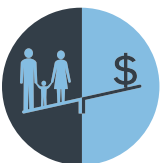


SAN FRANCISCO FINES & FEES TASK FORCE:

Initial Findings and Recommendations



THE FINANCIAL
JUSTICE PROJECT
SAN FRANCISCO

OFFICE OF THE TREASURER & TAX COLLECTOR
CITY AND COUNTY OF SAN FRANCISCO

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I. OVERVIEW

Across the country, a growing number of government programs levy fines and fees from their residents, partly to generate revenue to balance public budgets. There is often an insidious unintended impact of this practice---to push people into poverty. These fines and fees can knock people down so hard they can't get back up. Poor people and people of color are often hit the hardest. These financial penalties can make government a driver of inequality, not an equalizer.

In early 2016, The Public Safety and Neighborhood Services Committee of The San Francisco Board of Supervisors held a **hearing** to listen to diverse perspectives on how fines, fees, tickets, and financial penalties impact low-income San Franciscans. Staff from city and county departments and institutions testified, as did residents and representatives of community organizations.

This meeting was prompted by widely publicized reports and community action that raised awareness of the inequitable burden that many fines and fees place on low-income Californians and San Franciscans. A coalition of California legal aid organizations had just published a **report** that described how four million Californians have had their driver's licenses suspended for their inability to pay court ordered fines and tickets. The authors wrote: "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."

A coalition of San Francisco community organizations had also recently come together to form **Debt Free SF**, to call for reforms to tickets, fines, and fees that they see their low-income clients and constituents struggle with. Debt Free SF is made up of legal aid and community groups that help people who are poor, homeless, or exiting jail or prison. Their clients were getting tickets for sleeping on park benches, racking up court ordered fines they could not pay, or struggling with debt from their time in the criminal justice system. Their clients also struggled when their cars were towed and then couldn't get them back, as tow fees in San Francisco often exceed \$400.

This local and California-wide advocacy echoed calls for reform across the nation. The **Ferguson Report**, published by the United States Department of Justice, drew national attention to the impact of fines, fees, and tickets on low-income Americans and people of color.

These calls for reform share a core rationale. They are advocating for consequences that fit the offense, and do not hit lower-income people and people of color harder than wealthier or white people. They are not advocating for a lack of consequences.

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In late 2016, The Board of Supervisors called for the creation of a Fines and Fees Task Force, composed of staff from city and county departments and community organization representatives. 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.

The Board of Supervisors directed the newly-created **Financial Justice Project**, in the San Francisco Office of The Treasurer and Tax Collector, to staff the Task Force. City Treasurer José Cisneros had launched The Financial Justice Project in October 2016 to assess and reform how fines and fees impact our City's most vulnerable residents.

San Francisco has a history of initiating fine and fee reforms that other counties and the state eventually follow. 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. A **bill** is advancing in Sacramento to eliminate them statewide. 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 done the same. Governor Jerry Brown **called for an end to this practice statewide** in early 2017, and **legislation** is advancing to end the suspension of driver's licenses for people unable to pay court fines and fees.

The Fines and Fees Task Force met for the past six months and developed recommendations for reform. These recommendations are detailed in this report.

This report provides the following:

- Top Lessons from The Fines and Fees Task Force and The Financial Justice Project
- Key Goals, Context, and Recommendations for Reform
- Overview of The Fines and Fees Task Force
- Overview of The Financial Justice Project
- Media & Resources
- Contact information
- Acknowledgements



II. TOP LESSONS

from the Fines and Fees Task Force and The Financial Justice Project

1. The Ferguson Report, published by the United States Department of Justice, drew national attention to the impact of fines, fees, and tickets on low-income Americans and people of color.

This is not just a Ferguson problem. Fees and fines have been spreading at a time when Americans can least afford them.

In 2015, The United States Department of Justice released the **Ferguson Report**, an investigation into the city's police department, after Michael Brown, an unarmed African American 18-year-old, was shot and killed. The report revealed that Ferguson officials aggressively raised revenue through fining residents. In 2013, the municipal court in Ferguson — a city of 21,135 people — **issued 32,975 arrest warrants** for nonviolent offenses. Residents were fined \$531 for high grass and weeds in a yard, \$792 for failure to comply with an officer, and \$375 for lacking proof of insurance. If residents could not pay, they were assessed late fees, which quickly escalated. Fines of a few hundred dollars could snowball to a few thousands. Residents who couldn't pay up were sometimes jailed. One woman spent more than 30 days in jail over an unpaid traffic ticket she'd gotten 15 years earlier, when she was a teenager. Fines were the city's second largest source of revenue in 2013.

2. Ferguson is not an outlier. Steep fines and other financial penalties have been increasing and spreading.

Since 2010, 48 states have increased criminal and civil court fees. Defendants are charged for a long list of government services that were once free — including ones that are constitutionally required.

The Ferguson Report sparked national outrage and concern about what many call “cash register justice.” National Public Radio conducted an extensive report that found that since 2010, 48 states have increased criminal and civil court fees. **Defendants are charged** for a long list of government services that were once free — including ones that are constitutionally required.

A **state-by-state survey** conducted by NPR found that:

- In at least 43 states and the District of Columbia, defendants can be billed for a public defender.
- In at least 41 states, inmates can be charged room and board for jail and prison stays.
- In at least 44 states, offenders can get billed for their own probation and parole supervision.
- And in all states except Hawaii, and the District of Columbia, there's a fee for the electronic monitoring devices defendants and offenders are ordered to wear.
- Impoverished people sometimes go to jail when they fall behind paying these fees.
- In over half of states, people who owe Legal Financial Obligations to the courts can have their ability to vote taken away.



3. There has been a stark increase in the number of Americans who get caught up in the criminal justice system, where fines and fees are widespread.

- **One in three** Americans are arrested by age 23.
- Shockingly, **as many Americans have criminal records as college degrees**

4. The increase in arrest rates and over incarceration has hit the African American community the hardest:

- **One in four African American children born in 1990** had an imprisoned father by the time he or she turned fourteen.
- **One in two African American women have a loved one who is incarcerated.**
- Nationwide, one-third of African American men in their twenties are under correctional supervision. African American men are over six times more likely to be incarcerated than white men, and Latino men are 2.5 times more likely to be incarcerated than white men.
- **Half of African American males are arrested by the age of 23.**

5. Cities are becoming increasingly reliant on fine and fee revenue, according to emerging research.

- Cities have relied on fine and fee revenue for decades, but cities increasingly turned to them during the Great Recession. According to **Joe Soss** at the University of Minnesota: “Their usage expanded dramatically during the Great Recession that began in 2007, when tax collections dropped due to the weak economy and municipalities needed to find more sources of revenue to pay for ongoing operations.”
- Other **research** has explored how cities increase fines or fees or up collections efforts when budgets are tight.
- Conservative and progressive organizations have decried municipal reliance on fines and fees. Grover Norquist of Americans for Tax Reform and Mark Levin from Right on Crime **testified** on the need for reform of government’s reliance on fine and fee revenue to United States Commission of Civil Rights in March of 2017. The ACLU, Vera Institute of Justice, Southern Center on Law and Poverty, Lawyers Committee for Civil Rights and Bay Area Legal Aid have all made calls for reform.
- More research is needed on municipal fines and fees to better understand why cities turn to them; the implications for residents and revenue; and to understand which cities are most likely to rely on fines and fees. (For example, are smaller cities more likely to turn to fines and fees because they have fewer opportunities to generate revenue? Or are cities with larger populations of people of color or immigrants more likely to rely on fine and fee income?)
- More research is needed to identify data points that allow for direct comparisons among cities and counties across the United States, to surface learnings and to better identify trends.

