



THE FINANCIAL
JUSTICE PROJECT
SAN FRANCISCO




Advancing Financial Justice in San Francisco:

The Experience and Lessons of
the City's Financial Justice Project

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Overview

In November of 2016, San Francisco became the first city and county in the nation to launch a [Financial Justice Project](#) to assess and reform how fees and fines impact our city's low-income residents and communities of color.

Since our launch, we have achieved significant reforms, learned a lot, and encountered challenges we did not anticipate. The goal of this paper is to share our experience with other localities that aim to pursue similar fine and fee reforms.

Government programs and courts have long levied fines and fees, either to discourage behaviors or to cover costs. But over the past several years, awareness has increased that using these tools can have an insidious unintended impact – to push people into poverty. Fines and fees can knock people down so hard they cannot get back up. People with lower incomes and people of color are usually hit the hardest. These financial penalties can make government a driver of inequality, not an equalizer of opportunity.

San Francisco Treasurer José Cisneros launched The Financial

Justice Project in November of 2016 with the publication of an [op-ed](#) in the *San Francisco Chronicle*. The Financial Justice Project is housed in the Office of the San Francisco Treasurer, the entity in charge of revenue collection for the City and County.

The Financial Justice Project has two main goals. First, to listen to community members to identify fines and fees that have a disproportionate adverse impact on low-income people and people of color. Our second goal is to develop and implement doable solutions with government departments and the courts that can make a difference in people's lives. Together we work with community organizations, advocates, city and county departments, and the courts to enact reforms that result in meaningful change for low-income San Franciscans.

We believe that fines, fees, and financial penalties can trap low-income people in a maze of poverty and punishment. They can widen racial disparities, since fines and fees are disproportionately imposed on communities of color. They can erode confidence in public

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By collaborating with community groups, the courts and city and county departments, we find that we can achieve reforms that make a difference in the lives of struggling San Franciscans, and are feasible and affordable for government to implement.

institutions and undermine safety and prosperity in our communities.

We have found that fines and fees that exceed people's ability to pay them are often a lose-lose, for people and for government. We believe that better solutions exist that hold people accountable, but do not put people in financial distress. We think that the consequences should fit the person and the offense, and that budgets should not be balanced on the backs of those who can least afford it.

We have also found that fine and fee reforms do not automatically result in less revenue. For example, when the San Francisco Superior Court stopped suspending driver's licenses for Failure to Pay (FTP), they did not see a loss of revenue. In fact, even without the "hammer" of driver's license suspensions to compel payment, revenue per citation has increased over the last several years, as the court has implemented more effective collection practices, like sending monthly billing statements. Similarly, when the San Francisco Municipal Transit Agency created a low-income payment plan that reduced enrollment fees and allowed late fees to be waived, enrollment in the payment plans went up by 300% in the first three months, and revenue went up as well. Our experience aligns with national research that shows adjusting fines to a person's income can make it easier and more doable for people to pay, and ultimately stabilize, and even improve revenue.

By collaborating with community groups, the courts and city and

county departments, we find that we can achieve reforms that make a difference in the lives of struggling San Franciscans, and are feasible and affordable for government to implement.

The Financial Justice Project has worked with more than ten city and county departments and the courts to propose and implement reforms to fines, fees, and financial penalties. We have eliminated and adjusted dozens of fines and fees, and lifted tens of millions of dollars in debt from these fees off tens of thousands of San Francisco residents.

Over the past three and a half years, we have collaborated with departments to eliminate all locally-controlled fees assessed from people exiting jail or the criminal justice system; make phone calls free from county jail, provide discounted tow and boot fees for low-income San Franciscans, and made it easier for lower-income people to pay off citations through payment plans, community service options, or receiving social services. Our reforms have benefited lower-income San Franciscans, at-risk youth, people struggling with homelessness, and people exiting the criminal justice system. Below is a list of the reforms we have pushed forward to date. These accomplishments are not ours alone; we achieved them through working in partnership city and county department and court leaders as well as community groups. We hope this paper is useful for people who want to advance reforms in their localities.

The Financial Justice Project's Accomplishments to Date



Launched payment plan & community service options for low-income people who receive parking citations



Eliminated criminal justice administrative fees and waived \$33 million in debt owed by 21,000 people



Cut towing fees in half for low-income people



Eliminated overdue library fines, and waived \$1.5 million in debt stemming from overdue fines



Reduced boot removal fees by 80% for low-income people



Announced SF would make phone calls from county jail free & stop marking up items in jail store



Created new ability to pay process with the San Francisco Traffic Court to allow low-income people to apply for discounts



Launched San Francisco Museums for All - allows free entry to museums with a public benefits card



Cleared 88,000 holds on driver's licenses for people who missed a traffic court date



Conducted pilot to eliminate government-owed child support debt for parents, so all their future payments would go to their kids



Allow people struggling with homelessness to resolve quality of life citations by receiving social services instead of fines



Conducted research and authored report which contributed to bail reform in San Francisco and statewide



Eliminated water shutoff fees, which originally totaled \$110



Developed and advanced statewide legislative reforms

I. Introduction

In March of 2015, the United States Department of Justice released the [Ferguson Report](#), an investigation into the city of Ferguson, Missouri's police department, after Michael Brown, an unarmed, Black, 18-year-old boy was tragically shot and killed by the police. The report revealed that Ferguson officials aggressively raised revenue through fining residents. In 2013 alone, the municipal court in Ferguson – a city of 21,135 people – issued arrest warrants to over 9,000 people for over 32,000 offenses.¹ Residents were fined \$531 for high grass and weeds in a yard, \$792 for failure to obey, and \$375 for lacking proof of insurance.² If residents could not pay, they were assessed late fees, which quickly escalated. Fines of a few hundred dollars could snowball to a few thousand. Residents who could not pay were sometimes jailed. One woman spent more than 30 days in jail over an unpaid traffic ticket she had gotten 15 years earlier, when she was a teenager. Fines were the city's second largest source of revenue in 2013.³

In the wake of the Ferguson Report, local community groups sounded the alarm that similar problems exist in California and in San Francisco. A group of California legal service advocacy organizations published a report in April 2015 entitled [Not Just a Ferguson Problem](#). The report found that over the past five years, four million Californians had their driver's licenses suspended for their inability to pay court ordered fines and tickets. According to a report: "These suspensions make it harder for people to get

and keep jobs, further impeding their ability to pay their debt. They harm credit ratings. They raise public safety concerns. Ultimately, they keep people in long cycles of poverty that are difficult, if not impossible to overcome."

Across the country, a growing body of research showed that fines and fees were increasing in size and severity across the state and the country. The research showed that cities are becoming increasingly reliant on fine and fee revenue and outlined the debilitating impact of fines and fees on the lives of millions of Americans.

In 2016, a coalition launched in San Francisco called [Debt Free SF](#), composed of legal aid and community organizations that serve the poor, homeless, or people exiting jail or prison. Their constituents were getting tickets for sleeping on park benches, struggling to pay \$400 traffic tickets, or suffering from thousands of dollars in fees from time in the criminal justice system. Their clients also struggled when their cars were towed and then could not get them back, as local towing costs exceeded \$500 on average.

The San Francisco Financial Justice Project was created to respond to these calls for reform and chart a better way forward, for government and for people. The Financial Justice Project grew out of Treasurer José Cisneros' long history of harnessing the power of his office to help working poor San Franciscans. The Treasurer's Office was the first in the

¹ Page 55

² Page 52

³ Shapiro, Joseph. "In Ferguson, Court Fines and Fees Fuel Anger." National Public Radio. August 25, 2019

nation to create an [Office of Financial Empowerment](#) that aims to build up low-income San Franciscans' financial reserves. The office started many programs, including [Bank on San Francisco](#) and [Kindergarten to College](#), which support people who have historically been shut out of the financial mainstream to build and grow their savings. These programs are recognized as national models and have helped tens of thousands of families. However, as the office worked to support low-income families to build up their economic reserves, much of this work could be undone by inequitable fines and fees that disproportionately impact and strip wealth from low-income families and communities of color.



II. Launch of The Financial Justice Project

Getting Started. During the first year of the Financial Justice Project, we set out to achieve four primary goals:

1. Build our understanding of the problem and potential solutions.
2. Advance reforms that work for San Franciscans, the City, and our community.
3. Tell the real-life stories of how people suffer from financial injustice.
4. Share our financial justice agenda with other cities and counties.

As we got started, we were on a steep learning curve. We first sought to:

1. Identify and understand community fine and fee pain points. We wanted to do a lot of listening, especially to staff of front-line community groups who see the impact of fines and fee on their constituents, as well as people directly impacted by fines and fees.
2. Develop and advance solutions that that will truly make a difference for low-income San Franciscans and are doable for city and county departments and the courts to implement.

The Fines and Fees Task Force: October 2016 Through May 2017

In late 2016, the San Francisco Board of Supervisors directed the newly created Financial Justice Project to staff a [San Francisco Fines and Fees Task Force](#), composed of staff from city and county departments, the courts and community organization

representatives. Earlier that year, the Board of Supervisors held a [hearing](#) to listen to diverse perspectives on how fines, fees, tickets, and financial penalties impact low-income San Franciscans. The Task Force was directed to study the impact of fines, fees, tickets, and various financial penalties that disproportionately impact low-income San Franciscans, and propose reforms.

Task Force members included leaders from key City and County of San Francisco departments that issue fines and fees, as well as community groups and city and county departments that frequently interact with people who may be disproportionately impacted by fines and fees. The idea was to set a table with people from the community, public sector, and the Superior Court to tackle this challenge.

Task Force members included staff from the following departments and organizations:

- Adult Probation Department
- District Attorney's Office
- Department of Child Support Services
- Human Services Agency
- Office of Economic and Workforce Development
- Municipal Transportation Agency
- Public Defender's Office
- The San Francisco Superior Court
- [Bay Area Legal Aid](#)
- [Coalition on Homelessness](#)
- [Community Housing Partnership](#)

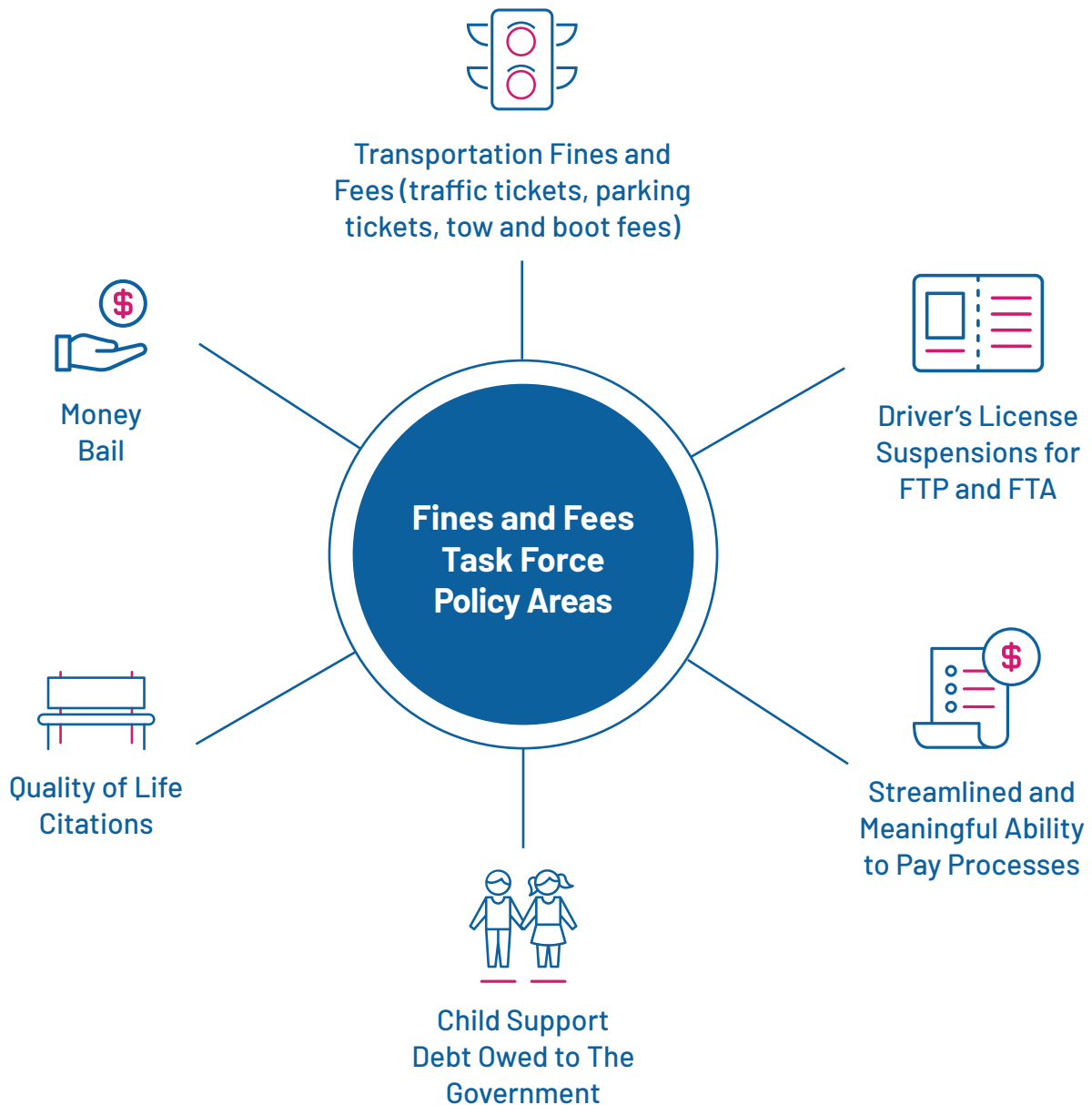
- [Lawyers' Committee for Civil Rights](#)

Other local organizations, such as [Legal Services for Prisoners with Children](#), [Legal Services for Children](#), [PolicyLink](#), and many others often frequently attended, gave presentations, and contributed to the group.

