Due to some computer issues, the report was not run on 13 days throughout this period, so the 170 days of data occurred over the course of 183 calendar days. There is no indication that this had any significant effect on the results.

consistent data set, only items checked out within the past 365 days of when the report ran were included. The averages of those 85-day periods were taken to determine if any change could be seen as a result of the fine-free policy change.

	Before Policy Change	After Policy Change	Difference
Average Percent of Checked Out Items Currently Overdue	7.43%	7.17%	0.26%

For comparison, the control library *increased* from 5.04% to 5.63% in the same period. While there is no reason to believe that Mansfield’s percent overdue decreased as a result of the new fine-free policies, it does support the conclusion that fine-free policies do not cause any significant increase to the average amount of materials kept overdue.

Fine-Free Policies for Seniors

As nearly a half of LCI libraries do not charge fines for senior patrons, and the others charge at the same rate as other patrons, we can compare the return rate of items checked out under fine-free policies within our own system with a relatively comparable control group. LCI has been collecting data since October 2017, providing around 400,000 transactions to analyze. About 70% of those transactions involve fine-free policies, with the other 30% on policies with fines. The higher number of fine-free transactions is due to some libraries without fine-free policies for seniors not marking these patrons as seniors in Sierra. To assess these transactions, the difference was taken between when each item was returned and when it was due, providing a numeric return date in relation to the due date. Several other factors besides fines contribute to when items are returned in relation to the due date, so comparisons were done based on matching loan durations, auto renewal policy, and renewal limits. While other factors, such as fine amount and notice schedule may contribute to the differences as well, it was not feasible to apply that much granularity to these comparisons. To only keep statistically significant data, only parameter combinations with at least 500 transactions are considered here. The results are as follows:

Return Date in Relation to Due Date

Loan Policy	Return Date With Fines	Return Date Fine-Free	On-Time Returns With Fines	On-Time Returns Fine-Free
Auto Renewal, 7 Days, 0 Renewals	-0.96	-0.91	83%	82%
Auto Renewal, 7 Days, 2 Renewals	-6.29	-4.97	98%	93%
Auto Renewal, 14 Days, 0 Renewals	-5.22	-4.07	96%	95%
Auto Renewal, 14 Days, 2 Renewals	-8.44	-8.36	96%	94%
Auto Renewal, 21 Days, 2 Renewals	-13.38	-12.42	99%	97%
No Auto Renewal, 7 Days, 0 Renewals	-1.53	-0.74	89%	84%
No Auto Renewals, 7 Days, 2 Renewals	-2.97	-1.02	94%	84%
No Auto Renewals, 14 Days, 2 Renewals	-4.57	-3.16	89%	82%
No Auto Renewals, 21 Days, 2 Renewals	-8.38	-6.96	92%	88%
No Auto Renewals, 28 Days, 1 Renewal	-12.91	-11.97	96%	90%

As mentioned earlier, there are likely other factors contributing to the differences in these numbers, and as such they certainly don’t yield a fully conclusive answer regarding the relationship between fines and return rates. However, some conclusions can be reached:

- 1) Fine-free policies have a lesser effect at libraries that use automated renewals. This does not necessarily mean that patrons are returning materials earlier when they have automated renewals, but more likely that the due date is pushed further back in more cases when renewals are automated.
- 2) With several of the assessed loan policies, fine-free policies had very little effect on return rates. For example, 14-day loan policies with 2 renewals at auto renewal libraries had a return date only .08 days later with fine-free policies as compared to policies with fines, and the return rate only dropped from 96% to 94%. This particular loan policy combination was assessed based on over 21,000 transactions, so it is by no means an insignificant data point in this chart.
- 3) On average, patrons are returning materials before the due date regardless of the loan policies, including whether or not fines are assessed.
- 4) The lowest the on-time return rate reached in this sample was 82% for 14 day, 2 renewal, fine-free policies at non-auto renew libraries, a 7% drop from the same policy with fines. This is certainly not a great return rate, but still shows that most patrons return materials on time regardless of policy.
- 5) The highest fine-free on-time return rate was 97%, for 21 day, 2 renewal policies at auto-renew libraries. This is also one of the most common loan rules at our libraries. The actual average return date was about one day later for fine-free policies than policies with fines.

When looked at more broadly, these results seem to indicate that there is a correlation between fines and return rates, but this correlation is often very small, especially for those libraries with automated renewals. It is also worth noting that any differences seen in these policies are *without* any alternative incentives for patrons to return materials on time, such as blocking patrons earlier based on overdue materials rather than just based on total fines.