Fines and fees can strip resources and wealth from communities that cannot afford to lose them. Research shows they hit the African American community the hardest.

Cities have relied on fine and fee revenue for decades, but cities increasingly turned to them during the Great Recession.



California brought in \$2.6 billion in revenue from fines and forfeits in 2013, more than any other state.

When people cannot pay financial penalties because of their empty pocketbooks, their financial holes can get deeper or they are sometimes jailed.

6. Many government programs throughout California assess fees, fines and revenue from people who have a hard time paying them.

- In California, uncollected court-ordered debt for traffic and criminal offenses add up to an estimated \$12.3 billion, according to the **Legislative Analyst's Office**.
- California brought in \$2.6 billion in revenue from fines and forfeits in 2013, more than any other state.¹
- California traffic fines and fees are some of **highest in country**. Although the base fines for California Vehicle Code violations may be lower or comparable to many other states', the add-on fees—and particularly the \$300 late penalty—make California one of the states with the steepest fines.
- California fine and forfeiture revenue per capita is the second highest (after New York) in the eight states analyzed in an Arnold Foundation research project.²
- Four million Californians have had their driver's licenses suspended because they cannot pay court fines and fees. This makes it difficult to get a job, as employers increasingly require a license as a precondition to employment.
- In California, **eighty percent** of counties charge parents a nightly fee for every night their son or daughter spends locked up in Juvenile Halls. These fees vary wildly throughout the counties and are levied on some of the most vulnerable families in our state.
- Thousands of Californians sitting in jails are there not because they have been found guilty of a crime, but because they are awaiting their trial behind bars because they cannot pay bail. Median felony bail is **\$50,000** in our state; five times the national average.
- Poverty is often the prevailing reason why offenders fail to make specified payments. California has one of the highest poverty rates in the nation, with over one-fifth of its residents (or nearly 8.0 million people) living in poverty in 2015. When Californians fail to submit monthly payments, incarceration and other legal sanctions can be imposed as civil penalties. Once the initial payment deadline has passed, **California adds an additional \$300** for failure to pay by the specified date.

7. Government's increasing reliance on fines and fees is happening when Americans can least afford them. 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.

8. Steep fines and fees that are beyond people's ability to pay can dig people into financial holes that are hard to get out of. When people cannot pay financial penalties because of their empty pocketbooks, their financial holes can get deeper or they are sometimes jailed. Their debt can increase through late fees or other penalties. Their credit can be negatively impacted. Their driver's licenses can be suspended, which can cause them to lose their jobs. They can even be jailed.

¹ Sarah Shannon provided this testimony to the United States Commission on Civil Rights on March 15, 2017. She is an assistant professor of sociology at the University of Georgia. She leads the Multi State Study of Monetary Sanctions funded by the Laura and John Arnold Foundation investigating how criminal justice debt impacts low-income people.

² Ibid.



9. In San Francisco, the burden of these fines and fees falls heavily on the African American Community. In San Francisco, African Americans make up less than 6 percent of the population, but:

- African Americans are over **HALF of the people who are in the County Jail.**
- Of people arrested for a “failure to appear/pay” traffic court warrant, **45 percent were African American** (over-represented by 8.4x).
- African American individuals represent more than **70% of people seeking legal assistance** for driver’s license suspensions.
- The Bayview-Hunters Point neighborhood in San Francisco, zip code 94124, has a relatively high rate of poverty (23.5%), the highest percentage of African American residents in San Francisco (35.8%) and a **driver’s suspension rate more than three times the state average.**

10. Steep fines and fees can be a “lose-lose”, for citizens and for government. Research has shown that fines and fees that are levied on people with modest incomes are often high pain (hitting poor people particularly hard) but low gain, bringing in less revenue than expected.

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 those 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%**. In California, research by the **Berkeley Policy Advocacy Clinic** shows that juvenile administration fees generate little net revenue, which largely pay for the cost of collection activities. 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.

11. San Francisco is a leader in reforming fines and fees, but we still have more to do. San Francisco has a history of initiating reforms of fines and fees, that other counties and the state eventually follow. (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. A **bill is advancing** in Sacramento to eliminate them statewide. SFMTA has the most extensive free MUNI program in the country. 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 called for an **end to this practice statewide** in early 2017, and **legislation** is advancing to end the suspension of driver’s licenses for people unable to pay court fines and fees. **Debt Free SF** and other community groups have called out how a range of fines, fees, and financial penalties are hitting vulnerable San Franciscans hard at a time when it’s already very expensive to be poor in the city. We describe these local challenges in our recommendations section.

Fines and fees are often high pain--hitting poor people particularly hard--but low gain--bringing in less revenue than expected.

Fines and fees that exceed people’s ability to pay them can be a lose-lose, for citizens and for government.

San Francisco has a history of initiating reforms of fines and fees that other counties and the state eventually follow.



Data that helps us better understand local challenges is sorely needed to help us craft the most effective solutions.

Solutions exist that work for both government and citizens.

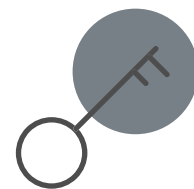
12. Solutions exist that work for both government and citizens. We want the consequence to fit the offense, and not hit poor or people of color harder than they hit middle income or white San Franciscans. There's a range of solutions that the Task Force is recommending. Sometimes it may make sense to base the fine or fee on people's ability to pay and right-size the fine or fee. Other times, it may make sense to get rid of specific penalties if they are extreme and completely out of whack with the offense (for example, to stop suspending people's driver's license when people cannot afford to pay fines or fees). Other times a non-monetary fine or fee may make sense. For example, people could "pay" their fine or fee by doing community service.

13. Interest is high, but some City and County department staff are concerned about the potential loss of revenue from reforms to fines or fees, or a lack of administrative resources 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, some staff were concerned about eliminating potential sources of revenue, at a time when San Francisco and other local governments are calling on departments to make cuts. Additionally, some staff members expressed concern about the potential technical and administrative challenges related to implementation. These realities will spur further conversations about how we balance our need for revenue with our commitment to equity and inclusion for everyone in San Francisco, including poor San Franciscans. Some departments say they may need additional funds if their potential sources of revenue are cut.