The Task Force held its first meeting in October 2016, and met once a month for six months, for six meetings in total. At each meeting, we focused on a specific problem area (for example, money bail or driver's license suspensions for inability to pay) and then reviewed and discussed potential recommendations

for reform. The community representatives helped us determine what fine and fees were the biggest problems for their constituents. Then we worked with the appropriate city and county departments and the courts to put forward recommendations for reform that were doable to implement and would make a difference in people's lives. We brought in experts from across the country and reviewed research and policy papers.

Below are the initial fine and fee pain points the community organization representatives encouraged us to focus on:



Community Listening Sessions

In partnership with Task Force members, the Financial Justice Project began a process of listening sessions with community groups to identify and better understand fines and fees that are “high pain,” or disproportionately impact low-income people and communities of color. From there, the Task Force sought research, data and information about the fines and fees and their impact.

We spoke with dozens of staff at community organizations and individuals impacted by fines and fees. These community groups and advocates highlighted fine and fee pain points, helped develop solutions, and worked with the department to ensure implementation went smoothly.

Below are key findings from our task force process and community listening sessions:

For a more detailed and extensive record of our findings, please see our Fines and Fees Task Force [Report](#).

1. Steep fines and fees that exceed people’s ability to pay can dig people into financial holes that are hard to get out of. Left unpaid, fines and fees can create a cascade of consequences. We repeatedly heard that when people cannot afford to pay financial penalties, a cascade of consequences set in. The debt could increase through late fees or other penalties. Credit scores can be negatively impacted. In some cases, driver’s licenses could be suspended, which can lead to job loss. We heard these perspectives from staff at from community organizations, legal service providers, and from individuals themselves, through direct conversations or in their testimony at hearings or meetings.

2. There is a sizeable population in San Francisco that struggles to pay fines and fees. According to the Urban Institute, [47% of San Francisco families](#) are financially insecure, meaning that they have less than \$2,000 in net savings. Furthermore, approximately 25% of San Franciscans, 225,000 people, receive some form of means-tested benefit for lower-income people, such as TANF (CalWORKs), Food Stamps (CalFresh) or Medi-Cal. These trends mirror nationwide ones. About [one in three](#) Americans live in or near poverty. According

to a recent Federal Reserve [study](#), nearly half of adults say they either could not cover an emergency expense costing \$400, or would cover it by selling something or borrowing money.

We spoke with many community organizations and individuals impacted by fines and fees, including:

- [Bay Area Legal Aid](#)
 - [Community Housing Partnership](#)
 - [Coalition on Homelessness](#)
 - [East Bay Community Law Center](#)
 - [Lawyers’ Committee for Civil Rights](#)
 - [Legal Services for Children](#)
 - [Legal Services for Prisoners with Children](#)
 - [PolicyLink](#)
 - [Young Community Developers](#)
 - [Young Women’s Freedom Center](#)
 - [Western Center on Law and Poverty](#)
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3. In San Francisco, the burden of these fines and fees falls heavily on the African American community. Due to over policing and overrepresentation in the criminal justice system, fines and fees disproportionately impact people of color in San Francisco. Black people and Latinx communities are particularly impacted, as numerous [studies](#) have shown they are more likely to be pulled over by the police while driving.

For example, in San Francisco, Black residents make up less than 6 percent of the population, but approximately 50% of people detained in San Francisco County jails, and 45 percent of people arrested for a “failure to appear/pay” traffic court warrant (over-represented by 8.4x). [The Bayview-Hunters Point](#) neighborhood in San Francisco, zip code 94124, has a relatively high rate of poverty (23.5%), the highest percentage of Black residents in San Francisco (35.8%) and a driver’s suspension rate more than three times the state average.

Communities of color have fewer resources to pay various fines and fees. Policies such as redlining and disinvestment by policy makers over generations has severely limited Black families' opportunities to build [wealth](#). As a result, the median White American family has [twelve times](#) the wealth than that of their Black counterparts. A recent [study](#) showed that close to 50 percent of Black and Brown families are struggling to make ends meet in California, compared to 20 percent of White families.

4. In many cases, individuals struggle with fines and fees from various court and government systems.

Debt from a variety of fines, fees, and penalties often pile up on the same low-income families, including criminal justice fines and fees, money bail, and child support debt owed to the government. These families also pay interest, payment plan fees, community service enrollment fees, and other fines and fees, often stemming from different, interrelated systems.

5. Sometimes, the solutions that government put forward did not work well for people with low incomes.

Community members told us that in some cases, the alternative processes put into place to help people pay their fines and fees were not accessible or realistic. For example, some departments charged a \$60 to \$100 fee to enroll in payment plans or community service. Others required multi-step enrollment and verification processes that required people to take time off work to complete the process. Others reported subjective and inconsistent processes to determine someone's ability to pay. These challenges and processes created barriers for people to successfully resolve fines and fees, even when these options were made available.

6. People want to resolve their tickets and move on.

Many of the people we spoke with expressed a strong desire to pay off their fines, fees, and tickets so they could move on with their lives. If there were opportunities for them to resolve their tickets that were within their means, they would utilize them.

7. Some of the pain points we identified were not strictly fines or fees, but punitive systems that extract payments from people who cannot afford to pay them.

For example, through our listening sessions, we heard a lot about the inequitable impacts of our system of money bail

and government-owed child support debt. These systems strip wealth and resources from low-income communities and communities of color through government-sanctioned or initiated systems:

- **Money bail.** Money bail in San Francisco stripped [\\$10 to \\$15 million a year in nonrefundable fees](#) from low-income communities of color. The system created a two-tier system of justice, one for the wealthy and one for the poor. In San Francisco, money bail averages \$50,000. When people post bail, they typically pay a bail bond agent 10% of the bond to post bail. They do not receive this money back even when the person shows up for trial. People who post bail are typically people's loved ones, most often low-income women of color.
- **Every year, hundreds of thousands of families do not receive their full child support payments.** That's because low-income families that receive public benefits only receive the first \$50 of their monthly child support payment. The rest is redirected to government to pay back the cost of public assistance, like Medi-Cal and CalWORKs. Last fiscal year, [California redirected \\$368 million](#) in child support payments to the state, federal, and local governments to pay back the cost of public assistance. This policy deprives low-income children of valuable resources, disproportionately harms children and families of color, and creates conflict in families.

2017 Fines and Fees Task Force Report and initial recommendations for reform

In partnership with the Task Force members, we put forward more than 30 recommendations for reform to address issues raised by impacted people and community groups. We published our [recommendations for reform](#) in May 2017 and [presented](#) our findings to the Board of Supervisors. The initial list of goals recommended by the Task Force is included below. For a detailed list of our recommendations to advance each goal, please see our San Francisco Fine and Fee Task Force [Report](#) and the resources listed below this table.

POLICY AREA	GOAL
Ability to Pay	When possible and appropriate, base fine and fee amounts on an individual's ability to pay, to ensure consequences do not place an inequitable burden on low-income San Franciscans.
Driver's License Suspensions	Remove employment barriers for low-income Californians by ending the practice of suspending people's Californians' drivers' licenses when they are too poor to pay traffic citations or appear for court dates.
Quality of Life Citations	Ensure that "Quality of Life" citations do not punish people for being poor or create barriers to employment and housing for people struggling with homelessness.
Transportation Fines and Fees	Ensure consequences for transportation violations hold people accountable but do not pose an inequitable burden for low-income San Franciscans.
Child Support Debt Owed to the Government	Relieve the inequitable financial burden of child support debt owed to the government by low-income parents when they cannot afford to pay.
Money Bail	Reform our local system of bail to ensure decisions to keep someone in jail are based on the risk they pose to the community, not the amount of money in their bank account. All local bail reform efforts must enhance public safety, increase accountability, and enhance justice, and equity.

Resources:

- [The Task Force Report](#): Initial Findings and Recommendations of the San Francisco Fines and Fees Task Force
- Information on the governance of the [Task Force](#)
- [Sample agendas](#) of task force meetings

III. Implementing the Recommendations for Fine and Fee Reforms

Since the publication of the Fines and Fees Task Force report, we have worked to move forward the original task force recommendations for reform, as well as address other fine and fee pain points that have been brought to our attention over the last two years.

Structure of the Financial Justice Project

When we launched, we had one full-time staff person and a temporary fellow, and were completely philanthropically funded. In the summer of 2017, the

City and County allocated public funding to pay for the salary of the Financial Justice Project director and some additional costs. In San Francisco, we sometimes pilot projects with philanthropic funds to ensure they can gain traction and produce valuable results, before public financial support is provided.

Since our startup, we have added a staff person and have evolved into a government “policy lab.” That is, we work collaboratively with city and county departments, the courts and community organizations to develop, advance, and implement reforms. To achieve our goals, we do the following:

The Financial Justice Project: The Way We Work

Collect and analyze data, speak to community members and impacted people, and gather perspectives to identify problematic fines and fees

Research solutions to inequitable fines and fees, and develop recommendations in collaboration with departments, and community advocates

Support, advance, and refine recommended reforms with city and county partners and other stakeholders to drive forward their implementation

Communicate key findings and recommendations to inform and build awareness locally and statewide

Spread Reform. Make the case to other cities and counties, help advance statewide reforms, and create sharable resources

The Financial Justice Project focuses on the City and County of San Francisco. A central part of our work is convening community advocates and government stakeholders to build a common vision and develop reforms. Every aspect of our work starts by listening to people directly impacted by fines and fees and front-line community organization staff.

The Treasurer’s Office does not have direct oversight

over most of the fines and fees that are issued in San Francisco, and therefore we partner with many city and county departments to advance reforms. Key partners include city and county departments, the courts, grassroots coalitions, legal aid providers, and nonprofits that serve low-income people. While our focus is on San Francisco, we sometimes work at the regional or state level to advance reforms that would benefit San Francisco residents.