With a present, but tenuous correlation between fines and return rate, the larger question may be whether the somewhat later return rates are substantial enough to decrease circulation, or if this possibility is offset by increased circulation from more attractive policies for patrons and the decrease in blocked patrons. This question will be examined later in this report.

The “Pay What You Want” Model

While Cragin Memorial Library (Colchester) does not have fine-free rules set up in Sierra, they do implement a “pay what you want” model wherein patrons can put however much money they want in a fines jar at the circulation desk and have their fines cleared. Since this removes the direct correlation between the amount of time an item is overdue and the associated fine, it is worthwhile to examine Cragin as compared to the rest of the consortium. If there were a direct correlation between fines charged and overdue rates, one would expect patrons at Cragin to generally keep materials longer than patrons at other libraries. To assess this, over 1 million checkins were examined over a 12 week period. The same method as was used with the senior fine-free policies was used here to determine the average number of days items were returned prior to the due date and the percentage of items returned on time. Because of the effect of auto renewals on relative return dates, Cragin was compared not just to all other LCI libraries, but also specifically to other auto renewal libraries. This assessment only looked at adult and child accounts so as not to skew the results with the inclusion of fine-free policies for seniors.

Average Number of Days Items Returned Prior to Due Date

LCI Average: 7.2

Non-Auto Renewal Libraries Average: 4.7

Auto Renewal Libraries Average: 9.0

Cragin Average: 10.1

Percentage of Items Returned On Time

LCI Average: 91.2%

Non-Auto Renewal Libraries Average: 87.9%

Auto Renewal Libraries Average: 93.6%

Cragin Average: 95.2%

For both measurements, Cragin has better than average return rates, not only when comparing to the consortium as a whole, but also when comparing just to other libraries that use automated renewals. Comparable data is not available for Cragin prior to their switch their current fines model, so it is certainly possible that their return rates were even better prior to implementing this model, but with little room for a higher on-time ratio, there is little reason to believe this to be the case.

DO FINE-FREE POLICIES LEAD TO INCREASED CIRCULATION?

Although the degree to which circulation increases varies, and likely involves other factors as well, available information indicates that fine-free policies generally lead to increased circulation.

Ela Area Public Library – This library reported that first-time checkouts increased 3%, renewals decreased 3%, and hold wait times remained steady.³

High Plains Library District – This library reported a 16% circulation increase for children’s materials.¹²

New York Public Library – In 2011, NYPL ran a program to provide fine-free borrowing to eligible students. Children in this program borrowed materials at a 37% higher rate than those not in the program, and teens in the program borrowed at a rate of 35% higher.¹³

Salt Lake City Public Library – This library reported an increase in checkouts of 10% as well as a 3.5% increase in new cardholders.¹⁴

Stark County District Library – This library saw an 11% increase in circulation after one year of removing overdue fines.¹³

Vancouver Island University – This academic library saw no change in circulation as a result of enacting fine-free policies, either positive or negative. It is also the only academic library in this list, so it is possible that was a factor in the lack of a circulation increase.¹⁰

¹² Graham, Ruth. “Long Overdue: Why Public Libraries are Finally Eliminating the Late-Return Fine.” Slate, http://www.slate.com/articles/arts/culturebox/2017/02/librarians_are_realizing_that_overdue_fines_undercut_library_missions.html.

¹³ Marx, Anthony W. “The Case Against Library Fines – According to the Head of the New York Public Library.” Quartz, 18 Dec. 2017. <https://qz.com/1158839/the-case-against-library-fines-according-to-the-head-of-the-new-york-public-library/>.

¹⁴ Morehart, Phil. “Imagining a Fine-Free Future.” American Libraries, 11 Feb. 2018. <https://americanlibrariesmagazine.org/blogs/the-scoop/imagining-fine-free-future/>.