14. Better data is sorely needed about these problems and potential solutions. But better data is hard to get from the majority of San Francisco departments and institutions. The Financial Justice Project has reached 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 are asking 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. This data has been very hard to get from most departments, often because they have antiquated systems or lack budget staff to respond to requests like these. Data that helps us better understand local challenges is sorely needed to help us craft the most effective solutions.

15. An analysis of San Francisco's fines, fees, tickets and financial penalties should be conducted through the City and County budget process. The Fine and Fee Equity Test could be a required component of a Department's budget submission on a regular 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) Revenue collected does not justify the cost of collection and enforcement 2) Delinquent revenue is greater than or equal to revenue collected 3) Collection and enforcement has a disparate impact on low-income communities or communities of color.

III. KEY GOALS, CONTEXT & RECOMMENDATIONS FOR REFORM



1 ABILITY TO PAY

GOAL:

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.

CONTEXT:

The 8th Amendment of the United States Constitution states that: "Excessive bail shall not be required, nor excessive fines imposed, nor cruel and unusual punishments inflicted." A fee or fine can impact people differently, depending on their incomes.

For a wealthy person, a fine or fee may be little more than an annoyance. For someone at the hard edges of the economy, a fine or fee can impact their ability to pay rent, feed their family, and move up the economic ladder. If a low-income person cannot pay a fine or fee, other consequences can follow. The fine can increase with interest and late fees, their credit rating can be downgraded, they can lose their driver's license and even their job.

At a time when **one in three Americans live in poverty**, and about approximately half of Americans say they **lack the resources to cope with a \$400 unexpected expense**, many San Franciscans cannot afford the fines and fees assessed, and are stuck facing the consequences of nonpayment. Meanwhile, the Courts and various City and County agencies spend time and resources attempting to collect fines and fees that individuals are unable to pay and are often driven by California state law.

It's time to right-size fines and fees and develop efficient and equitable ways to proportion them to people's incomes. Our goal is not to advocate for a lack of consequences. Our goal is to make the consequence fit the offense.

There is much momentum towards this goal. **The California Judicial Council** recently directed courts throughout California to develop processes to base fines and fees on ability to pay. The California Judicial Council also recently won a **Price of Justice** grant from the United States Department of Justice to develop and pilot ability to pay tools. Other state court systems, such as **Michigan**, have moved toward basing fines and fee on ability to pay. And courts in the United States have piloted **Day Fines** that are proportioned to people's incomes. In some of these pilots, courts saw their overall revenue go up, and their disproportional impact go down. Since day fines are calculated to be bearable at different income levels, collection rates are much higher than with traditional fines. When people get a fine or fee that is unrealistic for their income/budget, they are less likely to pay. When the amount is manageable for their income level, they pay, according to discussions with researchers.

A fee or fine can impact people differently, depending on their incomes.

For a wealthy person, a fine or fee may be little more than an annoyance. For someone at the hard edges of the economy, a fine or fee can impact their ability to pay rent and feed their family.

1

ABILITY TO PAY

RECOMMENDATIONS:

1. When possible and appropriate, base fine and fee amounts on an individual's ability to pay, to ensure consequences are equitable for low-income San Franciscans.

2. The Financial Justice Project should serve as a resource to help interested county institutions develop efficient ability to pay processes for fines and fees to ensure consequences do not place an inequitable burden on low-income San Franciscans.

3. Ability to pay processes should include the following attributes:

- Have a presumption of inability to pay for anyone who is homeless, receiving public benefits, or at/below 250% Federal Poverty Line (approximately \$60,000 for a family of four).
- For total inability to pay, offer options including community service (without participation fees, based on an hourly rate at or above minimum wage, and based on the reduced fine amount); and in which service is satisfied by participation in social services programs, job training, education, drug treatment, etc.; or suspension or dismissal of fine.
- For people with some, but limited ability to pay, reduce fines and offer flexible payment plans without a participation fee.
- Allow for online enrollment in payment plans and alternatives to monetary payment.
- Include easy-to-read information about alternative payment options based on ability to pay on the notices of the fee/fine and on relevant websites.
- Do not charge an up-front fee before allowing an ability to pay determination. Make late fees reasonable and part of the ability to pay process.

4. Develop meaningful, efficient processes to allow low-income San Franciscans to demonstrate their inability to pay, such as options that:

- Allow individuals to verify inability to pay by showing their EBT card, enrollment letter from the Human Services Agency or other benefit card.
- Allow individuals to self-report under penalty of perjury.
- Use shared data agreements between departments to verify people's income while maintaining client confidentiality. For example, allow interested County departments and courts to use a "look up tool" to determine if someone is receiving means tested benefits.
- Use the same process in all City/County/Court proceedings.

5. Explore specific opportunities to pilot ability to pay innovations, such as:

- The creation of a "Day Fines/Proportional Fines" pilot
- Applying to California Judicial Council's Ability To Pay pilot program.

6. Provide support to the County departments and the courts as they create streamlined ability to pay processes. Developing and implementing ability to pay processes may consume time and resources. County institutions should be supported as they make these reforms.

It's time to right-size fines and fees and develop efficient and equitable ways to proportion fines to people's incomes.

2

DRIVER'S LICENSE SUSPENSIONS

Over the past five years, 4 million Californians have had their driver's licenses suspended for their inability to pay court-ordered fines and tickets.

The San Francisco Superior Court is the first in the state to end the suspension of driver's licenses for inability to pay/failure to appear. Their leadership should be commended.

GOAL:

Remove employment barriers for low-income Californians by ending the practice of suspending people's Californians' drivers' licenses when they are unable to pay traffic citations.

CONTEXT:

Over the past five years, 4 million Californians have had their driver's licenses suspended for their inability to pay court ordered fines and tickets.⁴ According to a report entitled **Not Just a Ferguson Problem**: How Traffic Courts Drive Inequality in California: "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."⁵

This extreme punishment falls hardest on low-income people and people of color. The Bayview-Hunters Point neighborhood in San Francisco, zip code 94124, has a relatively high rate of poverty (23.5%), the highest percentage of African American residents in San Francisco (35.8%) and a driver's license suspension rate of 6.7%, more than three times the state average.⁶ In the City and County of San Francisco, the population is 5.8% black or African American, yet 48.7% of arrests for a "failure to appear/pay" traffic court warrant are of African American drivers (over-represented by 8.4x).⁷

The San Francisco Superior Court is the first in the state to end the suspension of driver's licenses for inability to pay/failure to appear. Their leadership on this important issue should be commended and has spurred other courts to do the same. Alameda and Solano Counties have also ended this practice. And California Governor Jerry Brown has **called for an end to this practice statewide**. California State Senator Bob Hertzberg, D-Van Nuys, has sponsored **legislation** to prevent the automatic suspension of driver's licenses for people who are unable to pay fines or fees for minor traffic tickets and require courts to determine violators' ability to pay before setting fine amounts.

4 Not Just a Ferguson Problem

5 Not Just a Ferguson Problem

6 Stopped, Fined, Arrested: Racial Bias in Policing and Traffic Courts in California

7 Stopped, Fined, Arrested: Racial Bias in Policing and Traffic Courts in California

2

DRIVER'S LICENSE SUSPENSIONS

RECOMMENDATIONS

Driver's license suspensions make it hard for people to get and keep jobs, further impeding their ability to pay their debt.