Timeline of Accomplishments

October 2016	Launch of Fines and Fees Task Force
November 2016	San Francisco Treasurer authored <u>op-ed in San Francisco Chronicle announcing launch of the Financial Justice Project</u>
May 2017	Announce <u>Recommendations of the Fines and Fees Task Force</u> with a <u>report</u> and presentation to the Board of Supervisors
June 2017	Released <u>“Do the Math: Money Bail Doesn’t Add Up for San Francisco”</u> and present findings to Board of Supervisors
January 2018	Worked with SFMTA to introduce new low-income payment plan to <u>reduce fees charged to low-income people enroll in payment plans and community service</u>
February 2018	Worked with Supervisor London Breed, the SF Public Defender, and others to introduce legislation to become first in the nation to eliminate all locally charged criminal justice administrative fees
May 2018	<ul style="list-style-type: none"> • Worked with SFMTA to provide <u>discounted boot and tow fees</u> for people below 200% of the Federal Poverty Level • Worked with San Francisco Department of Child Support Services to launch a <u>pilot project that relieved all government-owed child support debt for 32 families</u> so all their future payments would go to their children • Worked with Public Utilities Commission to <u>eliminate water shut off and turn on fees</u> charged to people whose water was turned off for nonpayment.
July 2018	<ul style="list-style-type: none"> • Financial Justice Project named finalist for <u>Harvard Innovations in American Government Award</u> • Passed legislation <u>making San Francisco first in nation to eliminate all locally authorized criminal justice fees, and released “High Pain, Low Gain” report</u>
August 2018	Courts approved petition to lift <u>\$33 million in debt from 21,000</u> stemming from criminal justice administrative fees
November 2018	<ul style="list-style-type: none"> • Announced launch of <u>Debt Free Justice California</u> • Launched new <u>ability to pay process for low-income residents</u> with San Francisco Superior Traffic Court • <u>The CONNECT Program</u> goes live that allows homeless residents to resolve Quality of Life citations through receiving social services

<p>January 2019</p>	<ul style="list-style-type: none"> Released "Long Overdue," detailing the impact of overdue library fines and recommendations for reform Library votes to end use of overdue fines, clear \$1.5 million in debt, restore library cards for 17,000 library patrons California State Senator Holly Mitchell introduced the Families Over Fees Act, SB 144, to eliminate administrative fees in the court and criminal justice systems
<p>March 2019</p>	<p>Worked with the Human Services Agency to launch an income verification tool, creating a streamlined process for departments to verify eligibility for income-based discounts</p>
<p>April 2019</p>	<ul style="list-style-type: none"> Released "The Payback Problem: How Taking Parents' Child Support Payments to Pay Back the Cost of Public Assistance Harms California Low-Income Children & Families." Urban Institute conducted focus groups on San Francisco Child Support Debt Relief Pilot San Francisco ends poverty penalty and lifts up to 88,000 holds on people's driver's licenses who missed their traffic court dates
<p>May 2019</p>	<p>Launched San Francisco Museums for All to offer free admission to low-income San Franciscans who receive public benefits. Over 25,000 people participated.</p>
<p>June 2019</p>	<p>Announced commitment to stop generating revenue from incarcerated people and their support networks, free jail phone calls & an end to markups on commissary items, saving low-income San Franciscans \$1.7 million each year</p>
<p>August 2019</p>	<p>Urban Institute released evaluation of San Francisco Child Support Debt Relief Pilot that found when parents' government owed child support debt was relieved, parents paid more consistently, their economic situation improved, and their relationships with their child and coparent improved.</p>
<p>December 2019</p>	<p>Announced launch of Cities and Counties for Fine and Fee Justice</p>
<p>January 2020</p>	<p>San Francisco District Attorney announced the end of money bail in San Francisco, citing the Financial Justice Report: Do the Math, Money Bail Doesn't Add up for San Francisco as part of the rationale for reform.</p>
<p>April 2020</p>	<ul style="list-style-type: none"> Released compilation of fine and fee relief actions taken by the City and County of San Francisco in light of the COVID-19 health and economic crisis. SFMTA creates deeper discounts on towing and booting fees for low-income people, expands access to free Muni. Released report Driving toward Justice, an analysis showing there has been no impact on court collections after the court stopped suspending driver's license for failure to pay.

Conducting our Fine and Fee Assessment

In our first year, we found it difficult to access the data we needed to understand the basics of fines and fees and how they impact individuals, as well as our city and county bottom lines. After working diligently with various city and county departments to better understand their fines and fees, we realized that most cities and counties, including San Francisco, lack answers to basic questions, such as how many people receive various fines, fees, tickets; collection and delinquency rates; penalties for nonpayment as well as the cost of collection to the city and county.

We worked with the San Francisco Mayor’s Budget Office to pilot a preliminary inventory and review of fines and fees that may disproportionately impact low-income and people of color. Our primary goals were to 1) identify fees and fines that may be “high pain” for families 2) identify opportunities for reform that will make a difference for struggling individuals and are doable for County and City of San Francisco departments and partners. Through the annual budget process, the Mayor’s Budget Office asked each department to submit an initial survey detailing the types of fines and fees they assess. The data requested included:

- The name, description and authorization of the fine/fee;
- Whether there are exceptions that take into account ability to pay;
- Whether there are late fees;
- What percentage of revenue is collected by the due date of the fine or fee;
- The total of the fine/fee amount for the last two fiscal years;
- The revenue budgeted for the last two fiscal years;
- The number of fines/fees issued in the last complete fiscal year;
- The number of distinct individuals paying in the last complete fiscal year.

It was our goal to keep the survey brief and high level in order gather responses from as many

departments as possible, allowing us to dive more deeply into specific fine and fee points. Additional data points we considered asking included: demographic information of who received the fine and fee, the consequence for nonpayment, the underlying fine and fee statute, and the total cost of collections. We found these data points were frequently more difficult to quickly report, were sometimes unavailable, or required involvement from other departments. We worked with specific departments to gather more of this information when available.

Using the information provided in the inventory, the Mayor’s Budget Office and the Financial Justice Project identified approximately a dozen city and county departments to engage in further discussion. Departments were identified based on community feedback on fine and fee pain points, the population most impacted by the fine/fee, as well as the information provided through the survey, such as the number of people impacted, and the percent of revenue collected.

The Mayor’s Budget Office and the Financial Justice Project met with each identified department to better understand the goal and impact of the fine and fee, conducted research on the budget and community impact of fines and fees, and made some initial recommendations for reform. Since the initial fine and fee inventory and review, several identified departments have made initial reforms, either offering low-income discounts and waivers, or eliminating fees that disproportionately impact low-income people. For example, the Public Utilities Commission eliminated water shut off and water turn on fees, after conducting research and determining the fees posed a financial hardship on struggling low-income households, and were not a sufficient deterrent to on-time payment. Others are in the process of adopting the new income verification tool to offer discounts and waivers.

The Mayor’s Budget Office and the Financial Justice Project continue to work together to assess and reform the city’s fines, fees and financial penalties through the city’s annual budget process.

Resources:

- [Fine and fee survey](#)
- [Memo](#) outlining the goals and potential rollout of a fine and fee review

The often-misunderstood difference between fees and fines

Through our work, we found that people often don't understand the difference between fees and fines.

Fees:

The goal of fees is to recoup costs. Fees are not meant to be punitive nor do they aim to change behavior. Examples include fees charged to enroll in payment plans, fees to pay for a dog license, and administrative fees charged to people exiting jail (for example, monthly probation fees).

Fines:

Fines are intended to be punitive. The goal of fines is to discourage people from certain actions and change behavior. Examples include parking tickets or traffic tickets

When we were exploring eliminating criminal justice administrative fees, such as monthly probation fees or rental fees for electronic ankle monitors, people often worried that we were getting rid of consequences. We had to remind people that the job of a fee is simply to cover costs, they are not meant to be punitive. People paying criminal justice fees have always paid other consequences, such as paying fines or serving time in jail. We were getting rid of fees that were assessed almost exclusively on very low-income people who could not afford to pay them. The fees failed at their only job—to cover costs of our criminal justice system.

Developing Solutions

To develop solutions, The Financial Justice Project and the Fines and Fees Task Force assessed fines, fees, and penalties using the following questions:

Is it effective? What is the goal of the fine or fee? Does charging a fine or fee move us toward that goal?

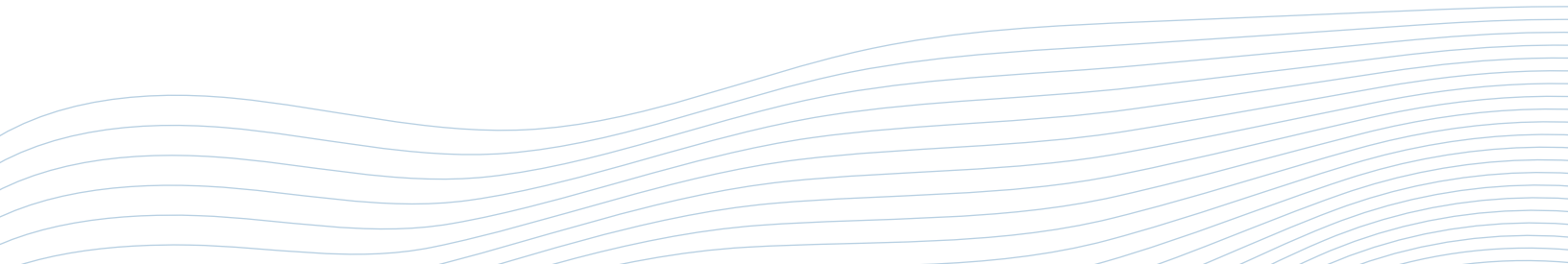
Is it equitable? Does it hit some people harder than others? Does it exacerbate existing racial and socioeconomic disparities? Can the overall population receiving it pay it?

Is it fair? Should the population receiving the fee be charged for the service they are receiving? Does the punishment fit the offense and the person? Does a one-size-fits-all fee or fine make sense? Would reducing or eliminating the fee or fine make a difference in the life of the person receiving it?

Is it efficient? How much are we spending to collect this fee or fine? Are we spending as much or more to collect the fine than we are taking in? Does the revenue collected justify the cost of collection?

Is it sustainable? Is implementing the fine or fee a good use of county resources? Or could those resources be deployed in higher value ways?

What is the revenue impact? What are the revenue implications or adjusting a fine, fee, or penalty?



After developing a deeper understanding of the fine or fee, we typically recommend one of three solutions:

1

Base the fine or fee on ability to pay

2

Eliminate the fine or fee and identify alternative methods to achieve the policy goal

3

Offer accessible, non-monetary alternatives to payment

Below we describe these three solutions in more detail:

Solution #1: Base the Fine or Fee on Ability to Pay

When we recommend: If the fine or fee is assessed from people at all income levels, but our research shows a one size fits all fine or fee places a disproportionate burden on lower-income people, we may recommend basing the fine or fee on a sliding income scale, or someone's ability to pay.

Ability to pay processes should be streamlined and accessible for people who need them, clearly communicated, advertised, and built into the process, and staff should be trained to ensure every person who qualified for a discount is offered and provided one. Ability to pay processes should not only offer discounts for low-income people, but often accessible payment plans tailored to the needs of low-income people, with low or no fees.

Examples of fines we have reformed to create ability-to-pay discounts for low-income people include:

- **Ability to Pay discounts for low-income people in San Francisco Traffic Court.** In 2018, we worked with the San Francisco Superior Court to launch a new process where low-income people can reduce traffic tickets based on their ability to pay. Traffic tickets in California often exceed \$250—an amount that can be out of reach for many low-income families. Through the new process,

people below 250% of the federal poverty level (approximately \$30,000 for a single person) can get an 80% or more discount on their ticket. People can apply online, by mail, or in person. More information is available on the San Francisco Superior Court Can't Afford to Pay [webpage](#).

- **Low-Income Discounts on Tow and Boot Fines.** San Francisco's towing fines are the most expensive in the nation, averaging \$557. As a result, many low-income families, seniors, and people with disabilities could not afford to retrieve their cars if it they were towed. Ten percent of the 40,000 cars towed each year are never retrieved, likely because people could not afford to get their car back out. As a result, thousands of low-income San Franciscans lose their car each year, likely their means to work or school, and their largest asset. In partnership with SFMTA, we introduced new discounts for people experiencing homelessness and for low-income people below 200% of the Federal Poverty Level. For people below 200% of the poverty line, the tow fee is reduced to \$100 (down from the standard \$574), and the boot removal fee is reduced to \$75 (down from \$525). For people who are certified as experiencing homelessness, the tow fee and boot removal are \$0. More information is available on the SFMTA [website](#).

Solution #2: Eliminate the Fine, Fee or Penalty and Identify Alternative Methods to Meet the Policy Goal

When we recommend: Governments have long levied fines and enforced financial penalties to discourage certain activities or change behavior. They have also assessed fees to recover costs. In some cases, research illustrates that fines or fees may not be the most effective tools to meet certain policy goals, and that the consequences are regressive, extreme, or counterproductive, especially for low-income people or people of color. Often, other strategies exist that could better meet the intended policy goals.

Our examples of eliminating fines or fees include:

- Elimination of administrative fees charged to people exiting jail and the criminal justice system.** When an individual exits the criminal justice system in San Francisco, they are often assessed dozens of fines and fees. Some of these fines are punitive and associated with the conviction. However, people are also charged thousands of dollars in administrative fees, intended to recoup costs for the city and county. In San Francisco, individuals were charged fees to be fingerprinted and booked into jail, fees to be on probation, and fees to rent electronic ankle monitors. Because people of color are overrepresented in the criminal justice system, these fees had a disproportionate impact on people of color. The majority of people exiting the criminal justice system are impoverished or very low-income, and collection rates were in the single digits. The collection rate for the largest fee, the monthly probation fee, was just nine percent. These fees resulted in large amounts of debt for almost exclusively low-income people, and little revenue to the city. Implementing an ability to pay process would not make sense in this case, as the vast majority of people would qualify for a discount or waiver, and the cost of implementing an ability to pay procedure would likely exceed the revenue brought in by the few people who could afford to pay. In July 2018, the city of San Francisco became the first in the nation to eliminate all of the criminal justice fees that are locally authorized, and no longer charges administrative fees to people exiting the criminal justice system. In partnership with the courts, the county also eliminated \$32.7 million in debt stemming from these fees owed by 21,000 people.

