## **Executive Summary**

## THE FINANCIAL JUSTICE PROJECT SAN FRANCISCO

## **Driving Toward Justice**

How ending driver's license suspensions for unpaid traffic tickets helps communities without impacting court collections.



## Overview

In 2015, the San Francisco Superior Court became the first

court in California to stop suspending people's driver's licenses when they could not pay their traffic tickets. Court leaders were responding to community outcry that the penalty was too extreme. A report authored by California community advocates stated: "These suspensions make it harder for people to get and keep jobs, further impeding their ability to pay their debt. Ultimately, they keep people in long cycles of poverty that are difficult, if not impossible to overcome." Contrary to expectations, after the Court stopped suspending licenses for unpaid debt, there was no negative impact on revenue collection. Our research

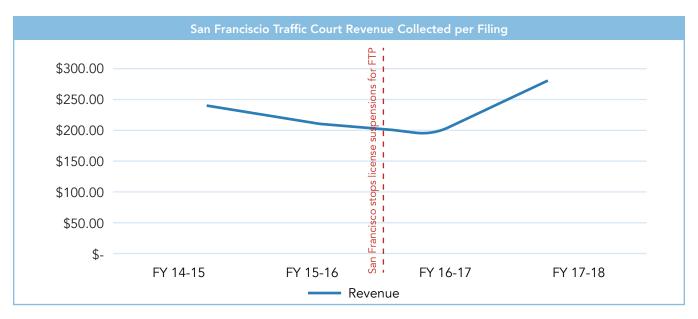
and interviews with court and other leaders found that commonsense collection practices such as frequent reminder notices, monthly billing statements, accessible payment plans, and discounts based on ability to pay are more effective at spurring payment than extreme penalties like suspensions. In fact, the amount of delinquent revenue collected per filing in San Francisco has increased since the Court stopped suspending licenses. Similarly, across California on-time collections went up in the year following the end of driver's license suspensions for Failure to Pay statewide. In 2019, San Francisco Superior Court formalized a policy to stop suspending people's driver's licenses when they missed their traffic court dates.

The Penalty Problem: Unpaid Traffic Fines and Fees Result in Driver's License Suspension. Historically, driver's license suspensions were intended as a tool to remove unsafe drivers from the road, for example a suspension could result from a conviction for drunk driving. However, over the last several decades, government and courts have increasingly used driver's license suspensions as a tool to compel payment or to spur people to show up for their traffic court dates. Today, forty-four states and the District of Columbia suspend, revoke or refuse to renew driver's licenses for unpaid traffic, toll, misdemeanor and felony fines and fees, resulting in more than 11 million debtrelated driver's license suspensions nationwide. Prior to recent reforms, in California, a driver's license could be suspended for Failure to Pay (FTP) a traffic ticket, which in California can often exceed \$500, or for Failing to Appear (FTA) in court. A 2015 research paper entitled Not Just A Ferguson Problem revealed that 4 million Californians had their driver's licenses suspended for Failure to Pay (FTP) or Failure To Appear (FTA). Across California, courts still suspend driver's licenses for Failure to Appear in traffic court, although San Francisco Superior Court stopped FTA driver's licenses suspensions in 2019.

Driving Inequality: Suspensions Impact Economic Security and Disproportionately Burden Low-Income Communities of Color. Driver's License suspensions perpetuate and exacerbate poverty. Research shows a direct and significant relationship between driver's license suspensions and loss of employment, prolonged unemployment, and a decrease in income. Driver's licenses are crucial for finding and maintaining employment as many jobs require a driver's license, and most people in California must drive to work. For example, one study found that for mothers with young children on welfare and in subsidized childcare, having a driver's license was more important for finding steady work than a high school diploma. Another study found that 42% of people who had their driver's license suspended lost their job.

Driver's license suspensions disproportionately burden communities of color, as extensive research shows that Black and Latino individuals are more likely to be pulled over by the police while driving. In Stopped, Fined, Arrested, the authors found that "Rates of driver's license suspensions due to a failure to appear or pay a ticket are directly correlated with poverty indicators and with race. The highest suspension rates are found in neighborhoods with high poverty rates and high percentages of Black or Latino residents." Public records from the California Department of Motor Vehicles and U.S. Census data demonstrate that in primarily Black and Latino neighborhoods, driver's license suspension rates range as high as five times the state average.

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Sources: Traffic Infraction Filings, "Court Statistics Report," Judicial Council. Revenue information provided by the San Francisco Superior Court.

A License to Collect: Eliminating Suspensions
Does Not Impact Collection Rates. In response to
these inequities and the disproportionate harm these
suspensions caused, San Francisco and California have
been leaders in ending the practice of suspending
driver's licenses for FTP and FTA. In 2015, the San
Francisco Superior Court became the first court in
California to stop suspending driver's licenses for FTP,
and former Governor Jerry Brown ended the practice
statewide in 2017. In 2019 San Francisco expanded
the reforms by removing suspensions for FTA and
cleared up to 88,000 holds that previously had been
placed on driver's licenses for FTA.

After the suspensions were lifted, many people began asking: did eliminating the suspension of driver's licenses for FTP inhibit the court's ability to collect revenue? Our analysis finds that since the San Francisco Superior Court stopped using driver's license suspensions to compel payment, there has been no negative impact on revenue collection. In fact, collections per filing in San Francisco have increased since eliminating the penalty.

Similarly, across California on-time collections went up in the year following the end of driver's license suspensions for FTP statewide. The increase in on-time collectionswithout the use of driver's license suspensionsstrongly suggests that the ability to suspend driver's licenses was not needed to ensure payment.

Our research and interviews with court and other leaders reveals that commonsense collection practices such as frequent reminder notices, monthly billing statements, accessible payment plans, and discounts based on ability to pay are more effective than extreme penalties like suspensions. It is too early to have data on the impact of eliminating suspensions for FTA in San Francisco, but there is ample <u>evidence</u> that alternative, less punitive measures, such as text message reminders, effective notices, and clear instructions can increase court appearance rates.

Taking Reform on the Road: Implementing Similar Initiatives Across the Country. A growing number of localities and states are considering stopping the suspension of driver's licenses for FTP and FTA because of the inequitable impact and the extreme hardship these penalties can ca use. We hope our experience is instructive for officials around the country who are considering this reform. Below is our list of recommendations for steps jurisdictions can take to implement these reforms:

- Reach out to community groups that can explain the impact of driver's license suspensions on low-income people and people of color in your community;
- Identify the community-wide negative economic impact that driver's license suspensions can have on your local jurisdiction;
- Reach out to and engage with the national <u>Free</u> to <u>Drive</u> Campaign for resources and ideas; and
- Introduce alternative mechanisms to help people pay tickets or appear in court, including commonsense collections methods such as increased communication and no-cost payment plans, and more frequent reminders and clear messaging to appear in court.