Driver's license suspensions 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.

- 1. Make permanent the San Francisco Superior Court's existing policy of not referring failure to pay (FTP) and failures to appear (FTA) to the Department of Motor Vehicles for license suspension.** Work to get other jurisdictions to follow their lead.
- 2. Support and actively advocate to pass SB 185,** California State Senator Bob Hertzberg's bill to prevent the automatic suspension of driver's licenses for people who are unable to pay fines or fees for minor traffic tickets and require courts to determine violators' ability to pay before setting fine amounts.
- 3. Create an ability to pay process available at every stage of traffic court proceedings, as outlined in the previous section.** Recall past license suspensions for people who come to court to resolve past debt using this process. Include all fees, including a \$300 civil assessment, in the process.
- 4. Communicate to people that they have options.** Change notices to include information about ability to pay, post information on the court's website, investigate ways to communicate via text and email or accept ability to pay documentation via the internet, just as payments are accepted. Notices should be available in multiple languages and be readable at a fourth grade reading level (for people with disabilities).
- 5. Stop all up-front fees.** If people are coming to court to resolve a ticket, they should not be charged up front just to get into court.
- 6. Ensure that young people in juvenile traffic court do not have their driver's licenses "pre-suspended" for their inability to pay fine and fees.**
- 7. Allow young people in juvenile traffic court to clear their citations if they connect with trusted social service providers** and get help through job training, counseling, addiction treatment and other services. Extend the program that is available in adult traffic court to juvenile traffic court.

3

QUALITY OF LIFE CITATIONS

GOAL:

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.

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 recent **survey** found that 90% of homeless people were unable to pay the fine for their last citation. When people cannot pay, a cascade of consequences can occur: a warrant can be issued for their arrest; they can be assessed a civil assessment of \$300; people can be jailed for nonpayment; their driver’s licenses can be suspended; and credit bureaus can be contacted for nonpayment. Social workers report that the after-effects of the tickets can create barriers for people struggling with homelessness when they try to get jobs or get housing.

Frustration with this process is widespread. Police are often frustrated at responding to calls that are not related to crime. The City and County of San Francisco spends an **estimated** \$20 million a year responding to Quality of Life incidents. The Courts spend time and resources processing thousands of citations through the criminal justice system, resources that could be directed to fairness and accessibility in proceedings like evictions or other serious offenses. The processes to appeal or resolve Quality of Life citations is difficult to navigate and requires individuals to show up at court for several appearances at specific dates and times. It is often difficult for people struggling with homelessness, mental health issues, and addiction to make their way through this process. San Francisco residents and business owners are frustrated if they do not see that this process helps get people off the streets and permanently exit homelessness.

There is progress. The San Francisco Superior Court decided to **stop issuing bench warrants** for people who cannot pay quality of life citations. In essence, their actions state: we do not believe homeless people should be jailed when they cannot pay these citations. The District Attorney’s Office and Courts have collaborated to create an innovative program that allows people to clear their citations if they receive 20 hours of counseling, medical help, addiction services and others from a vetted list of social service providers. This informal program, which still requires many in-person visits to the courts, and is staffed by District Attorneys, even though the homeless people do not have lawyers, could be built up and made more accessible and efficient to serve more people and free up court and District Attorney resources. Some police leaders have stated that they are shifting their response from writing citations to giving people written admonishments or warnings. This shift allows police to respond to and address the situation at hand without saddling the homeless individual with a ticket they cannot pay and other potential unintended consequences when they cannot pay the tickets.

Most of the tickets start at \$200 and grow to nearly \$500 when people are unable to pay them on time. A recent survey found that 90% of homeless people were unable to pay the fine for their last citation.

Social workers report that the after-effects of the tickets can create barriers for people struggling with homelessness when they try to get jobs or get housing.

3

QUALITY OF LIFE CITATIONS

RECOMMENDATIONS:

1. Hold people accountable and uphold community norms without issuing citations that people cannot pay and create challenges that prevent them from exiting homelessness.

- **When possible and at their discretion, San Francisco Police should use written admonishments/warnings, rather than citations when responding to Quality of Life infractions.** We heard in our conversations with police that they can often accomplish the same goals with a written admonishment as with a citation, without saddling a person with a citation that they cannot pay. The police potentially could explore possibilities such as: i) allowing people to receive a certain number of written admonishments before they receive a citation ii) require that written admonishments be given, rather than citations, for first offenses of various Quality of Life infractions, as is the case with panhandling (In other words, the rules regarding pan handling and citations could be extended to other Quality of Life infractions).
- **Ensure that the admonishment and citation processes do not create barriers to employment and housing for homeless people.** People should not be jailed for non-payment; people's driver's licenses should not be suspended; credit bureaus should not be contacted for nonpayment.
- **Stop adding a \$300 civil assessment fee to these municipal violations, where nearly 100% of the people receiving the tickets, by definition, cannot pay.**

2. When people receive Quality of Life citations, provide alternatives to payment and opportunities for them to resolve their citations through receiving social services.

- **Streamline the program of the District Attorney and the San Francisco Superior Court that allows people who have received Quality of Life citations to resolve their tickets if they obtain social services and help from trusted providers.** The program allows people who are homeless to satisfy a Quality of Life citation by connecting with a trusted set of social services providers and holding them accountable to get the help they need including (but not limited to) counseling, addiction services, medical assistance, food and shelter-- to permanently exit homelessness. The goal is to encourage and reward people for seeking housing and social services, and not to waste City and court resources pursuing fines people cannot afford, or jailing them for failure to pay. Right now, people must make multiple appearances to access this program. This informal program, which still requires many in-person visits to the courts, and discussions with the District Attorney and court officials, could be made more accessible and efficient to serve more people and free up court and District Attorney time to address serious crime.
- **If people fail to respond to multiple citations, allow them to resolve their citations through receiving services through the Community Justice Center or another alternative court.** The San Francisco Superior Court is developing a proposal that court leaders say will hold homeless individuals accountable, connect them with needed help and social services, and be easier to navigate for people struggling with homelessness. The proposal would be targeted toward people struggling with homelessness who receive repeated citations and do not resolve them through the program described above. We look forward to working with the Superior Court as this proposal develops.

3. Use data from front line responders to track trends and connect homeless people in crisis to social services and health services.

4

TRANSPORTATION FINES AND FEES

Of the roughly 42,350 vehicles towed annually in San Francisco, about 10 percent of the owners abandon their cars, many of whom likely cannot afford to retrieve their cars.

If people cannot afford to pay the \$2.25 muni fare, and they board Muni without paying, they may get a \$112 fare evasion ticket.

GOAL:

Ensure that consequences for transportation violations hold people accountable, but do not pose an inequitable burden for low-income San Franciscans.

