RAISE Texas Summit 2023
MAR 2 - 3 at the Federal Reserve Bank of Dallas
CONNECT TO EFFECT: BUILDING AN EQUITABLE FINANCIAL ECOSYSTEM FOR TEXANS
Innovations in Fines, Fees, and Financial Burdens

Breakout Session - March 2nd
Track 3-A
What’s the difference between a fine and a fee?

**FINES**

Monetary sanctions imposed as punishment for violating the law – either criminal or civil.

Examples:

Fines exist for parking violations, littering, traffic offenses, truancy, sleeping on a park bench, walking dog without a license, cracked windshield etc.,

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**FEES**

Costs, assessments, and/or surcharge imposed to access services or fund the justice system or other government services.

Examples:

Probation Fees, Programming Fees, Counsel Fees, Drug Testing Fees, Civil Assessment Fees, Electronic Monitoring Fees, Warrant Fees, Phone Call Fees etc.,
Brief History of Fines and Fees

- **1846**: Michigan enacts first correctional fee
- **1865-77**: Fee use during the Reconstruction Era
- **1980s**: State and local gov.’s increase the number or amount of fines and fees
- **2008**: Great Recession accelerates trend of using fines and fees
- **2015**: DOJ Ferguson Report
City planned to collect over 23% of revenue through fines and fees in 2015.

Issued 23,000 warrants in a city of 21,000 residents.

Police engaged in racially discriminatory policing to increase revenue through fines and fees.
Where else are fines and fees being relied on for revenue?
States, cities, small towns — everywhere.
Fines & Fees in Texas Courts

- $1.18 billion collected by Texas courts in 2020
  - $40.37 per capita – 3rd highest in country
- Justice & Municipal Courts
  - Traffic, City Ordinances and Fine-Only Misdemeanors
  - 90% of cases involving fines & fees
  - $758 million in fines and fees collected (+ even more assessed)
- Other misdemeanors
  - Average >$600 assessed per case
Jurisdictions with high reliance on fines and fees  FY 2017-2018

600 JURISDICTIONS
In 600 jurisdictions, fines account for **over 10% of general revenues**

284 JURISDICTIONS
In 284 of those 600 jurisdictions, fines account for **over 20% of revenue**.

Source: Addicted to Fines, Governing, 2017-2018 data
The impact of fines and fees on families and communities
Cycle of Debt & Punishment

01. Inability to pay leads to increased fines and fees
02. Punishments become more severe
03. Collateral consequences pile on
04. Prolonged system involvement
05. Families driven further into debt, less able to pay
Feed your family or fund the courts?

According to a 2018 Alabama Appleseed Survey:

- More than 8 in 10 people with court debt gave up necessities like rent, food, medical bills, car payments, and child support to pay their court debt.
- Approx. 45% lost their licenses because they were unable to pay their court debt.
- Nearly 50% said they had been jailed for failure to pay court debt.

Source: Report: Under Pressure, Alabama Appleseed, 2018
Mis-using law enforcement makes communities less safe

- Every 1% increase in revenue from fines and fees correlates with a 6.1% decrease in the violent crime clearance rate and an 8.3% decrease in the property crime clearance rate.

- According to Alabama Appleseed Survey, 38% of respondents admitted to committing at least one crime to help pay off their debt.

- Imposition of juvenile fees associated with increased likelihood of recidivism.

Sources: Exploitative Revenues, Law Enforcement, and the Quality of Government Service, Goldstein, Sances, You, 2018; Alabama Appleseed Survey; The Noneconomics of Criminal Fines and Fees, Giles, 2021
Fines and fees disproportionately impact communities of color

- People living in poor areas are also those most impacted by fines and fees
- Major racial disparities exist in traffic stops, citations, and arrests
- Wealth is extracted from entire families, especially women

How can we end the harms of fines and fees?
"I'm being treated like a criminal — my crime is driving to work." - Larry M.
Why End Debt-Based Driver’s License Suspensions?

- Driver’s license suspensions cost people their livelihoods.
- Suspending licenses cuts economic growth.
- License suspensions undermine public safety.
- Restoring licenses increases tax base and overall GDP.

Source: freetodrive.org
Texas OmniBase Program

- > 450K cannot legally drive because of unpaid fines and fees in Texas
- ~1 million drivers (1 in 20) impacted
- Holds concentrated in low-income neighborhoods
- Disproportionate burden on Black drivers
  - Texas: 11% of licensed drivers / 28% of holds
  - City of Dallas: 24% of population / 60% of holds
23 States Have Already Passed Reforms

**Free to Drive National Campaign** →

**Momentum is Accelerating** →
23 states and D.C. have passed reforms to curb license suspensions since 2017

**Reform is Bipartisan** →
120+ organizations from across the political spectrum.

*Source: freetodrive.org*
Texas Reforms

Local Reforms →
Cities of Dallas and Austin and Harris County have cancelled contracts to participate in OmniBase Program.

Statewide Reform →

2023 session: HB 2413 would make it to make it easier to lift a license hold.

Source: freetodrive.org
SOLUTION 2: Eliminate Fees & Discharge Debt
Types of Fees in the Justice System

- Payment Fees
- Counsel Fees
- Warrant Fees
- DNA Fees
- Juvenile Fees
- Probation and Parole Fees
- Traffic Fees
- Diversion Fees
- Electronic Monitoring Fees
- Pay-to-Stay Fees
- Phone Call Fees
Why Eliminate Fees in the Justice System?