We released a report outlining our key findings: [Criminal Justice Administrative Fees: High Pain for People, Low Gain for Government.](#)

- Elimination of Overdue Library Fines.** Five percent of adult card holders of the San Francisco library had their library cards blocked because they owed late fines. We studied overdue library fines and released a report titled [Long Overdue: Eliminating Fines on Overdue Materials to Improve Access to San Francisco Public Library.](#) Our findings suggested that patrons across the city – regardless of income – miss return deadlines at similar rates. However, patrons in low-income areas face much more difficulty in paying the fines and fees associated with overdue items. As a result, overdue fines widened existing inequalities: 11.2 percent of cardholders in the Bayview branch (which has relatively high rate of poverty (23.5%), and the highest percentage of Black residents in San Francisco) were blocked from accessing library materials, more than three times as many as in high-income locations. Across the city, branches that serve lower-income populations had a greater share of blocked patrons. We conducted research and made recommendations for the San Francisco library to go fine free. In 2019, the San Francisco Public Library voted to go fine free. They no longer use overdue fines, wrote off \$1.5 million in outstanding debt from late fines and restored access for 17,500 library patrons that had been blocked due to the debt. The report recommended other ways to encourage people to return books that have proven effective—such as sending more reminder notices and allowing people to auto-renew books if no one is waiting for the book.
- Stopped suspending driver's licenses for Failure to Pay or Failure to Appear** Across California, courts suspended someone's driver's license when they didn't pay their traffic ticket, or they missed their traffic court date. Extensive [research](#) documents how this practice drives low-income people deeper into poverty, and disproportionately impacts people of color. Research shows 40% of people who lose their license lose their job. San Francisco was the first court to stop suspending driver's licenses when people missed a traffic court date or couldn't

afford to pay their ticket. In 2019, we worked with the courts to lift 88,000 outstanding holds on driver's licenses. When San Francisco stopped using driver's license suspensions as a penalty for nonpayment, there was concern that revenue would fall dramatically without that consequence as a collection tool. In fact, our [research](#) shows that while the number of citations, or filings, have decreased, the amount of revenue collected per filing has actually increased in the year since. The court now uses other, lighter touch more frequent methods of outreach to encourage people to pay their debt. They now send monthly statements, reminder notices, offer payment plans and provide discounts based on people's ability to pay.

- **Identify alternative strategies to prevent littering in local parks.** In 2017, in response to front-page news stories highlighting a popular local park that was left strewn with trash every weekend, a local public official proposed creating

a [\\$1,000 ticket to penalize littering](#). Immediately, many city employees, elected officials, and department heads, many of whom participated in the Fines and Fees Task Force, approached the elected official with concerns about the inequitable impacts of the potential fine. They asked if such an aggressive fine would advance the policy goals; if there were alternatives to monetary payment, or if it could be based on people's ability to pay; and whether the fine would be frequently assessed against low-income people and communities of color. Research shows extreme fines do not deter people from committing the offense. Other, more effective strategies have been developed that may better meet the policy goal, such as providing more trash cans throughout the park, and running [campaigns and PSAs](#) that successfully reduced littering by 88% in other similar scenarios. Ultimately, the official withdrew the proposal for the \$1,000 fine.

Solution #3: Offer accessible non-monetary alternatives

When we recommend: If the fine affects people with very low incomes, we may recommend nonmonetary pathways to accountability. For example, if someone is struggling with homelessness, can they receive social services to satisfy a fine?

Our example of offering accessible, non-monetary alternative to resolve a fine:

- **Allow people struggling with homelessness to clear their fines through receiving social services.** Individuals struggling with homelessness can be ticketed for a variety of infractions that often stem from their lack of housing, such as sleeping on a sidewalk, camping in a park, or violating open container laws.

These tickets are \$190 and grow to nearly \$500 when left unpaid. For individuals struggling with homelessness, these tickets can be impossible to resolve. Through the Fines and Fees Task Force, we recommended issuing warnings, rather than citations, whenever possible. We also partnered with the District Attorney to Launch the CONNECT Program. Through the [Connect Program](#), individuals can clear their tickets related to homelessness by receiving 20 hours of help from a social service provider of their choice. This program allows people struggling with homelessness to focus their attention on getting the help and services they need, rather than appearing at court hearings and paying off a fine they cannot afford.

IV. The Financial Justice Project's Accomplishments to Date

The accomplishments we list below are not ours alone. We achieved them through working in partnership with community groups, legal service providers, and the leadership of government departments and the courts.



Eliminated administrative fees charged to people exiting jail and the criminal justice system.

The context: People exiting jail or the criminal justice system are often charged thousands of dollars in administrative fees and surcharges that aim to cover costs. In San Francisco people could be charged a \$50 monthly probation fee (usually \$1,800 upfront for a three-year term), \$35 a day to rent their ankle monitor, \$135 to get booked into jail, as well as fees to pay for investigations, reports, and other tests. These fees are charged to very low-income people who cannot afford to pay them, disproportionately are charged to people of color, create barriers to re-entry, and are a counterproductive, anemic source of revenue. The collection rate on the largest fee, the monthly probation fee, was just nine percent.

The reform: In July of 2018, San Francisco became the first county in the nation to eliminate all locally controlled fees assessed from people exiting jail or the criminal justice system. The [ordinance](#), authored by then Board of Supervisors President London Breed (now Mayor of San Francisco) was passed unanimously by the Board of Supervisors, and had the support of

San Francisco's District Attorney, Public Defender, Sheriff, and Chief of Adult Probation. After the ordinance passed, the city worked with the courts to waive \$32.7 million in debt stemming from these fees that was owed by approximately 21,000 individuals.

Resources:

- [Criminal Justice Administrative Fees: High Pain for People, Low Gain of Government](#). This report, co-authored by our Office and the Public Defender's Office, details the rationale for reform.
- The [ordinance](#) passed by the San Francisco Board of Supervisors
- Sample media coverage: [The New York Times](#), [The San Francisco Chronicle](#), [NPR's KQED](#), [The San Francisco Examiner](#), the [Washington Post](#), and op-eds The Financial Justice Project authored in [The Los Angeles Times](#) and [The Sacramento Bee](#).



Reduced city's steep tow and boot fines for lower-income San Franciscans.

The context: San Francisco's towing fines are the highest in the country, averaging \$557. Ten percent of cars were never retrieved, presumably because people could not afford to get them out. Getting towed can be devastating for people with lower incomes, who sometimes must decide between paying their rent or paying to get their car back.

The reform: San Francisco Municipal Transit Authority voted unanimously in June 2018 to deeply discount tow and boot fines for San Franciscans who earn below 200% of the Federal Poverty Line (about \$50,000 for a family of four)—covering about 25% of households in San Francisco. With the new reform, the boot removal fine was discounted from \$500 to \$100, and the tow fee was discounted from over \$550 to \$220—the hard cost of the tow or the amount the city pays the tow company. The reform also allowed eligible individuals to pay off any underlying tickets on payment plan over time, or through community service.

In 2020, the SFMTA voted to further reduce towing and boot fees. They created:

- A new, \$0 tow and boot removal fee for people

experiencing homelessness

- A reduced boot removal fee of \$75 for people below 200% of the federal poverty level (down from the standard boot fee of \$525)
- A reduced tow fee of \$100 for people below 200% of the federal poverty level (down from the standard tow fee of \$574).

Resources:

- SFMTA 2018 [resolution](#) amending transportation code to enact low-income fee discounts
- Financial Justice Project [newsletter](#) announcing the reform
- SFMTA Tow [Fee Discount](#)
- SFMTA [Boot Removal Fee Discount](#)
- Sample media coverage: [The San Francisco Examiner](#), [The San Francisco Chronicle](#)
- SFMTA 2020 [Budget Resolution](#) and [presentation](#) reducing towing and boot fees



Expanded access to free transit for people experiencing homelessness.

The context: The community organizations we work with shared that many of their clients either do not take the bus, or ride without paying, because they cannot pay even the discounted monthly fare of \$40, which in some cases represents more than a third of their monthly income. For example, for a low-income person who is struggling with homelessness and receives general assistance, they would need to spend half of their monthly benefit of \$90 to purchase a \$40 discounted bus pass. Numerous community organizations noted that their constituents who could not afford to pay were receiving fare evasion tickets, a \$105 citation. In San Francisco, over [50,000](#) fare evasion citations are handed out each year. After discussions with SFMTA staff, we conducted a survey of more than 20 nonprofits that serve people living in deep poverty to better understand the potential fiscal

impact of offering Muni passes to people living in deep poverty. We asked the nonprofits to estimate of the people they serve that live in deep poverty (less than \$16,000 a year in income), how many currently ride Muni without paying. 84% indicated that their clients often or always ride without paying, and 89% indicated that their clients sometimes do not take transit because they cannot afford the fare.

The reform: In April 2020, the SFMTA Board voted to create a new, free Muni pass for people struggling with homelessness. Anyone enrolled in the city's coordinated entry system would qualify for the free pass.

Resources:

- SFMTA 2020 [Budget Resolution](#)



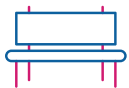
Ended and cleared all “poverty penalty” driver’s license suspensions for people who missed traffic court dates.

The context: Tens of thousands of local residents had their driver’s license suspended, not for a driving violation, but because they could not afford to pay traffic fines, or they missed a traffic court date. According to a [2015 report](#), “Driver’s License suspensions make it harder for people to get and keep jobs, further impeding their ability to pay their debt. They harm credit ratings. They raise public safety concerns. Ultimately, they keep people trapped in long cycles of poverty that are difficult, if not impossible to overcome.” The San Francisco Superior Court estimated that 88,000 residents had a suspended driver’s licenses because they failed to appear (FTA) in court to pay traffic citations. Court leadership and legal aid attorneys agree that people do not appear for their traffic court dates primarily because they cannot afford to pay their citations. According to several legal service providers on the SF Fines and Fees Task Force, people are often concerned that they will be sent to jail or someone would physically take their driver’s license away if they appeared in court. The San Francisco Courts recently adopted an official policy to stop this practice, because they believed suspending driver’s licenses placed an undue burden on low-income San Franciscans.

The reform: The Mayor’s Budget Office and The Financial Justice Project collaborated with the San Francisco Court to lift all outstanding driver’s license holds for missing a traffic court date. A broad array of legal aid and community organizations helped advance this reform. In April of 2020, The Financial Justice Project released “Driving Toward Justice”- the report finds that ending the use of license suspensions for failure to pay did not impact collections. In fact, collections per ticket filed went up in the years after the reform.

Resources:

- [Driving Toward Justice: How ending driver’s license suspensions for unpaid traffic tickets helps communities without impacting court collections](#)
- Financial Justice Project [newsletter](#) announcing the reform
- Sample media coverage: This reform was covered by the [San Francisco Chronicle](#), [KRON 4](#), [NBC Bay Area](#) and [Univision](#).



Allow people struggling with homelessness to clear “Quality of Life” citations by receiving social services.

The context: San Francisco Police gave over 15,000 citations for “Quality of Life” incidents in 2016. These citations are often for offenses like sleeping or camping where it is prohibited, blocking a sidewalk, loitering, or having an open container of alcohol. Most of the tickets start at \$200 and grow to nearly \$500 when people are unable to pay them on time. A [report](#) found that 90% of tickets go unpaid, not because people do not want to pay the fines, but because they are too poor to do so. Community organizations shared how the record of these citations created barriers to jobs and housing for people struggling with homelessness.

The reform: Through the Fines and Fees Task Force, our first recommendation was for SFPD to issue written warnings rather than citations when responding to Quality of Life infractions. For people that did receive the citations, we also wanted to create a clear and simple way to clear the citation

through receiving services. The CONNECTION To Services Program (The CONNECT Program) grew out of the District Attorney Office’s participation in the San Francisco Fines and Fees Task Force. The District Attorney’s Office collaborated with the Financial Justice Project, Lawyers’ Committee for Civil Rights, Legal Services for Children, the San Francisco Superior Court, and others to develop this program. Through [The CONNECT Program](#), people struggling with homelessness can now clear all outstanding quality of life citations if they receive 20 hours of social services help from a provider of their choice.

Resources:

- The CONNECT Program website: SFDistrictAttorney.org/Connect-Program
- Our recommendations are described on Page 15 of the [Fines and Fees Task Force Report](#)



Cut fees and created low-income payment plan to make it easier for low-income people to pay off parking tickets and other citations.