CONTEXT:

There are many ways to get around San Francisco. Buses, trains, private vehicles, and bicycles take hundreds of thousands of San Franciscans where they need to go every day. A system of rules and consequences for breaking these laws is necessary to ensure our transportation ecosystem functions well for the benefit of all.

San Francisco Municipal Transit Agency (SFMTA) is a leader in making transportation services accessible to low-income people. SFMTA offers a free Muni pass for low-income San Francisco youth; discounts for low-income San Franciscans; a first time/low-income towing discount; and allows people to pay off tickets by performing community service.

Like all San Franciscans, low-income and very poor San Franciscans must navigate the city to get to work, appointments, and school. Sometimes, citations and financial penalties for violating these rules hit low-income San Franciscans much harder than they hit middle and upper-income San Franciscans. For example, it can cost approximately \$600 to retrieve a towed car in San Francisco. Of the roughly 42,350 vehicles towed annually in San Francisco, about **10 percent** of the owners abandon their cars, many of whom likely cannot afford to retrieve their cars. If people cannot afford to pay the \$2.25 muni fare, and they board Muni without paying, they may get a **\$112 fare evasion** ticket. These individuals do have the option to perform community service to clear the ticket, but must pay **\$75 to enroll** in the community service program. If they request a payment plan, they must pay upwards of \$60 to enroll. According to several community advocates, it can be difficult for low-income San Franciscans to navigate MTA processes to appeal their citations if they cannot pay.

4

TRANSPORTATION FINES AND FEES

RECOMMENDATIONS:

1. Use a data driven multi-agency determination to base citations on low-income San Franciscans' ability to pay.

- Allow for reductions of SFMTA citation/fine at the appeal stage based on ability to pay.
- Waive the administrative fee for community service or setting up a payment plan.
- Increase the repayment period allowed to pay down fines, and create an automated reminder system.
- Streamline ability to pay and appeal processes to reduce the administrative challenges related to implementation, and ensure ability to pay processes are easily accessible.

2. Expand community service options and make them more accessible to clear citations and fines:

- Eliminate participation fees.
- Increase hourly rates.
- Propose allowing hearing officers to lower fees as appropriate.
- Allow service to be satisfied by participation in social services programs, job training, education, drug treatment, etc.

3. Lower fare evasion fine amounts and expand options to clear them.

- Waive the fare evasion citation when a person applies for free or reduced MUNI pass.
- Propose reductions in ticket costs of certain offenses, such as fare evasion, in the San Francisco transportation code.
- Expand use of free MUNI for homeless people and people on need-based public benefits.
- Expand use of reduced-fare MUNI tokens distributed by HSA to disabled, elderly, or youth passengers who currently qualify for reduced fare.

4. Expand towing and boot fine relief:

- Establish an accessible, simple process for the waiver of towing fees for individuals residing in their vehicles.
- Align boot fees with tow fees (add first-time and low-income).

5. Make alternative payment information accessible and send notices/reminders through text/email:

- Add information about alternative payment options to the initial citation.
- In addition to sending notices and reminders by traditional mail, the MTA should also send these by text and email.

6. Work with the San Francisco Police Department, the SFMTA, the San Francisco Superior Court, and the San Francisco Bicycle Coalition and other partners to create a diversion program to allow bicyclists who are ticketed for certain infractions to attend a class on safe bicycle riding and reduce their fines. The San Francisco Bicycle Coalition estimates they get three or so calls a week from bicyclists who cannot afford to pay traffic citations. In 2015, Governor Brown signed a **bill** into law to allow cyclists to take a class to reduce fines from certain citations. The Financial Justice Project will reach out to SFPD, SFMTA, the SF Bicycle Coalition, and others to explore developing this diversion program.

7. Reach out to BART and CalTrans to continue conversations to ensure consequences for transportation violations hold people accountable but do not pose an inequitable burden for low-income San Franciscans.

5

REFORMING SAN FRANCISCO'S SYSTEM OF BAIL

GOAL:

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.⁸

CONTEXT:

In November of 2016, San Francisco City Attorney Dennis Herrera announced that our system of bail is unconstitutional and that he would not defend it in a lawsuit. Herrera **stated** that: "Bail creates a two-tiered system: one for those with money and another for those without."

Our system of bail is unfair and inequitable. Although one person with wealth and another with a low income may be charged with the exact same crime, the individual with wealth may be able to purchase their freedom through bail, while the low-income individual often must wait for their trial in jail.

Bail is expensive and many San Franciscans cannot afford it. Median bail in California is **estimated** to be **\$50,000**, more than five times the national average. For those who cannot afford to pay the entire amount to the court, they must pay a 10% fee (for example, \$5,000 on a \$50,000 bond) to a private bail bond company that they will never get back, regardless of whether their charges are dropped. Average bail in San Francisco is in the top highest **quartile** in the state.

Bail strips wealth and resources from San Francisco communities that cannot afford to lose them. San Franciscans spend up to \$15-20 million each year on nonrefundable bail fees, the vast majority of which comes from low-income communities and communities of color.⁹ Bail hits women particularly hard: Today 1 in 4 women and nearly 1 in 2 African American women has a family member in jail or prison. Anecdotally, women are usually the ones to pay bail bondsmen, and to cosign the loan to be on the hook if someone fails to appear in court.

Commercial bail bond companies receive little local and statewide oversight. Statewide, complaints against bail bond agents have increased by 300% in the last several years. The failure to appear and re-arrest rates for people who post bail and are released by bail agents are not known or published. The procedures required to collect money owed by bail agents after someone fails to appear in court are burdensome and costly, and can result in the bail agents avoiding payment.

Local bail reform efforts could save taxpayers money, while maintaining public safety.

Taxpayers pay an average of **\$173 per day** to keep someone in a San Francisco jail, compared with an average of \$10 per day for conditional pretrial release.¹⁰

San Francisco is a leader in pioneering community supervision and risk assessment programs that keep San Franciscans safe and save taxpayers money. On any given day, 1,000-1,500 individuals under the supervision of the San Francisco Sheriff's Department are released pretrial through alternative sentencing and community release programs such as the Supervised Pretrial Release Program and Electronic Monitoring.¹¹ Furthermore, The Courts, District Attorney, and other agencies are collaborating to use data-driven risk assessment tools to ensure the decision to release, supervise, or detain defendants is based on their risk of committing additional crimes, or skipping court.

Median felony bail in California is estimated to be \$50,000, more than five times the national average.

Statewide, complaints against bail bond agents have increased by 300% in the last several years.

⁸ The Financial Justice Project is working with Fines and Fees Task Force members to develop an expanded set of recommendations to reform our local system of bail in San Francisco

⁹ Analysis of San Francisco Sheriff's office data on bail bonds issued by zip code and ethnicity

¹⁰ Analysis of Pretrial Diversion Project FY16 Budget

¹¹ Estimates from San Francisco Jail Count, 11/7/2017

5

REFORMING SAN FRANCISCO'S SYSTEM OF BAIL

RECOMMENDATIONS:

1. Lower the cost and financial burden of bail in San Francisco, whose bail schedule is in the highest quartile in the state, so that poor San Franciscans can receive equal access to justice.