Vernon Area Public Library – This library reported that first time checkouts increased 3% and the number of new resident cards issues increased 8%.³

Windsor Public Library (Ontario) – This library reported no change in circulation after implementing fine-free policies (this library will be discussed in more depth next in this report).¹⁵

The Case of Windsor Public Library (Ontario)

In investigating fine-free policies and how successful they have been at other libraries, only one prominent example seems to present fine-free policies as a failure: Windsor Public Library in Ontario. This library started a 21-month pilot project in January 2012, but decided at the end of that period to reinstate fines. At the end of their pilot project, WPL reported that the fine-free policies affected their revenue stream too greatly, it did not drive up circulation statistics, more items were being returned late and were going missing, hold wait times had increased, and patrons were generally unhappy with the policy change. While this certainly does not support fine-free policies as a wise decision, there were several mitigating factors that likely contributed to these issues:

- 1) According to the Board, the CEO of WPL made no plan or studies that would indicate how well the new policies would work and made no business plan to accommodate the reduction of revenue.
- 2) The library appears to have directly used fines revenue for buying new materials, so the loss of over \$100,000 per year directly affected their purchasing abilities.
- 3) The policy change was largely not supported by the Board from the start.
- 4) Midway through the pilot project, both the CEO and Board Chair were removed from their positions for a scandal involving personal use of credit cards.
- 5) Patrons were blocked immediately when a single item became due, with no grace period, which explains why patrons were unhappy with this aspect of the service.
- 6) The final report was drawn into question by the former Board Chair, who reported that a mid-project report showed that the new policy was popular among patrons and that circulation had increased.

It is difficult to say whether this is simply a genuine example of fines-free policies failing, or if the failure was a product of mismanagement and conflicting interests. Either way, it is worth being aware of this situation.

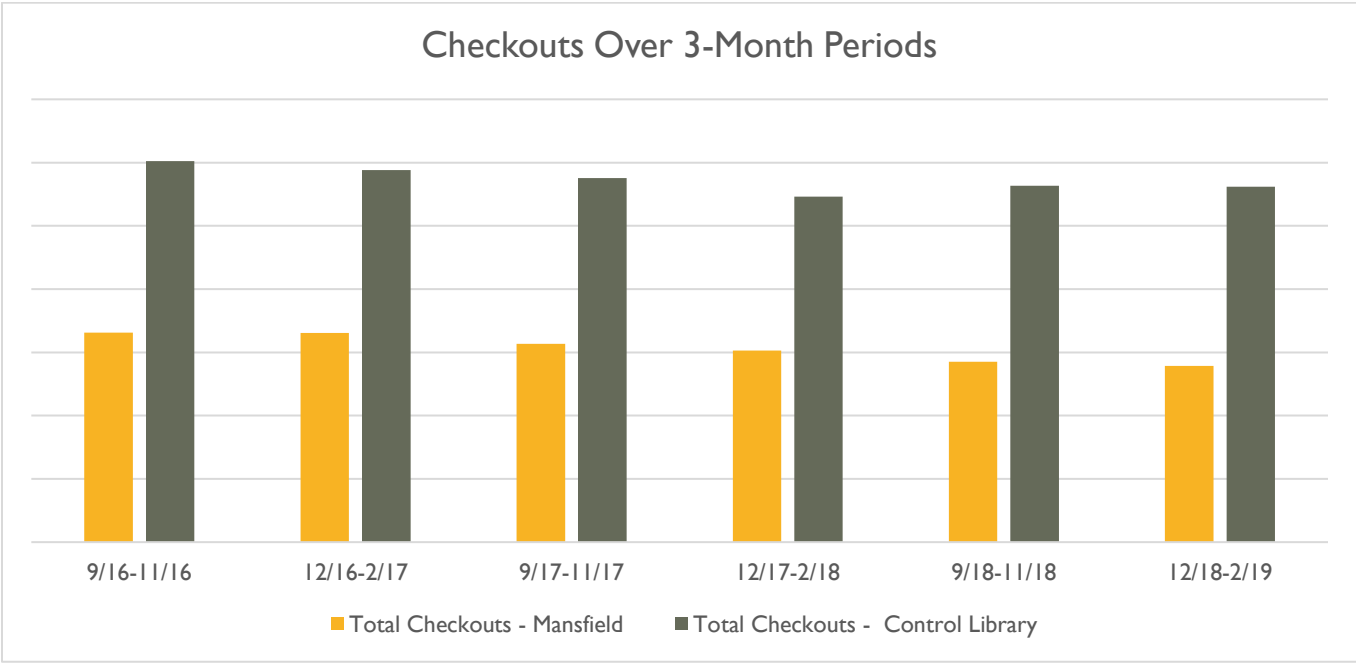
¹⁵ Cross, Brian. "No-Fine Experiment at Libraries Has Been a Failure, Report Suggests." Windsor Star, 4 Oct. 2013.
<https://windsorstar.com/news/local-news/no-fine-experiment-at-windsor-public-library-has-been-a-failure-report-suggests>.