- Fees operate as a regressive tax
- No relationship to accountability
- Counterproductive economic policy
- Fees decrease public safety
Decriminalize Traffic and Other Low-Level Offenses
Warrants for Unpaid Fines in Texas

● **320K warrants for failure to pay fines in traffic and fine-only misdemeanor cases in 2021**

● **1 million warrants for failure to appear**
  ○ Failure to appear is essentially failure to pay in fine-only cases

*Source: Texas Office of Court Administration Annual Statistical Report, FY 2021*
SOLUTION 4: Ensure Fines are Equitably Imposed and Enforced
The Impact of a Single Ticket in Texas

Table 1. Relative Cost of a $286.00 Stop Sign Violation

<table>
<thead>
<tr>
<th>Income Level</th>
<th>Hourly Wage (Pre-Tax)</th>
<th>Labor Hours Needed to Pay Ticket</th>
<th>Percent of All Workers at or Below Wage</th>
<th>Percent of Black Workers at or Below Wage</th>
</tr>
</thead>
<tbody>
<tr>
<td>High Income</td>
<td>$60.00</td>
<td>4.8 hours</td>
<td>95 percent</td>
<td>&gt;95 percent</td>
</tr>
<tr>
<td>Moderate Income</td>
<td>$25.00</td>
<td>11.4 hours</td>
<td>60 percent</td>
<td>80 percent</td>
</tr>
<tr>
<td>Low Income</td>
<td>$15.00</td>
<td>19.1 hours</td>
<td>30 percent</td>
<td>50 percent</td>
</tr>
<tr>
<td>Minimum Wage</td>
<td>$10.00–$7.25</td>
<td>28.6–39.4 hours</td>
<td>10 percent</td>
<td>20 percent</td>
</tr>
</tbody>
</table>
Implementing Ability-to-Pay Assessments

- Before any fine is imposed, a person’s ability to pay must be assessed
- Reasonable payment plans are necessary
- Community service offers an alternative to monetary sanctions

Source: FFJC Ability-to-Pay Guidance
Learn more about fines & fees policy

FFJC's Clearinghouse

Digital library with 400+ article summaries of research, litigation, policy guidance, media and more related to fines and fees reform.

Get started: ffjc.us/clearinghouse

Contact: mmergler@ffjc.us
FINANCIAL JUSTICE
PROGRAM
Working toward Financial Equity

A MODEL FOR COLLABORATION AND INNOVATION

Built in partnership
In collaboration with Experian and Williamson County.

Provides Financial Education classes
As an alternative to fines for minor traffic violations.

Adopted by several departments
Across Williamson County, including the Juvenile Services Emerging Adult program.

OVER
$700,000
FINES AND FEES WAIVED

2,566
CASES DISMISSED

4
STATEWIDE AWARDS DESIGNATED AS 'BEST PRACTICE' PROGRAM ACROSS THE STATE OF TEXAS

Financial Health Pathways
www.financialhp.org
Purpose

The purpose of Community Court is to work with Directions Home to eliminate some of the roadblocks that people experiencing homelessness face in obtaining housing.
Eligibility

- Has not used the program within one year from compliance in Community Court
- Individual is homeless or in Directions Home housing or some other housing program
- Has driver’s license or state ID or some form of identification.
- Has at least 1 Class C Misdemeanors (with Fort Worth Municipal Court)
- Referral by case manager
How Community Court Works

• Case manager works with client to complete Community Court Program Application and sends to Yvonne.Yanez@fortworthtexas.gov at CFW Municipal Court. 817-392-7641

• City staff reviews and emails case manager when accepted and when case will be brought forward

• City staff drafts Court Order, mails and emails Setting Notice to the facilities' case manager
How Community Court Works Cont.

• Applicant and case manager appear in court – Judge addresses application and explains Court Order (what must be done to avoid fines or jail time, deadline and date of return to Compliance Docket) and applicant signs

• Applicant completes all actions within ninety (90) days and returns to Compliance Docket and shows proof

• If the person has complied with all the conditions, then the Prosecutor makes a recommendation for dismissal on all charges.
Conditions of Community Court Probation

(may include, but not limited to)

- Obtain housing
- Obtain some source of income, i.e. job, social security
- Attend Life Skills classes, including financial management
- Attend certain number of AA or NA meetings/counseling
- Attend and maintain Mental Health evaluation/counseling
- Complete community service, if not undue hardship
- Obtain a form of ID or DL
- Obtain Health and/or SNAP food benefits
Compliance

• Ninety days after enrolled in the Community Court program, the individual must attend a Compliance hearing.
• At the Compliance hearing, the City Caseworker reviews the necessary documents, makes copies of all documents.
• The documents are submitted to the Prosecutor for dismissal.
• The Judge then approves the dismissal and the individuals citations are dismissed.
Community Court New Initiatives

- Moving Community Court to the community
- On a quarterly basis, we want to launch a Circuit Court to each of the emergency shelters and True Worth Place
- Circuit Court means we conduct Court in the facility with Court Clerk, Marshals, Case Manager and Judges
Community Court New Initiative Process

STEP ONE: There will be a reception table for individuals to sign in.

STEP TWO: The individual will then be directed to a case worker to complete a Community Court application (or review the application with the person).

STEP THREE: The bailiff will then escort the individual to the Judge’s table with their paperwork.
STEP FOUR: The Judge will call the individual to bench and discuss with him/her their legal options.

STEP FIVE: The Judges then enter their decisions and lift any outstanding warrants.

STEP SIX: The Clerk scans and enters all necessary documents in each case.
Discussion Questions

• What have been your experiences with clients using Community Court?

• What are obstacles to using Community Court?

• What would create heavy usage of Court at shelters?
Thank You

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