- a. **Explore the creation of a community revolving bail fund.** Bail funds pool money to help people pay bail who cannot afford it. As people's cases resolve, the bail paid revolves back to the Fund, available to help other defendants in need. There is a **national network** of community bail funds. In Brooklyn, for example, the bail fund is available to people charged with misdemeanors, and **95%** of bail fund clients make all court appearances. Most San Franciscans who pay bail do so for felony charges, and bail levels are significantly higher than other communities with bail funds. Further exploration is needed to determine if this model can be adopted to fit San Francisco's unique circumstances. A bail fund may become more feasible in San Francisco if statewide reforms are passed in Sacramento that allow people to make partial bail payments (i.e. 10 percent of the bail total) to the courts, and then get this money back if they appear for their trial or their charges are dropped.
- b. **Explore ways to lower bail schedules throughout California.** Average felony bail in California is **estimated** to be \$50,000, more than five times the national average. And the bail schedule in San Francisco is one of the highest in the state. The Public Policy Institute of California estimates that if bail schedules were lowered by \$10,000 across the State, 4% of unsentenced defendants would be able to afford bail, and prepare for their trial at home.
- c. **Explore ways to minimize the use of "stacking" bail,** where bail amounts from each charge are added together.

2. Increase local oversight of the bail bonds industry to increase transparency, curb abuse, and recover costs owed to the City and County of San Francisco.

3. Increase the use of cost effective alternatives to incarceration that increase accountability and safety.

- a. **Continue and invest in the Pre Trial Diversion Project to meet the demand for its services.**
- b. **Continue to implement and improve the Public Safety Assessment,** a risk assessment tool that helps judges make accurate, efficient, and evidence-based decisions about which defendants should be detained prior to trial and which can be safely released.
- c. **Continue and support the Public Defender's Bail Unit,** that aims to free defendants from jail ahead of trial who would be released, but for their inability to pay bail.

4. Engage in State Legislative Advocacy to reform our system of bail.

- a. **Support California Bills (Bonta AB 42 and Hertzberg SB 10)** to reform our system of money bail.
- b. **Over the longer term, explore and support statewide efforts to:**
 - a) Move away from money bail toward a system that is based on risk, 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 (as New Jersey, Kentucky, Oregon, Illinois, New Mexico, and Wisconsin have done).
 - b) Lessen the inequitable impacts of our system bail through:
 - i. Adopting a state-wide bail schedule based on ability to pay
 - ii. Allow county courts to accept partial bail deposits (i.e. 10 %) that are refundable after appearing in court.

6

CHILD SUPPORT DEBT

Almost all of the 12,000 families in San Francisco's child support system have household incomes of less than \$10,000 a year.

In San Francisco, over \$120 million in delinquent child support debt is owed to the government by noncustodial parents to reimburse TANF costs. The vast majority of this money has been deemed "uncollectible."

GOAL:

Relieve the inequitable financial burden of child support debt owed to the government by low-income parents when they cannot afford to pay.

CONTEXT:

Over 12,000 San Francisco residents, the majority of whom are fathers of color, owe child support in San Francisco. Almost all of the families in San Francisco's child support system have household incomes of less than \$10,000 a year. Over three quarters of San Francisco families connected to the Child Support system receive public assistance or Temporary Assistance for Needy Families (TANF). When a parent, usually a mother, applies for and receives public assistance or TANF, the other parent, usually a father, is assessed monthly child support payments to reimburse the government for its costs of providing TANF. The child support payments are determined by a statewide formula, and are based on the father's ability to pay. When these fathers make child support payments, the majority of the payments go to reimburse the government for the cost of TANF. Only \$50 of any payment goes to the household to support the child.

If the father cannot pay and the support order is not modified, these payments continue to be assessed, even if the father is unemployed or in jail or prison. Annually, ten percent interest is charged on the unpaid payments. The father's wages can be garnished. Money in their bank accounts is often garnished. Their driver's license, occupational licenses, and professional licenses can be suspended. Their credit ratings are often negatively impacted, which impacts their ability to get housing. Their tax refunds can be intercepted. In many counties and states, they can also be jailed for nonpayment of delinquent child support debt.

In San Francisco, over \$120 million in delinquent child support debt is owed to the government by noncustodial parents to reimburse TANF costs. The vast majority of this money has been deemed "uncollectible."

The San Francisco Department of Child Support Services is a leader in calling for reform at the state and federal levels. Also, the department has implemented many reforms to minimize the negative impacts on families of delinquent child support debt. The City and County should support the department's calls for reforms. The department's local reform efforts should be expanded and supported.

6

CHILD SUPPORT DEBT

RECOMMENDATIONS:

- 1. Develop and pilot a program to allow parents to erase delinquent child support debt owed to the government if they can pay 10 percent of the delinquent debt.** The California Department of Child Support Services allows parents to reduce their government-owed delinquent child support by up to 90% in exchange for 10% repayment. San Francisco Child Support Services and The Financial Justice Project are discussing a potential pilot project to help parents save up for this lump sum payment. The pilot could potentially integrate a partnership with San Francisco's Kindergarten to College program following the **Kansas City model**, which writes off \$2 of child support arrears owed to the government for every dollar invested in an education savings account.
- 2. Driver's license suspensions. SF DCSS should continue to review all child support cases where the participant non-custodial parent has a driver's license that has been suspended by the office, reach out to those parents, and with a minimal payment, SF DCSS should release driver's license suspensions.** Suspending driver's licenses often makes it harder for parents to keep or find employment and makes it less likely that they will be able to pay.
- 3. Nonmonetary options to pay child support debt. SF DCSS should continue to increase its referral of non-custodial parents to the San Francisco Unified Family Court's Family Law Facilitators Office to assist those parents in learning about and exercising their right to access and visitation with their children. Further, SF DCSS should make every effort to provide evidence to the court in recognition of visitation time as a percentage of child support owed.** Several years ago, the Court and the Department gave fathers "credit" to pay down their child support debt by caring for their children while the mothers took classes at San Francisco City College. The overwhelming majority of mothers who participated completed their Associates Degree, according to the San Francisco Department Child Support Services. The Department should collaborate with the Court and others to explore reviving this program and developing other nonmonetary options for parents to pay down their child support debt.
- 4. SF DCSS should continue its practice to seek alternative enforcement remedies to incarceration for non-payment of child support and make those recommendations to the court.**
- 5. SFDCSS should continue to seek to establish realistic child support orders that allow parents to make manageable payments to help people rebuild their credit.** The Department has reviewed its entire caseload to "right size" child support orders and has maintained a low default order rate of under 10%, the lowest in the state. SFDCSS should continue to work with the Sheriff and county jail to ensure incarcerated noncustodial parents have the ability to apply for a modification.
- 6. SFDCSS should continue to consider noncustodial parents' ability to pay and continue its collaboration with the San Francisco County jail to reach incarcerated parents and provide onsite services to file an "answer" in response to a summons and complaint or a motion or stipulation to modify child support with the court.**
- 7. Support the County Welfare Director's Association of California (CWDA) and SB282 to allow noncustodial parents to participate in subsidized job training programs such as JobsNOW!** Participation in these programs increases the likelihood of gaining long-term, meaningful employment, and supports the noncustodial parent to make successful payments.