The context: The SFMTA, San Francisco's transportation agency, has long offered community service and payment plan options to pay off parking tickets and other citations. However, we heard through the Fines and Fees Task Force that these options were often inaccessible to low-income people. SFMTA charged an upfront \$62 fee to enroll in a payment plan, and a \$75-\$155 fee to enroll in community service, depending on the dollar value of the ticket. These fees, which were paid in addition to paying or working off the cost of the ticket, made these options inaccessible to low-income people.

The reform: In March 2018, SFMTA reformed their policies to make it easier for low-income people to pay off parking tickets and other citations. The payment plan enrollment fee was reduced to \$5 for people below 200% of the federal poverty level, and the community service enrollment fee is waived once per year. People who enroll in and successfully complete the low-income payment plan can also have all of their late fees waived, which double the price of the ticket.

In 2018, the State of California passed [AB503](#). The bill requires jurisdictions to offer payment plans and limits the enrollment fee to \$5 for indigent individuals and \$25 for all other individuals. San Francisco's reforms build on this legislation, expanding the criteria for who is considered indigent, and cutting additional fees. During the first three months of offering these discounts, people participating in payment plans increased 400%, and revenue increased compared to the same period the previous year.

Resources:

- SFMTA Board [Resolution](#)
- SMFTA Website: www.sfmta.com/paymentoptions.
- Financial Justice Project [newsletter](#) announcing the reforms
- Sample media coverage: [San Francisco Examiner](#)
- [California Assembly Bill 503](#)



Made it easier for lower-income people to pay traffic court fines and fees by basing them on people's ability to pay.

The context: California traffic tickets are among the [priciest](#) in the nation, often exceeding \$500, and many low-income residents struggle to pay them. A 2017 [study by the Federal Reserve](#) found that more than 40% of Americans could not cover a \$400 emergency expense without selling something or borrowing money. When someone can't afford to pay, a series of consequences set in. The debt can be referred to the Franchise Tax Board, wages can be garnished, tax returns intercepted, and bank accounts levied.

The reform: In late 2018, the San Francisco Superior Court adopted [advisory guidelines](#) to relieve the burden of traffic fines and fees on people who cannot pay them. Under the new guidelines, people with incomes below 250% of the Federal Poverty Level (approximately \$60,000 a year for a family of four) can get their citations discounted by 80% or more. People can also pay off the balance through a payment plan or by performing community service. We also worked closely with the courts to streamline the ways they verify incomes, to make the processes

easier for people to navigate and simpler for courts staff to administer. People are now allowed to show their benefits cards (SNAP, TANF, Medi-Cal) to verify eligibility. We also worked with the Courts to revise their Ability To Pay application [form](#). People can apply for the discount online, in person, or by mail, and can submit an application even if the citation is past due and in collections.

Resources:

- San Francisco Traffic Court website: www.sfsuperiorcourt.org/divisions/traffic/cant-afford-pay
- [Flyer](#) explaining ability to pay process
- Ability Pay [Online Form](#)
- Ability to Pay [Paper Form](#)
- Financial Justice Project [newsletter](#) announcing reform



Made phone calls from jails free and eliminated jail store price markups to reduce financial burden on individuals in county jails and their loved ones.

The context: Across the country, it's a common practice in jails and prisons to mark up prices for phone calls and jail store items. Phone call and jail store/commissary costs are a significant economic drain on low-income people. In San Francisco, if someone made two 15-minute phone calls a day, it would cost \$300 over 70 days (the average jail stay) or \$1,500 over the course of the year. In total, people in the San Francisco county jails and their families paid more than \$1.7 million each year in phone call costs and commissary markups. Research shows the cost is most often borne by low-income women of color. In a national [survey](#) of incarcerated people and their families, eighty-two percent of survey participants reported that family members were primarily responsible for phone and visitation costs. Of the family members who were responsible for the costs, 87% were women. Increased communication between incarcerated people and their loved ones decreases recidivism, and improves reentry outcomes after release. Phone calls are people's lifelines to their support networks. Staying in touch with family and support networks helps people get through their time in jail; maintain family ties that they will need when they get out; find work; and plan for a place to live.

The reform: In June 2019, San Francisco announced it would make all phone calls from jail free and end all county markups on jail store items. San Francisco will no longer generate revenue from incarcerated people and their loved ones. Items in the jail store decreased by an average of 43%. The Financial Justice Project worked with community-based organizations to conduct a survey of more than 700 people in the San Francisco jail to inform implementation of the free phone call policy.

Resources:

- [Press release](#) announcing reforms
- Financial Justice Project [newsletter](#) announcing reforms
- [Request for Proposals](#) for Incarcerated Person Communication Services issued by the San Francisco Sheriff's Department
- Sample media coverage: [SF Chronicle](#), NPR's [KOED News](#), the [Los Angeles Times](#) and [SF Weekly](#).



Eliminated overdue library fines and cleared \$1.5 million in outstanding debt from these fines.

The context: In 2019, The Financial Justice Project and the Library released a report titled "[Long Overdue: Eliminating Fines on Overdue Materials to Improve Access to San Francisco Public Library.](#)" Through interviews with librarians across the country, surveys of library staff and patrons, and analysis of library data, the report finds that overdue library fines restrict access and exacerbate inequality, create conflict between patrons and the library, and do not improve on-time return rates. Libraries nationwide are going fine-free, since fines keep low-income people out of libraries and disproportionately impact low-income people. Five percent of adult card holders of the San Francisco library had their library cards blocked because they owed late fines. Our findings suggest that patrons across the city – regardless of income – miss return deadlines at similar rates. However, patrons in low-income areas face much more difficulty in paying the fines and fees associated with overdue items. As a result, overdue fines can widen existing inequalities: 11.2 percent of cardholders in the Bayview branch (which has relatively high rate of poverty (23.5%), and the highest percentage of Black residents in San Francisco) are blocked from accessing library materials, more than three times as many as in high-income locations. Across the city, branches that serve lower-income

populations have a greater share of blocked patrons. Furthermore, late fines do not encourage patrons to return books. Better ways exist such as more frequent reminder notices and allowing people to autorenew books.

The reform: On January 17th, 2019 the San Francisco Public Library Commission voted to eliminate fines on overdue materials. The proposal was approved by the Board of Supervisors in June of 2019, and the library discharged more than \$1.5 million in outstanding debt from overdue fines, and restored access to more than 17,500 library patrons.

Resources:

- [Long Overdue: Eliminating Fines on Overdue Materials to Improve Access to San Francisco Public Library](#), the report we co-authored with the San Francisco Public Library.
- The reform was covered by the [San Francisco Examiner](#), [San Francisco Chronicle](#), [SF Weekly](#) and [The New York Times](#).
- The Financial Justice Project authored this op-ed in CalMatters: [Why California libraries are ditching fines on overdue materials](#)



Launched SF Museums For All to provide free access to San Francisco museums for low-income San Franciscans.

The context: San Francisco is home to some of the world's greatest cultural institutions—from the SFMOMA to the De Young to the Academy of Science. Many families in San Francisco, however, cannot afford the high entrance fees to visit these and other institutions, which can range from \$20 to \$150 for a family of four to visit.

The reform: In partnership with Mayor London Breed, the Financial Justice Project and the San Francisco Human Services Agency, the city launched [San Francisco Museums for All](#). During the summer of 2019, San Francisco residents who receive Cal Fresh (food stamps) and Medi-Cal received up to four free tickets to each museum when they present their benefits card. More than 200,000 people – nearly one in four San Franciscans– receive one of these means-

tested benefits. According to a survey of participating museums, 25,000 San Francisco residents used the program to visit local museums during the first summer. We also heard from museum leaders that the program helped them diversify their visitors. San Francisco Museums for All grows out of the national [Museums for All](#) initiative.

Resources:

- San Francisco Museums for All [website](#)
- Sample media coverage: [San Francisco Chronicle](#), [San Francisco Examiner](#), [NPR's KQED](#)
- Financial Justice Project [newsletter](#) announcing the program
- National [Museums for All](#) website



Developed a pilot program to relieve low-income parents of child support debt owed to government.

The context: Every year, hundreds of thousands of California families do not receive their full child support payments. That's because low-income families that receive public benefits only receive the first \$50 of their monthly child support payment. The rest is redirected to government to pay back the cost of public assistance, like Medi-Cal and CalWORKs. Last fiscal year, California redirected \$368 million in child support payments to the state, federal, and local governments. Furthermore, parents who miss a payment are charged ten percent interest, have their driver's license suspended, and their credit score is damaged, creating formidable barriers to employment and to obtaining housing. These punitive policies deprive low-income children of valuable resources, disproportionately harm children and families of color, and create conflict in families.

The reform: We collaborated with the San Francisco Department of Child Support Program to leverage a statewide debt forgiveness program using philanthropic dollars to pay down the debt parents owed to the government. Doing so ensured that all of the funds collected by child support can go directly

to the custodial parent, usually the mother, and child. Funding was secured for the pilot from the Walter and Elise Haas Fund and Tipping Point Communities. As a result of the pilot, parents' payments increased 15-30%, their relationships with their child and co-parent improved, and their financial, housing, and employment opportunities improved. The pilot was [evaluated by the Urban Institute](#).

Resources:

- Urban Institute [evaluation](#) of the pilot project
- Financial Justice Project [newsletter](#) announcing pilot results
- Sample media coverage: [National Public Radio's KOED of Northern California](#) and on [NPR's The Takeaway](#), [The New York Times](#), and the [Los Angeles Times](#).
- Report: [The Payback Problem: How Taking Parents' Child Support Payments to Pay Back the Cost of Public Assistance Harms California Low-Income Children & Families](#).



Eliminated San Francisco Public Utility Commission fees for people who have had their water shut off.

The context: Approximately three people a day have their water shutoff in San Francisco, often because they cannot pay their bills. Previously people would need to pay \$110 in fees to have their water turned back on— a \$55 fee for the water shutoff, and a \$55 fee for their water to be turned back on. These fees disproportionately impact low-income people and communities of color.

The reform: The San Francisco Public Utilities Commission voted unanimously to eliminate these fees. They have also worked to expand enrollment in the low-income discount program, and eliminated a variety of other high pain, low gain fees, such as return check fees.

Resources:

- Public Utilities Commission [resolution](#).



San Francisco ended the use of money bail

The context: The Financial Justice Project released a report entitled “[Do The Math: Money Bail Doesn’t Add Up for San Francisco](#)” in June 2017. In the report, we described how nonrefundable bail fees strip \$10-15 million per year from low-income neighborhoods and communities of color and offered recommendations for reform. These included Pretrial Diversion, funding for weekend rebooking through the District Attorney’s Office, and support for the Public Defender’s Bail Unit.

The reform: We worked with Supervisor Hillary Ronen to hold a hearing on the impact of money bail on women in San Francisco. Dozens of women came and testified about their experience with money bail. The report was cited by local and statewide media outlets, used by community advocates in litigation and calls for reform, and was cited by the California Chief Justice in

[calls for reform](#). In January of 2020, the San Francisco District Attorney ended the use of money bail in San Francisco, citing [research](#) from the Financial Justice Project as part of the rationale for reform.

Resources:

- Report: [Do The Math: Money Bail Doesn’t Add up for San Francisco](#)
- Sample media coverage: The report and hearing was covered by KQED’s [California Report](#), in the [San Francisco Chronicle](#), the [San Francisco Examiner](#), and [ABC7](#) news. The reform was covered by [The San Francisco Chronicle](#) and [The San Francisco Examiner](#).



Created an income verification database to make it easier and simpler for departments and the courts to discount fines and fees for people with lower incomes.

The context: We heard from many departments or court staff that were interested in offering discounted fees or fines for lower-income people but had concerns about the administrative burden of verifying people’s incomes. We also had concerns about asking people to bring extensive documentation for every program they applied to, since onerous application requirements often discourage participation.

The reform: To address these concerns, we work with departments to accept benefits cards as proof of eligibility. If a card is not available, departments can be trained to utilize a cloud-based lookup tool created by our Human Services Agency. HSA currently verifies the income of about 225,000 San Franciscans (25% of city residents) to determine eligibility for means-tested benefits such as Medi-Cal, CalFresh, and CalWORKs. To streamline the application process for both departments and for people, if the individual

applying for a low-income waiver or discount requests their income be verified automatically, the department can now look up whether an individual has already had their income verified by HSA. Through this new process, the individual does not need to submit additional proof of income to qualify for the fee reduction or discount, and the department can streamline their application process. The database does not indicate what HSA benefits the person is receiving or their exact income, but will only confirm the person’s eligibility. People need to sign a consent form to have their income looked up in the database, and there are stringent reporting and consent confirmation systems in place.