Circulation at Mansfield Public Library

To assess circulation changes within our own consortium, we can look at Mansfield Public Library’s circulation for the three-month periods before and after the fine-free policies were implemented. The change took place on December 3, 2018, so this assessment compares September 2018 through November 2018 to December 2018 through February 2019. As circulation tends to vary month-to-month even without policy changes, a better comparison will be possible after a full year, but this initial assessment should at least show if any significant circulation change occurred as an immediate direct result of the fine-free policies.

Despite the expectation that circulation would increase after implementing fine-free policies, circulation actually dropped a small amount, with a decrease in checkouts of 2.23% during the three months after the policy change as compared to the three months before the policy change. However, the same comparison a year earlier shows a 3.45% decrease, indicating that the 2.23% drop this year is within the normal scope of a month-to-month circulation change and is likely not reflective of the policy change. It is even possible that the circulation decrease would have been greater this year without the policy change, but there is also no conclusive data supporting this.

By comparison, the control library used in this assessment dropped 5.12% in this period last year and dropped 0.27% in this period this year. Mansfield’s 2.23% drop this year again appears to be likely unrelated to the policy change. The only conclusion we can draw at this point is that instituting the fine-free policies caused neither a dramatic immediate increase or decrease in circulation.



HOW HAVE LIBRARIES MANAGED THE FINANCIAL RAMIFICATIONS OF REMOVING DAILY FINES?

Enacting fine-free policies would no doubt lead to a loss in revenue, either for the library or the town, depending on where fine collections are currently directed. If any lost revenue is deemed unacceptable for a library, fine-free policies would likely not be a viable option. For libraries with more flexibility, however, there are several approaches fine-free libraries have taken to lessen the effects of lost revenue.

1) Convince your town that the loss is acceptable

While probably the ideal solution, this is presumably also the least likely. It is not unheard of, however, as some libraries have convinced their town that the revenue loss is acceptable given the expected increase in library usage, especially for children.⁹ This seems to particularly be the case when the fines money is a nearly insubstantial percentage of the total library or town budget.^{5 16 17}

2) Calculate whether collecting fines costs more than the actual amount collected

Some libraries reported that the amount it cost them to collect fines exceeded the amount they were collecting, and that they saved money by not charging fines. This does not necessarily mean staff reductions, however. For example, one library found the savings by eliminating credit card machines they used for accepting fines and change-counting machines they rented to handle all the coins they received.^{6 18 19}

3) Collect donations

Although it seems unlikely to fully make up the lost revenue, a common strategy is simply accepting donations, often via a donation (or “guilt”) jar at the circulation desk. One library, based on their own experience, notes that “it may be a good idea to anticipate and plan for a drop once the novelty wears off.”⁷ It is also worth noting that when Cragin switched to their current “pay what you want” model with a fines jar, the amount of fines money they collected actually increased.

4) Add revenue-generating services

At least one library reported that they were looking to replace lost revenue with other revenue-generating services, such as accepting passport applications.¹⁶

5) Seek support from private organizations

While possibly not sustainable on a continual basis, New York Public Library reports that they were able to provide a one-time amnesty of \$2.25 million with support from a private organization that works to improve quality of life for low-income people.^{13 20}

¹⁶ Wenger, Yvonne. “Baltimore’s Pratt Library Will Go Fine-Free for Overdue Books.” The Washington Post, 6 Jun 2018. https://www.washingtonpost.com/local/baltimores-pratt-library-will-go-fine-free-for-overdue-books/2018/06/11/ea495b40-6815-11e8-9e38-24e693b38637_story.html