IV. OVERVIEW OF THE FINES AND FEES TASK FORCE



In February 2016, the Public Safety and Neighborhood Services Committee of the San Francisco Board of Supervisors hosted a **hearing** to review City practices related to driver’s license suspensions, citations, and collection practices for court-ordered debt. Responses from community members, service providers, and city departments resulted in the creation of the Fines & Fees Task Force. The Task Force was directed to assess how fines, fees, tickets, and other financial penalties impact low income people and people of color, and recommend reforms. Members of the Task Force were asked to provide advice to the Board of Supervisors, the Mayor, and City departments regarding policies that reduce fines and fees for low-income residents and mitigate negative impacts of fines and fees.

The Task Force launched in October, 2016 and met monthly to assess specific fines and fees and discuss potential recommendations and reforms. The San Francisco Fines and Fees Task Force is made up of thirteen appointed seats. Nine of the appointed seats are reserved for City and County representatives from departments that are key stakeholders for fines and fees reform. Four of the appointed seats on the Task Force are reserved for community members. Task Force Members include:

FINES AND FEES FEES TASK FORCE MEMBERS

Appointment	Department	Appointee Name	Role
Seat 1	Treasurer/Tax Collector	Anne Stuhldreher	The Financial Justice Project, Director
Seat 2	Office of Economic & Workforce Development	Ruth Sappelt	Principal Workforce Analyst
Seat 3	Human Services Agency	James Whelly	Program Manager
Seat 4	Public Defender’s Office	Carmen Aguirre	Managing Attorney, Misdemeanor Unit
Seat 5	District Attorney’s Office	Tara Anderson	Director of Policy
Seat 6	Municipal Transportation Agency	Diana Hammons	Senior Manager, Revenue Collection and Sales
Seat 7	San Francisco Superior Court		
Seat 8	Adult Probation	Lee Anne Hudson	Division Director
Seat 9	Department of Child Support Services	Carol Beckett	Assistant Director
Seat 10 Community Seat	Community Housing Partnership	Dion Libutti	Outreach Coordinator
Seat 11 Community Seat	Coalition on Homelessness	Scott Nelson	Community Activist, Coalition on Homelessness
Seat 12 Community Seat	Lawyers’ Committee for Civil Rights	Elisa Della-Piana	Legal Director
Seat 13 Community Seat	Bay Area Legal Aid	Kendra Amick	Economic Justice Attorney



TASK FORCE DECISION MAKING PROCESS

Task Force members collaboratively decided which fines, fees and financial penalties to examine during the November Task Force meeting, and raised pertinent topics to be covered over the course of the meetings. Topics included driver's license suspensions, Quality of Life citations, bail, criminal justice fees, transportation-related fines, child support debt and ability to pay. Members identified key stakeholders within each issue area, and made recommendations for speakers to attend and/or present to address the identified topics.

All recommendations were developed with key department and community stakeholders before each meeting, and then fully vetted during each meeting. The goal was to achieve consensus. In considering reforms for fines and fees, the Task Force developed and reviewed the following questions:

1. **Is it effective?** What is the goal of the fine or fee? Does charging a fine or fee move us toward that goal?
2. **Is it fair?** Should the population receiving the fine or fee be paying for government services? Does the punishment fit the infraction? 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?
3. **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?
4. **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?
5. **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?

FORMAT OF TASK FORCE MEETINGS

Each of the Municipal Fines and Fees Task Force meetings followed a format of presentation(s) from key stakeholders followed by a group discussion of potential reforms. Below are brief summaries of meeting agenda elements:

- Each Task Force meeting was opened by a brief introductory check-in, followed by *review and approval of the agenda* by Task Force members. Agenda items and pertinent reading material was provided to Task Force members for review prior to each meeting.
- After the approval of the agenda, *Group Agreements* were read and agreed upon by Task Force members. The Group Agreements were established at the first Fines and Fees Task Force meeting, and are joint agreements made by The Task Force to model respect and solution-oriented dialogue during the meeting.
- *Presentations from Key Stakeholders.* The range of topics addressed over the course of the Task Force called for a range of experts to present to Task Force members. Meeting topics ranging from San Francisco's system of bail, to Quality of Life Citations. Presenters included:



- » Academic experts on specific fines, fees, and potential reforms. Presenters included Beth Colgan, J.D. (UCLA), Rourke O'Brien, PhD (University of Wisconsin—Madison), and Karin Martin, PhD (UC Berkeley/John Jay College of Criminal Justice)
 - » Representatives from San Francisco City and County agencies, including the City Attorney's Office, District Attorney's Office, the San Francisco Police Department, the Office of Economic and Workforce Development and others.
 - » Community Based Organizations with deep expertise in the topic areas presented, including Bay Area Legal Aid, Legal Services for Children, PolicyLink, and the San Francisco Bicycle Coalition.
- Following presentations by a variety of experts, the Task Force discussed recommendations and potential reforms. Keeping in mind the objectives identified by the Board of Supervisors, Task Force members' recommendations for reforms were recorded and clarified. The goal was to vet each recommendation and achieve consensus.
 - Following the discussion of potential reforms, *Public Comment* was offered at each meeting before closing. Generally, due to the size of each meeting, members of the public and other non-Task Force members were invited to participate in open dialogue on the issue areas, unless the schedule for presenters was particularly time-sensitive. In meetings where time was limited, the public was asked to reserve their comments for public comment portion at the end of the meeting.
 - Public Comment was followed by closing the two-hour meeting.

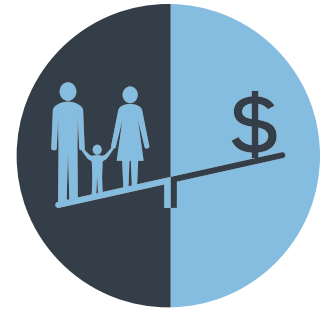
WHAT'S NEXT FOR THE TASK FORCE

The Fines and Fees Task Force held its final meeting on March 29th, 2017. At this meeting, Task Force Members reviewed and further clarified the recommendations listed above.

The Task Force agreed to two additional meetings over the course of the next year, at the six and twelve-month mark, to discuss progress and provide updates on reforms to date. Next steps include:

- Present Fines and Fees Task Force Findings to the San Francisco Board of Supervisors
- As needed, convene smaller working groups around specific issue areas, such as reforming San Francisco's system of bail, and transportation fines and fees.
- The Financial Justice Project in the Treasurer's Office will continue to move forward with the recommendations and pursue other opportunities with City and County partners, and will seek opportunities to gather feedback and refine recommendations with people impacted by fines and fees.