Resources:

- [Presentation on the income verification tool](#)



Advanced statewide reforms.

In partnership with community organizations across the state, the Financial Justice Project has worked to advance reforms at the state level that build on San Francisco reforms, and that would benefit city and county residents. These include:

- **Eliminating fees charged to people exiting the criminal justice system statewide.** The San Francisco Financial Justice Project sits on the steering committee of Debt Free Justice California, a coalition of more than 70 organizations pushing forward reforms to California's criminal legal system. The coalition is currently pushing forward The Families Over Fees Act, SB 144, which would eliminate fees charged to people exiting the criminal justice system. While San Francisco eliminated all locally authorized criminal justice fees in 2018, dozens of fees authorized by the state still remain, and create barriers for low-income residents reentering in San Francisco. The San Francisco Financial Justice Project is a sponsor of the legislation, which is authored by California State Senator Holly Mitchell (D-Los Angeles). The Financial Justice Project also sits on the steering committee for Senate Bill 555, which would reduce the price of phone calls from county jails across the state.

Resources:

- [Senate Bill 144](#), which would eliminate criminal justice administrative fees in California
- [The announcement of the launch of Debt Free Justice California](#)
- [California Is Considering Ending Criminal Court Fees and Wiping Out Billions in Debt](#) Mother Jones
- [I Served My Prison Times. Why Do I Still Have to Pay?](#) New York Times
- [Op-Ed: Counties rarely collect fees imposed on those formerly jailed. So why keep charging them?](#) Los Angeles Times

- **Reforming California's punitive child support policies that take resources away from low-income children.** Current California law requires that low-income families who receive public benefits only receive the first \$50 their monthly child support payment; the rest is redirected to pay back the cost of public benefits, like Medi-Cal and CalWORKs. Last year, California redirected \$368 million in child support payments away from children to repay the cost of public assistance. These statewide policies create a multitude of harms. In a state with one of the highest child poverty rates, these policies take valuable resources from low-income children and disproportionately harm children of color, as more than two-thirds of the children impacted by these policies are children of color. They create conflict in families as the custodial parent doesn't know how much the noncustodial parent is actually paying. And for non-custodial parents, they cause parents to quickly accrue debt which grows with ten percent interest. Low-income parents owe \$7 billion in government owed child support debt in California. Earlier this year, a coalition released a report called "[The Payback Problem](#)," which outlines the negative impact this system has on low-income parents and families. The Financial Justice Project is working with community groups across the state to advance statewide bills to end these punitive practices.

Resources:

- [The Payback Problem](#), a report outlining the impact of requiring low-income families to pay back the cost of public assistance through their child support payments.
- [California Senate Bill 337](#), a reform bill in California intended to increase the amount of child support payments passed through to children
- [Assembly Bill 1092](#), a reform bill in California intended to stop charging ten percent interest on public assistance payback debt.
- [Op-Ed: Why child support in California isn't going where it's needed most](#). Los Angeles Times.

- **Reducing the cost of jail phone calls and commissary for incarcerated people and their support networks. California State Senator Holly Mitchell introduced SB 555 to reduce the cost of jail phone calls and commissary in jails across the state.** Across California, it's a common practice in jails to mark up prices for phone calls and jail store items. Phone call and jail store/commissary costs are a significant economic drain on low-income people. Research shows the cost is most often borne by low-income women of color. In a national [survey](#) of incarcerated people and their families, eighty-two percent of survey participants reported that family members were primarily responsible for phone and visitation costs. Of the family members who were responsible for the costs, 87% were women. Increased communication between incarcerated people and their loved ones decreases recidivism, and improves reentry outcomes after release. Phone calls are people's lifelines to their support networks. Staying in touch with family and support networks helps people get through their time in jail; maintain family ties that they will need when they get out; find work; and plan for a place to live.

Resources:

- [California Senate Bill SB 555](#), a reform bill in California intended to reduce the price of phone calls from county jails.
- [When Jails Make Money Off of Phone Calls, Society Pays](#), Los Angeles Times



V. Top Ten Lessons from Advancing Fine and Fee Reforms

1. Relationships with government and court leaders and trust take time to build and are crucial to advance reforms

Over the past few years, we have brought together community advocates and city and county officials to discuss challenges and needed reforms. Throughout this process, we have realized that building trust and relationships with city and county departments is crucial to build toward effective reforms. Often, our recommendations require new ways of thinking, and can confront established practices and departmental cultures. Developing relationships with decision makers within city departments has been critical to establish credibility, to have honest conversations, and to keep the city policy goals top of mind while pursuing reforms.

The Financial Justice Project is often a facilitator between community group staff and government/court staff. Our primary responsibilities are to: 1) listen to the perspective of individuals and front line staff at community organizations and legal service providers about the impacts of fines, fees, and financial penalties; 2) work with departments and the courts to find solutions that are doable to implement and will make a difference for people who are struggling; and 3) bring staff from community groups and government departments and courts together to develop solutions, implement them, and refine them. We are also always in dialogue with researchers, advocates and government staff across the country to ensure our work is based on best practices.

In many cases, it helped to have the Financial Justice Project serve as a neutral facilitator in

these conversations, particularly in instances where departments and/or community groups had historically been at odds. By serving as a neutral, solutions-oriented facilitator, we were able to establish common goals, agreed upon by all parties from the beginning of the process.

2. It's critical to engage community organizations and local residents throughout every step of the process, from developing recommendations to implementing reforms.

Community groups and people impacted by fines and fees are important partners to develop and move forward reforms, and have deep expertise on what reforms would and would not work in the community. From identifying fines and fees that need reform, to identifying solutions that work in other jurisdictions, or that would work best for the community, impacted people and community groups should be engaged in every step of the process. We often partner with legal service providers, grassroots coalitions, organizations comprised of and serving formerly incarcerated people and people struggling with homelessness, and local anti-poverty nonprofits. They propose reforms, discuss potential implementation plans, and review draft promotional and application materials.

3. Fine and fee reforms do not necessarily lead to a loss in revenue.

Over the last three years, we have found that reforms to make fines and fees more equitable do not

necessarily result in a loss of revenue. In some cases, proportioning fines or fees to lower income people's ability to pay can lead to an increase in revenue. In other cases, steep fines and fees can be a "lose-lose," since they bring in little revenue, and elimination of these burdens makes more sense.

- **If you make it easier and cheaper to meet their fine obligations, people will often pay more regularly, sometimes resulting in increased revenue.** Reforms that make it easier and more doable for people to pay can spur them to pay fines or tickets more readily. For example, previously people had to pay \$62 to enroll in a payment plan to pay off parking or fare evasion citations. Under SFMTA's new low-income payment [plan](#), the enrollment fee is \$5, people have a longer timeframe to pay off the ticket, and people can now make payments online, in addition to paying in person. If people successfully complete the payment plan, they can have all late fees waived, which can reduce the debt by more than half. After the SFMTA lowered fees for payment plan enrollment, they saw a 400% increase in people starting payment plans. In the first three months of offering these payment plans, [SFMTA saw more than a 300% increase in revenue](#) over the same three months of the previous year.

[Behavioral economics](#) and consumer research confirm that the easier you make it for people to pay, the more likely it is that they'll pay. Research and collections best practices recommend sending timely reminders, providing clear messaging with the actions a person is required to take, and allowing a variety of ways to pay, including online and in person. There is also evidence that "right-sizing" fines and fees, basing them on people's ability to pay, and making the payment amounts realistic, can result in increased revenues. Beth Colgan, a professor at the University of California Los Angeles, examined several court systems that had piloted "[day fines](#)," where the penalties were proportioned to people's incomes and the offense. Several of these courts brought in more revenue when using this approach. "In short, graduation according to ability to pay can maintain and even improve revenue generation. The day-fines pilot projects suggest that for jurisdictions where ability to pay calculations result in a decrease in sanction

amounts, revenue benefits may be obtained even without improved collections services," wrote Colgan in the [Iowa Law Review](#).

- **We often found that fees are "high pain," creating hardships for low-income people but "low gain," resulting in very little revenue for the city our county.** For example, when we examined local criminal justice administrative fees, we found that the average collection rate over a six-year period was 17%, even with tools such as wage garnishment and bank account levies. In 2016, the collection rate for the largest local fee, the monthly probation fee, was only nine percent. More than half of the fees we eliminated did not have any revenue projected in the city's annual budget forecast. The amount of revenue they brought in was so minimal and unpredictable that departments did not track them.

Our local experience mirrors research from across the country. A recent [report](#) by the Vera Institute found that the City of New Orleans lost money in its efforts to force city residents to pay court fees or face jail time: the cost of jailing people who could not or would not pay far exceeded the revenue received. In Florida, clerk performance standards rely on the assumption that just [9 percent](#) of fees imposed in felony cases can be collected. In Alabama, collection rates of court fines and fees in the largest counties are about [25%](#). Both the [White House Council of Economic Advisors](#) and the [Conference of State Court Administrators](#) have found these Legal Financial Obligations are often an ineffective and inefficient means of raising revenue.

- **Sometimes the collections rates are so low for certain fees, primarily those charged almost exclusively to very low-income people, localities may spend more to collect these fees than they generate in revenue.** The University of California at Berkeley conducted research that showed that many counties spend more to collect fees in the juvenile justice system than the revenue that comes in. For many of the fees eliminated in the criminal justice fees legislation, the revenue collected each year was so low, it was not included in the county's budget. [In Alameda County](#), they found that to collect the county spent approximately \$1.6 million to collect

\$285,000 in adult fines, fees and restitution, resulting in a net loss of \$1.3 million. [Records](#) from LA County showed that in fiscal year 2017-18, the County spent \$3.9 million to collect \$3.4 million in probation fees, resulting in a loss of half a million dollars.

A recent [report](#) by the Brennan Center for Justice reviewed fine and fee collections practices. The study examined 10 counties across Texas, Florida, and New Mexico, as well as statewide data for those three states. The counties vary in their geographic, economic, political, and ethnic profiles, as well as in their practices for collecting and enforcing fees and fines. The report finds that fees and fines are an inefficient source of government revenue.

“The Texas and New Mexico counties studied here effectively spend more than 41 cents of every dollar of revenue they raise from fees and fines on in-court hearings and jail costs alone. That’s 121 times what the Internal Revenue Service spends to collect taxes and many times what the states themselves spend to collect taxes. One New Mexico County spends at least \$1.17 to collect every dollar of revenue it raises through fees and fines, meaning that it loses money through this system.”

4. Extreme penalties for nonpayment can push low-income people deeper into poverty and are often counterproductive collections tools

Sometimes our penalties for nonpayment were extreme and counterproductive to public policy goals. For example, thousands of San Franciscans, and 4 million Californian adults, had their driver’s license suspended for failing to pay traffic fines and fees, making it very hard for people to work and support themselves, let alone pay their fines and fees. A New Jersey [study](#) found that forty-two percent of people lost their jobs after their licenses were suspended. Nearly half of these people couldn’t find new jobs. Nine in ten experienced income loss. One [study](#) found that for mothers with young children on welfare and in subsidized child care, having a driver’s license was more important for finding steady work than a high school diploma. One social service provider we spoke with said that driver’s license suspensions were

among their clients’ largest barriers to employment, and one of the main reasons they were receiving public benefits. In San Francisco, city and county departments were funding nonprofit organizations each year to help people get their licenses back and eliminate this barrier to employment.

Research on revenue collections in the years since the San Francisco Superior Court and the state of California stopped suspending driver’s licenses for failure to pay shows there has been no significant impact. Our [analysis](#) of collections from the San Francisco Superior Court show no negative impacts on delinquent debt collection rates after eliminating driver’s license holds for Failure to Pay. While the number of tickets filed has decreased over the last several years, delinquent revenue collected per filing has increased, indicating that license suspensions were not needed to coerce payments on delinquent debt. As stated by the national [“Driven by Justice”](#) campaign, “no amount of coercion can extract money from people who do not have it to give.”

5. Government leaders are sometimes unaware of the downstream impacts of their fines, fees, and financial penalties.

In many of our conversations with department or court staff, they were unaware of downstream cascade of consequences for nonpayment. In almost every case, they were not the staff who created the fine, fee, or corresponding penalties (late fees, driver’s license suspensions, etc.). The rules underlying the fine or fee and its collection were sometimes driven by state policy, not local policy. Other times, the collection of fines and fees was outsourced to a collection agency, or managed by a department’s finance team, and challenges remained unknown to department leadership. Department staff were sometimes unaware that their fines and fees, if unpaid, could create further barriers for people through late fees, driver’s license suspensions, lowered credit scores, or could hinder access to housing or employment. Sometimes simply providing officials with findings on these fines and fees, their impacts on people, and alternative solutions, was enough to begin the process of reform.