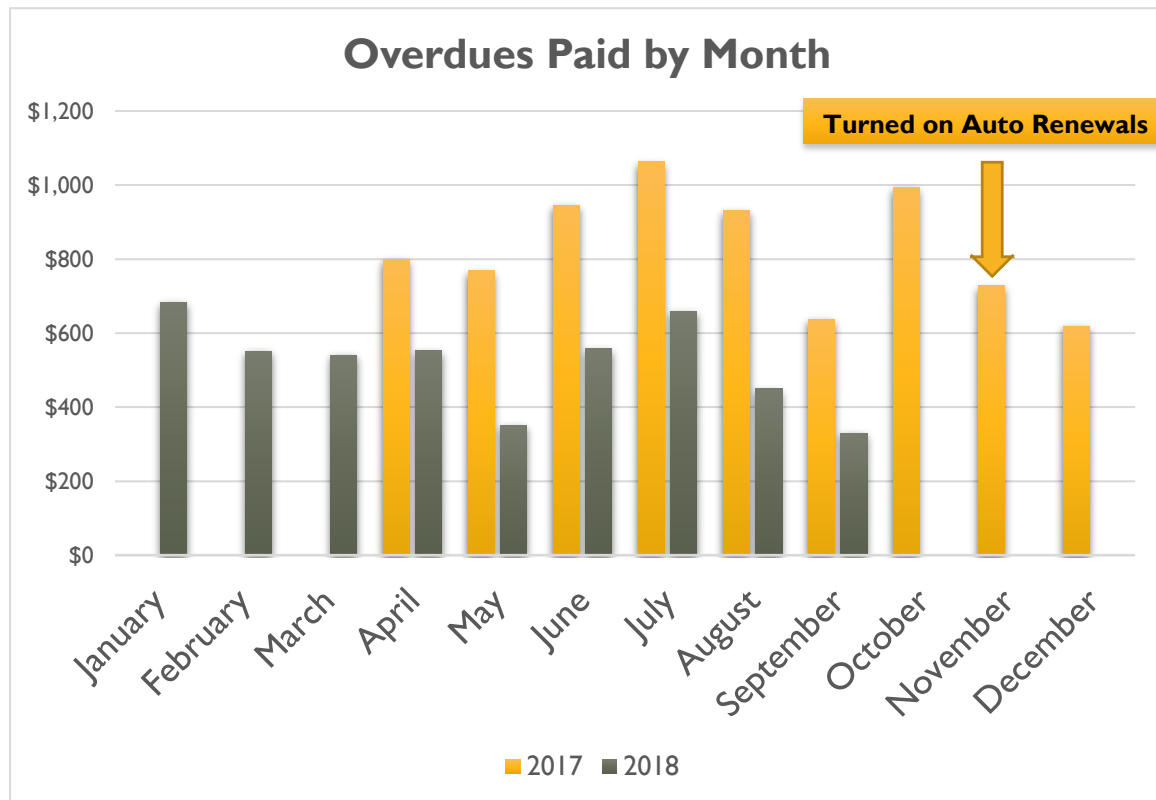
¹⁷ The Salt Lake City Public Library System. “The Fine Free Library: One Year Later.” Medium, 9 Aug 2018. <https://medium.com/@SLCPL/the-fine-free-library-one-year-later-d28c69743c15>

¹⁸ “Wave Goodbye to Overdue Fees at the San Diego Public Library.” CBS8, 29 Jun 2018. <http://www.cbs8.com/story/38542156/wave-goodbye-to-overdue-fees-at-the-san-diego-public-library>

¹⁹ Pyatetsky, Julia. “The End of Overdue Fines?” Public Libraries Online, 5 Nov 2015. <http://publiclibrariesonline.org/2015/11/the-end-of-overdue-fines/>

²⁰ Scutari, Mike. “Towards a Fine-Free Future: A Funder Tackles a Barrier to Public Library Engagement.” Inside Philanthropy, 26 Oct 2017. <https://www.insidephilanthropy.com/home/2017/10/26/a-fine-free-future-library-jpb>

Libraries who are interested in a more incremental process of eliminating fines should consider auto renewals, if they have not already. The below chart shows the amount of fines paid by month, from April 2017 to September 2018 for the first LCI library to fully implement auto renewals. Their fines have reduced by about 44%, sometimes passing 50% in a given month as compared to that month in the previous year.



HOW WOULD FINE-FREE POLICIES BE IMPLEMENTED IN SIERRA?

Upon request, LCI staff can update all loan rules associated with your library to charge no fines. If there are select item types that should still charge fines, those item types can be set to do so. As bills are still traditionally assessed, a patron would still be blocked if they had a billed item, presuming the bill was for at least \$10. Libraries that allow a generous amount of time before billing may consider requesting the bills to be assessed earlier, as this can act as a more immediate incentive to return items for those patrons who need one.

Another method in Sierra for blocking patrons is to block them after they have received a certain number of overdue notices for any item. For example, a patron could be blocked upon receiving a second overdue notice for an item and would remain blocked until that item was returned. Unfortunately, this block is applied based on the patron type, not the transaction location. In other words, residents of the fine-free town would be subject to that block regardless of the library they were using, and non-residents may not be subject to this block even when borrowing from the fine-free library.

Loan rules would continue to work as always, in that they will be assessed based on the transaction library. Items checked out at a fines-free library will follow the fines-free policies, but items checked out elsewhere, even those that are owned by a fines-free library or returned to a fines-free library, will still be assessed fines as dictated by the original transaction library.