V. OVERVIEW OF THE FINANCIAL JUSTICE PROJECT



OVERVIEW

A growing number of government programs levy fines and fees on their residents, partly to generate revenue to balance public budgets. There is often an insidious unintended impact of this practice—to push people into poverty. These fines and fees can knock people down so hard they can't get back up. Poor people and people of color are usually hit the hardest. These financial penalties can make government a driver of inequality, not an equalizer.

The San Francisco Office of the Treasurer and Tax Collector is the first in the nation to launch a Financial Justice Project to assess and reform how fines and fees impact our city's most vulnerable residents. The Financial Justice Project examines questions such as: What policy objectives are these financial penalties advancing? Are they serving San Francisco residents, the community and the city at large? Are there better ways to achieve our goals?

We are just beginning to understand the universe of government financial penalties and how they can sap the financial livelihood of low-income San Franciscans. We staff a citywide taskforce on fines and fees and work collaboratively with city departments, the San Francisco community, and experts across California and the nation. We hope to listen closely to San Franciscans who have been impacted by financial penalties, and have their experiences inform solutions.

THE PROBLEM

We started thinking hard about fines and fees in March of 2015. The United States Department of Justice released the Ferguson Report, an investigation into the city's police department, after Michael Brown, an unarmed African American 18-year-old, was shot and killed. The report revealed that Ferguson officials aggressively raised revenue through fining residents. In 2013, the municipal court in Ferguson — a city of 21,135 people — issued 32,975 arrest warrants for nonviolent offenses. Residents were fined \$531 for high grass and weeds in a yard, \$792 for failure to comply with an officer, and \$375 for lacking proof of insurance. If residents could not pay, they were assessed late fees, which quickly escalated. Fines of a few hundred dollars could snowball to a few thousands. Residents who couldn't pay up were sometimes jailed. One woman spent more than 30 days in jail over an unpaid traffic ticket she'd gotten 15 years earlier, when she was a teenager. Fines were the city's second largest source of revenue in 2013.

Ferguson is not an outlier. Steep fines and other financial penalties seem to be spreading when Americans can least afford them. About one in three Americans live in or near poverty. A recent survey found that 63 percent of Americans have no emergency savings and could not come up with \$500 if they had to. When people cannot pay financial penalties because of their empty pocketbooks, their financial hole gets deeper or they are sometimes jailed. They lose driver's licenses and jobs. Their credit, and sometimes their lives, are ruined.

Many government programs throughout California assess fees and revenue from the people least able to pay. For example, four million Californians have had their driver's licenses suspended because they cannot pay court fines and fees. This makes it difficult to get a job, as employers increasingly require a license as a precondition to employment. Thousands of Californians sitting in jails are there not because they have been found guilty of a crime, but because they

cannot pay bail (median bail is \$50,000 in our state). The list goes on. People on probation can be charged a daily rate for their ankle monitors. In many California counties, parents are billed for every night their child spends locked up at juvenile hall. People are fined for sleeping on park benches. And in San Francisco, if your car gets towed, it costs over \$400 to get it back. We are just beginning to understand the universe of fines and fees that pose an inequitable burden for low-income people, and what imperatives from the City, State and/or courts fuel their spread.

POTENTIAL SOLUTIONS

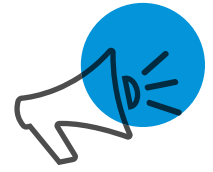
The Treasurer's Office was the first in the nation to create an **Office of Financial Empowerment** that aims to build up San Franciscans' financial reserves. We have started many programs, including **Bank on San Francisco** and **Kindergarten to College** that help people enter the financial mainstream and build their savings. These programs are lauded as national models and have helped tens of thousands of families. However, much of this work could be undone by fines and fees that undermine the financial security of our most vulnerable families.

To pursue our commitment to financial justice we will do the following:

- 1. Build our understanding of the problem and potential solutions.** We will examine financial fines, fees, and penalties and how they impact vulnerable residents in San Francisco. We will assess how different state, court system, and city imperatives fuel their spread. We will work collaboratively with city staff, the Fines and Fees Task Force, community members, and national experts. We will look across the nation and world for potential solutions, as well as craft homegrown solutions.
- 2. Advance reforms that work for San Franciscans, the City, and our community.** We will examine the goals we aim to achieve through certain financial penalties, and explore if there are better ways to pursue them. We will advance equitable reforms that advance key policy goals, consider the needs of vulnerable residents, and are consistent with San Francisco community values.
- 3. Tell the real life stories of how people suffer from financial injustice.** City and state policy makers, as well as the general public, need to understand the human toll of these financial penalties. People's experiences should be front and center in the discussion and serve as the foundation upon which to craft solutions. We hope to develop new ways to involve people who live these problems in the policy making process.
- 4. Share our financial justice agenda for San Francisco with other cities.** We hope to share what we learn with other cities and interested parties. We hope to build a learning community of cities dedicated to pursuing their own financial justice agendas. We have worked with the US Conference of Mayors, National League of Cities, and Cities for Financial Empowerment to create similar learning communities. We hope to do the same with Financial Justice.

By the end of our first year, we hope to have a clear financial justice agenda that has buy-in and momentum amongst key stakeholders. We hope to have enacted meaningful reforms and be actively pursuing others.

VI. MEDIA & RESOURCES



Media Coverage of The Financial Justice Project

- [San Francisco has become a predatory government.](#) The San Francisco Chronicle.
- [San Francisco Program Aims to Make Fines More Fair for the Poor.](#) NPR.
- [Charged: Do cities go too far with tickets and fines? San Francisco hires a director of financial justice to find out.](#) California Sunday Magazine.
- [These people have been barred from voting today because they're in debt.](#) The Washington Post.
- [It's self-defeating to bill parents for their children's jail time.](#) The Sacramento Bee.

Media Coverage of Fines and Fees:

- [Jail Time for Unpaid Court Fines and Fees Can Create Cycle of Poverty.](#) NPR.
- [Municipal Violations.](#) Last Week Tonight with John Oliver.
- [Ending the Debt Trap: Strategies to Stop the Abuse of Court-Imposed Fines and Fees.](#) PolicyLink.

Ability to Pay

- [The End of Debtors' Prisons: Effective Court Policies for Successful Compliance with Legal Financial Obligations.](#) Conference of State Court Administrators.
- [Price of Justice.](#) Judicial Council Summary.
- [Instead of Jail, Court Fines Cut to Fit the Wallet.](#) The New York Times.
- [Day Fines in American Courts: The Staten Island and Milwaukee Experiments.](#) U.S. Department of Justice.
- [Day-Fines: Should the Rich Pay More? Review of Law & Economics.](#)
- [The Ventura Day-Fine Pilot Project.](#) The Justice Management Institute.
- [Tools and Guidance for Determining and Addressing an Obligor's Ability to Pay.](#) Michigan Supreme Court State Court Administrative Office.

Driver's License Suspensions

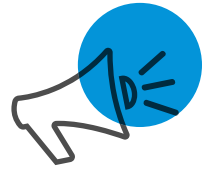
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VII. CONTACT INFORMATION



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