6. Interest is high, but some City and County department staff are concerned about the potential loss of revenue from reforms to fines or fees, and lack capacity to develop and enact effective reforms.

All City, County, and Court staff we interviewed expressed an openness to reforms, often saw the need for them, and sometimes believe that fines and fees inhibit their abilities to pursue their missions. That said, department staff were often concerned about eliminating potential sources of revenue, at a time when San Francisco and other local governments are calling on departments to make cuts. These realities spurred further conversations about how we balance our need for revenue with our commitment to equity and inclusion for everyone in San Francisco, including lower-income San Franciscans. Often times when we made reforms, departments sought other funds to cover expenses, if there was an anticipated revenue loss.

We also learned that departments and the courts often don't have the capacity or resources to implement reforms. We learned early on that we couldn't just develop recommendations in partnership with courts or departments and then walk away. Department and court staff often did not have the resources or time to develop the new forms, systems, web language, and tools needed to implement reforms. Most departments and the courts, we found, are stretched thin. We regularly bring together working groups of community advocates to meet with various stakeholders, on a monthly or bimonthly basis, including the courts, the SFMTA and the District Attorney, and other departments. In many cases, we jointly develop and draft promotional materials, forms, policies, procedures, etc. Our goal is to make it easier for departments to implement reforms, and to ensure the systems and tools are accessible for low-income people.

7. Better data is sorely needed on fines and fees but is often hard to access or does not exist.

The Financial Justice Project reaches out to the departments that are most likely to have fines and fees that disproportionately impact low-income San

Franciscans and people of color. We ask questions to better understand how many people get a certain fine, fee or ticket; how much money from the fine or fee is collected, outstanding, and delinquent; their cost of collections; and what penalties or alternatives to payment exist. The data can be very hard to get from many departments, often because they have antiquated systems or lack staff to respond to requests like these. Through embedding a fine and fee review as part of the annual budget process, in partnership with the Mayor's Budget Office, we gained access to more comprehensive data. Better data on our practices has helped us better understand problems and craft the most effective solutions.

8. An analysis of San Francisco's fines, fees, tickets and financial penalties should be conducted on a regular basis through the City and County budget process.

We piloted a fine and fee inventory and review two years ago and are conducting another one this year in partnership with the Mayor's Budget Office, which we describe earlier in the report. Building on this process, we plan to propose a Fine and Fee Equity Test that could be a required component of a Department's budget submission on a biannual basis. It would provide the Board of Supervisors and the public with a tool to evaluate revenue collection mechanisms that may undermine larger policy goals of equity and fairness. The test would evaluate fees and fines, their potential for disparate negative impact on low-income communities, and/or communities of color, and present alternative solutions. The report would note any fee or fine where 1) collection and enforcement appears to have a disparate impact on low-income communities or communities of color; 2) revenue collected does not justify the cost of collection and enforcement; or 3) delinquent revenue is greater than or equal to revenue collected.

9. Pursuing a fine and fee reform agenda can be well received by the broader community, rather than result in ill will or negative attention.

When we started the Financial Justice Project, we heard from some city officials that we were going to

“make our city look bad” by uncovering fine and fee pain points and pursuing solutions. We have found the opposite to be true. We have by no means solved every problem. Far from it. But by working in a transparent and honest way with community stakeholders to address these problems, we have advanced reforms that have made a difference and been well received throughout San Francisco and in the media.

10. Local reforms can spur reforms in other counties and at the state level, which can lead to reforms across the country.

San Francisco has a history of initiating fines and fees reforms that can help spur changes in other counties, and at the state level too. For example, San Francisco was the first county to not charge fees to parents whose children were incarcerated in juvenile hall. Since then, several other counties have followed suit. And a bill, [SB 190](#), was signed by Governor Brown in 2017 to eliminate these fees statewide. There is now legislation pending in several other states to eliminate fees in the juvenile justice system. Similarly, the San Francisco Superior Court was the first to stop suspending driver’s licenses when people were unable to pay traffic court fines. Other counties have since followed suit. Governor Jerry Brown ended this practice statewide in 2017. Similar legislation is advancing in states across the country. More recently, other counties are pursuing elimination of criminal justice administrative fees, similar to our work in San Francisco. Alameda passed legislation eliminating probation fees and public defender fees in 2018, and eliminated more than \$43 million in debt stemming from these fees. Contra Costa placed a moratorium on their criminal justice administrative fees in 2019. In 2020, Los Angeles County eliminated its local criminal justice fees. The Financial Justice Project is on the Steering Committee of [Debt Free Justice California](#), a coalition of community group and government officials who are working to advance The Families Over Fees Act ([SB 144](#)–Mitchell) to eliminate these fees across California. We also serve on the steering committee for [SB 555](#), a bill which would significantly reduce the price of phone calls in California jails, after San Francisco made phone calls free from the county jail.

VI. Recommendations for Other Localities

1. Engage key stakeholders

Engage community organizations early and often.

Community groups and people impacted by fines and fees are important partners and to develop and move forward reforms, and have deep expertise on what reforms would be successful in the community. These community groups can be partners not just in identifying the pain points, but in crafting solutions and developing implementation processes. We often partner with legal service providers, organizations comprised of and serving formerly incarcerated people and people struggling with homelessness, and local anti-poverty nonprofits. They propose reforms, discuss potential solutions, review draft application and promotional materials, and help brainstorm how to make the discounts more accessible, streamlined, and meaningful. If you do not know which local groups to reach out to, contact the [Fines and Fees Justice Center](#) or [PolicyLink](#).

Build relationships with government and court stakeholders.

We began working with key government stakeholders early, inviting them to sit on the Fines and Fees Task Force, holding one-on-one discussions through the Task Force and after, and sharing resources, research and learnings as we gathered more information. Building these relationships, and the necessary trust, took time. We have approached these

conversations with research, potential solutions, and ready to engage in dialogue about reforms. We often facilitate conversations between community-based organizations and departments to identify potential solutions. When we bring community group or legal service staff to meet with departments, we try to work with community groups to do some advance work, to get data on the problem, to suggest solutions, to examine best practices that have been enacted elsewhere. We have found this collaborative problem-solving approach to be effective.

Partnering with our county's budget leaders has been particularly important. Through our partnership with the Mayor's Budget Office, we have been able to access a wider array of data through our fine and fee review, discuss potential fiscal implications, and identify more fair and sustainable revenue sources when needed.

Through building relationships with government stakeholders, we have worked with departments to proactively identify and resolve potential issues, and implement reforms more effectively. Ultimately, these relationships have resulted not only in better solutions, but at times has also led to department leaders taking a wider look at their department, and identifying additional potential reforms.

2. Assess and understand the fines and fees in your jurisdiction

Be clear about your overall goals and guiding principles.

Our goals are to assess and reform fines, fees, and financial penalties that have a disproportionate impact on people with lower incomes or people of color. We believe that:

- People should be held accountable for their actions but should not be put into financial distress.
- Government fines, fees and penalties should not penalize poverty, push low-income people deeper into poverty, or extract wealth from communities of color that have been historically shut out of opportunities to build wealth.
- If fees are charged almost exclusively to lower-income people or people of color, such as criminal justice fees, they should be eliminated. We need to find more fair and just ways to fund government services.
- There are often more fair and sustainable ways to meet the intended policy goal, such as better designed reminder notices, behaviorally designed systems,
- We believe that we can chart a better course for people and for government when fines and fees equitable, and are within people's ability to pay them.

These are some of our goals in San Francisco; the goals you develop in your own community may differ.

Assess the fine and fee pain points in your own community.

Every community is different. There are two important ways to conduct this assessment:

- Start by reaching out to community groups and legal service providers to hear what they are seeing with their clients and constituents' experiences with fines and fees. The fines and fees they highlight provide important information about which fines, fees and penalties are causing the most pain, and most in need of reform.
- Work with your county or city to conduct a fine

and fee inventory and review to better understand the fiscal impacts of your community's fines, fees and financial penalties. See page 16 of this report to learn more about the fine and fee review. There may be opportunities embed this review in your jurisdiction's annual budget process.

Understand the difference between fines and fees.

Governments have long levied fines and fees — to recoup costs and to change behavior. In many cases, the difference between fines and fees is not well understood. The goal of fees is to cover costs. Fees are not meant to be punitive or change behavior. Examples include administrative fees charged to people exiting jail (to pay for probation supervision costs, for example). Fines, however, are meant to be punitive. Examples include parking tickets or traffic tickets. The goal of fines is to discourage people from certain actions and change behavior. When we were exploring eliminating criminal justice administrative fees, such as monthly probation fees or rental fees for ankle electronic monitors, people often worried that we were getting rid of consequences. The job of a fee is simply to cover costs, they are not meant to be punitive. People paying criminal justice fees have always paid other consequences, such as paying fines or serving time in jail. We were getting rid of fees that were assessed almost exclusively on very low-income people who could not afford to pay them. So the fees failed at their main job—to cover costs of our criminal justice system.

Understand what government entity has authority over various fines and fees.

This is often complicated terrain. Sometimes the courts have jurisdiction, other times the county, city or state does. Sometimes it's a mix. In our experience, even department staff often misunderstand who has authority to do what. The table below is illustrative for San Francisco, but it is by no means exhaustive. In San Francisco, we have accomplished many reforms in partnership with the county, the court or the state.

CITY	COUNTY	COURT	STATE
<ul style="list-style-type: none"> • Parking tickets, towing and booting fines and fees, fare evasion tickets on municipal transit • Fees for various city services (e.g. garbage, etc.) or attractions • Library fines and fees • Water and sewage fines and fees • “Quality of Life” citations and municipal infractions 	<ul style="list-style-type: none"> • Juvenile justice system fees • County jail phone call prices and jail commissary store items • Local administrative fees charged to people exiting the criminal justice system • County-level bail schedules and fees 	<ul style="list-style-type: none"> • Traffic fines and tickets • Driver’s license suspensions for Failure to Pay (FTP) and (FTA) • Collections of various criminal justice & administrative fines and fees 	<ul style="list-style-type: none"> • Statewide traffic fines, fees, and surcharges • Statewide administrative fees, fines and surcharges charged to people exiting the criminal justice system • Money bail • Child support debt owed to government • State prison phone calls and commissary store items

** State and local policies may vary. The table above is illustrative, and local jurisdictions interested in pursuing a fine or fee reform in their jurisdiction should look into local and state policy.

3. Develop a reform agenda

Earlier in this paper we described the questions we ask ourselves if a fine or fee is called out as disproportionately impacting lower-income people. We ask ourselves who is charged the fine or fee—is it almost exclusively charged to low-income people or people of color (e.g., criminal justice fees) or do people across the income spectrum receive it (e.g., traffic fines)? We think about the goals of the fee (recouping

costs) or fines (to punish or change behavior). We then recommend solutions that range from: 1) basing the fine or fee on ability to pay; 2) eliminating the fee or penalty if it is particularly onerous and creates barriers to employment or housing; or 3) providing very low-income or people struggling with homelessness with nonmonetary pathways to accountability.

4. After a reform has passed or been approved, focus on smart and effective implementation.

Don't just make recommendations for reform and walk away from department and court partners. Make it easy for departments and the courts to implement reforms, and easy for low-income people to access these discounts.

Our work was not done when we put out recommendations from our Task Force. In many ways, the work was just starting. We have stayed at the table with our government and court partners to do the hard work of changing systems, forms, procedures, etc. Community group and legal services staff have stayed at the table as well. Working with departments to implement these reforms make them more feasible, permanent and accessible.

In our conversations through the Fines and Fees Task Force, we found many departments and the courts were open to offering discounts to lower-income people or to basing fines or fees on ability to pay, but they were concerned about the implementation process. They wanted to ensure the discounts were not applied subjectively, and that there was a simple process their staff could use to verify eligibility, that was not administratively burdensome. We approached this process in two ways. First, we created a "guide" to the benefits cards low-income people receive when they receive a means-tested benefit, such as a Medi-Cal Card or CalFresh (SNAP). When someone presents one of these cards, departments and the courts will know this person's income has already been verified, and they can automatically qualify for

the discount. We also worked with our local Human Service Agency to create a cloud-based lookup tool (described under accomplishments to date page 28), which allows individuals to sign a consent form for departments to look up whether people have already been verified as eligible by the HSA.

As we enact reforms, we also want to make sure they are clearly communicated and marketed. We think through questions like: Can we automate this process? If not, how will people find out they may be eligible for this discount? How will they need to prove their eligibility? How can we make this process as easy as possible, for the individual and the government/court staff? Do people need to come to a government office/court in person to access these reforms? Or can we make it easier for them to access them online, over the phone, or at the office of a legal service provider/social service organization? Thinking through questions like these, with staff from community organizations and impacted people, helps us craft and implement more effective and accessible solutions.

As a result, in partnership with community groups, we work with city and county departments to create flyers, web language, posters, etc., and to ensure information is available on the ticket itself, when applicable. We also work with community groups and impacted people to make sure the language on the forms, flyers, and website is clear and concise.

VII. What's next for the Financial Justice Project?

The Financial Justice Project continues to work with community organizations, advocates, and people impacted by fines and fees to identify fines and fees in need of reform, and to work with government partners to find doable solutions. While we have achieved major accomplishments, there is still much work to be done.

We also continue to work with our government and community partners to create long-term strategies to address the disproportionate impact of fines and fees. We hope to work with these partners to build a systemic approach to assess and reform fines and fees. Our goal is not to take a “whack-a-mole” approach to excessive fines and fees. We see this taking shape in four main ways:

- **Continue our work to assess and reform local fines and fees.** Local community groups and residents continue to approach us and call out fines and fees that they believe has a disproportionate adverse impact on low income people and people of color. We will continue to listen to community groups and work with departments and the courts to advance reforms.
- **Permanently embed and communicate reforms.** As we work with community groups and government partners to make changes to their fine and fee processes, we ensure we continue working with them to implement the reforms. Whether assisting in drafting forms, web language, gathering community feedback on accessibility, or helping promote the new alternatives, we work with departments to ensure the reforms will be well-received and used, and that approaches, and policies are refined as challenges arise. We continue to work with departments and community groups to ensure

the reforms are working, and to address issues as they arise.

- **Find more just and sustainable sources of revenue.** For many government entities, fines, fees and financial penalties are often the easiest and quickest solutions used to address a problem, whether to generate revenue to cover costs, or to dissuade or change behavior, such as littering. Research shows fines and fees not only disproportionately impact low-income people and communities of color; they are also not always the most effective solution to the problem or challenge. Public campaigns, better noticing, and approaches informed by behavioral economics have been found in many cases to be more effective than fines. And governments must find a way to cover expenses that doesn't come on the backs of low-income people who cannot afford to pay.
- **Spread reforms to other counties and states.** Sparked by local advocates and increasing awareness, cities, counties, and jurisdictions across the nation have begun work to assess and reform their local fines and fees. The Financial Justice Project has spoken directly with more than three dozen cities across the nation about the reform process, and plans to work closely with cities bringing forward similar efforts in the coming years. In 2019, The San Francisco Financial Justice Project launched [Cities and Counties For Fine and Fee Justice](#), in partnership with PolicyLink and Fines and Fees Justice Center. The Financial Justice Project is also working with statewide coalitions to advance reforms across California.

In light of the COVID-19 health and economic crisis, we believe this work is more important than ever.

These are challenging times for all San Franciscans, and doubly so for people living paycheck to paycheck and at the hardest edges of our economy. Forty-six percent of families in San Francisco are [economically insecure](#), according to the Urban Institute, meaning that they have less than \$2,000 in savings. We know that the layoffs, wage cuts, and health issues stemming from the pandemic will hit families that were already struggling hardest, and people's financial reserves are now more depleted. In response to the COVID-19 health crisis, many San Francisco departments are [acting](#) to alleviate the impact of fines, fees, and collections on low-income residents hardest hit by this crisis. Departments are taking these steps to stem the harms of the public health and economic crisis and ensure that fines and fees are not an additional barrier to people's basic needs throughout this emergency. In a crisis like this, these reforms are more important than ever.

We also know that in the last economic crisis, many cities and counties turned to fines and fees to try and balance their budgets, further harming residents who were already struggling. There is no doubt that the City and County of San Francisco will face budget deficits. But so will families across our city, and none more than low-income people and communities of color. From our three years of experience advancing reforms through the Financial Justice Project, we know now more than ever that balancing government budgets on the backs of low-income residents of color is inequitable, unfair, and ultimately ineffective.



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Community Partners and Advocates

- ACLU of Northern California
- All of Us or None
- Bay Area Legal Aid
- Coalition on Homelessness
- Community Housing Partnership
- East Bay Community Law Center
- Ella Baker Center
- Fines and Fees Justice Center
- Glide
- Insight Center for Community and Economic Development

Government Partners

- San Francisco Adult Probation Department
- San Francisco Department of Child Support Services
- San Francisco District Attorney's Office
- San Francisco Department of Homelessness and Supportive Housing
- San Francisco Human Rights Commission
- San Francisco Human Services Agency
- San Francisco Mayor's Budget Office

Philanthropic Support

- Arnold Ventures
- CrankStart Foundation
- The San Francisco Foundation
- The Walter and Elise Haas Fund
- Tipping Point Community
- Lawyers' Committee for Human Rights
- Legal Services for Children
- Legal Services for Prisoners with Children
- PolicyLink
- Taxpayers for Public Safety
- University of California at Berkeley Policy Advocacy Clinic
- Western Center on Law & Policy
- Worth Rises
- Young Community Developers
- Young Women's Freedom Center

- San Francisco Mayor's Office
- San Francisco Municipal Transportation Agency
- San Francisco Office of Economic and Workforce Development
- San Francisco Public Defender's Office
- San Francisco Public Utilities Commission
- San Francisco Public Library
- San Francisco Sheriff's Department
- San Francisco Superior Court

Appendix:

Publications and Sample Media Coverage

Financial Justice Project Issue Briefs:

- [The Payback Problem: How Taking Parents' Child Support Payments to Pay Back the Cost of Public Assistance Harms California Low-Income Children & Families](#)
- [Long Overdue: Eliminating Fines on Overdue materials to Improve Access to San Francisco Public Library](#)
- [Criminal Justice Fees: High Pain for People, Low Gain for Government](#)
- [San Francisco Fines and Fees Task Force Report: Initial Findings and Recommendations](#)
- [Do the Math: Money Bail Doesn't Add Up for San Francisco](#)
- [Driving Toward Justice: How ending driver's license suspensions for unpaid traffic tickets helps communities without impacting court collections](#)

Financial Justice Project op-eds:

- [When jails make money off phone calls, society pays.](#) Los Angeles Times
- [Charging ex-offenders 'administrative fees' means big pain for the poor and little gain for counties](#) Los Angeles Times
- [Why child support in California isn't going where it's needed most](#) Los Angeles Times
- [San Francisco just got rid of unfair criminal justice fees. Other counties should do the same.](#) Sacramento Bee
- [Californians on Parole Deserve to Vote.](#) Sacramento Bee
- [San Francisco Has Become A Predatory Government.](#) The San Francisco Chronicle.
- [These people have been barred from voting today because they're in debt.](#) The Washington Post
- [Why California libraries are ditching fines on overdue materials](#) CALmatters
- [Counties rarely collect fees imposed on those formerly jailed. So why keep charging them?](#) Los Angeles Times

Sample of Media Coverage of The Financial Justice Project:

- [Cutting the Poor a Break, San Francisco pioneers a program to reduce the fees and fines that keep people from succeeding](#) The Progressive
- [Driver License Suspensions to Collect Traffic Citations Create Poverty Trap](#) Nonprofit Quarterly
- [More Libraries Are Doing Away With Overdue Fines](#) The New York Times
- [Advocate editor selected for criminal justice fellowship](#) The Advocate-Messenger
- [CityLab DC Rallies Global Mayors, Musicians, Artists, and Business Leaders October 27-29 To ...](#) The Atlantic
- [Contra Costa to stop collecting court fees from people getting out of jail or on probation](#) East Bay Time
- [Got Unpaid Parking Tickets? St. Louis To Offer Payment Plans Next Year](#) St. Louis Public Radio 12/20/2019
- [The Free Library Just Decided to Ditch Late Fees for Good](#) Philadelphia Magazine 12/11/2019
- [Saturday's Editorial: Should library fines be dropped?](#) The Florida Times-Union: 10/19/2019
- [Fines for Overdue Library Books Could Become a Thing of the Past in Philly](#) Philadelphia Magazine 10/8/2019
- [Why some libraries are getting rid of late fees](#) MNN 10/4/2019
- [Contra Costa County won't collect court fees from people getting out of jail or on probation](#) KTVU Fox 2:

09/18/2019

- [Contra Costa to stop collecting court fees from people getting out of jail or on probation](#) East Bay Times: 09/17/2019
- [San Francisco Public Library Eliminates Overdue Fines](#): NBC Bay Area: 09/16/2019
- [Child Support vs. Deadbeat States](#) New York Times: 09/10/2019
- [It's Not Really Going to Support my Children': The Fight to Keep Child Support in the Family."](#) The Nation's the Takeaway. August 27, 2019
- [For Low-Income Parents, Most Child Support Goes to the State – Not the Kids](#) KQED: 08/20/2019
- [Local libraries join national trend of eliminating late fees](#) Idaho Press: 07/30/2019
- [S.F. Eliminates Overdue Library Fees](#) San Francisco Weekly: 07/23/2019
- [San Francisco Financial Justice Project Enacts Landmark Reforms](#) Spotlight On Poverty & Opportunity: 07/17/2019
- [Poverty and Financial Justice in San Francisco](#) San Francisco City Insider, Podcast: 06/24/2019
- [SF to make phone calls from jail free, eliminate markups on items sold in jail](#) The Daily Californian: 06/24/2019
- [California Is Considering Ending Criminal Court Fees and Wiping Out Billions in Debt](#) Mother Jones: 06/17/2019
- [S.F.'s Jail Will Soon Be More Affordable for Its Inmates, Their Families](#) San Francisco Weekly: 06/12/2019
- [San Francisco Mayor London Breed to Eliminate Jail Phone Call Fees](#) KQED: 06/12/2019
- [Why San Francisco Wants to Stop Charging Inmates for Phone Calls](#) KQED: 06/12/2019
- [S.F.'s Jail Will Soon Be More Affordable for Its Inmates, Their Families](#) San Francisco Weekly: 06/12/2019
- [SF to allow free calls for inmates, no markups on products sold in jail](#) San Francisco Chronicle: 06/12/2019
- [SF plans to make jail calls free for inmates](#) San Francisco Examiner: 06/12/2019
- [Free Summer Museum Admission for Benefit Holders](#) San Francisco News: 06/05/2019
- [Are library late fees on the verge of extinction?](#) Mercury News: 05/31/2019
- [Free museum admission for more than 200,000 SF residents this summer under new city program](#) Datebook: 05/22/2019
- [I Served My Prison Time. Why Do I Still Have to Pay?](#) New York Times: 04/30/2019
- [San Francisco works to reinstate suspended driver's licenses](#) Kron 4: 04/16/2019
- [San Francisco Lifts Driver's License Suspension for 88,000](#) NBC Bay Area: 04/16/2019
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- [San Francisco, first in the nation, clears all 88,000 driver's license holds, a poverty plague](#) San Francisco Bay View: 04/16/2019
- [Library set to write off more than \\$1.5 million in overdue fines](#) San Francisco Examiner: 03/25/2019
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- [Library May Eliminate Overdue Fees to Live up to 'Free and Equal Access':](#) SF Weekly: 01/15/2019
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- [What San Francisco's Reform of Fees and Fines Can Teach Chicago](#) WBEZ Chicago: 11/08/2018
- [A financial justice victory that is spreading: San Francisco's elimination of high pain/low gain criminal justice fees](#) Government Alliance on Race & Equity: 10/24/2018
- [When Cities Rely on Fines and Fees, Everybody Loses](#) Governing Magazine: 08/28/2018
- [The High Cost of Being Poor: Financial Justice for All](#) Walter and Elise Haas Blog: 08/24/2018
- [S.F. Superior Court Forgives More Than \\$32 Million in Unpaid Court Fees](#) KQED: 08/23/2018
- [Criminal justice system fees for 21,000 waived](#) San Francisco Chronicle: 08/23/2018
- [S.F. Scrubs \\$32 Million in Criminal Justice Fees](#) SF Weekly: 08/23/2018
- [Charging ex-offenders 'administrative fees' means big pain for the poor and little gain for counties](#) LA Times by Anne Stuhldreher: 07/09/2018
- [San Francisco's justice system gets a little more just](#) Washington Post: 06/13/2018
- [Los Angeles County Can Do Better by Its African American and Latinx Populations](#) Insight Center, Op-Ed: 06/07/2018
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- [San Francisco Looks to End Certain Court Fees](#) US News: 05/23/2018
- [SF Supes eliminate local fees that many people exiting jail were made to pay](#) San Francisco Chronicle: 05/22/2018
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