

# Fiscal Impact Memorandum Guide and Template

We created this guide as part of a series of resources to support community advocates in building state and local campaigns to abolish youth fees and fines by sharing strategies from Debt Free Justice (DFJ) campaigns. See more resources at [debtfreejustice.org/resources](https://debtfreejustice.org/resources).

This is a guide to drafting a fiscal analysis in the form of a memorandum (or fiscal memo) that includes [guidelines](#) and a [template](#). If you have questions about this resource, write to [info@debtfreejustice.org](mailto:info@debtfreejustice.org).

## Background & Guidelines

### Why Write a Fiscal Memo for a DFJ Bill?

- Prepare a fiscal memo for the bill reviewer and/or the committee legislators to a) respond to or b) get ahead of estimates about how much money the bill costs and saves. Circulating a fiscal memo helps address questions or concerns from potentially impacted departments, agencies, courts, and localities.
- Responding to a fiscal note: The legislature or impacted agencies often prepare fiscal analyses (fiscal notes) when a DFJ bill reaches a fiscal committee. A fiscal note with a big price tag can be an obstacle for your bill, but the analyses in fiscal notes are based on assumptions and potentially biased estimates. This gives your campaign an opportunity to respond, make your own assumptions, and advocate to change the official estimate.
  - For example, the legislature may overestimate revenue lost from eliminating youth fees and fines by referencing amounts *ordered* instead of *collected* (which we know are often very low). They may also receive overestimations from impacted agencies that do not provide data to support their claims.
  - Watch this webinar from Fees & Fines Justice Center for more about what a fiscal note is and how to respond to it: [How to Analyze a Fiscal Note](#).
- Getting ahead of fiscal estimates: Before a fiscal note has been submitted for your bill, you and your partners can use your own data and assumptions to project the fiscal impact of the bill.

### Who Writes a Fiscal Memo?

- In past DFJ campaigns, advocates have often ghostwritten fiscal memos for bill authors.

### Where Can I See Examples of Fiscal Memos from Other DFJ Campaigns?

- Browse [debtfreejustice.org/resources](https://debtfreejustice.org/resources) to see examples of fiscal memos used in past DFJ campaigns. Don't feel limited to the tables and analyses in these memos. Create data visualizations based on the data you have.

## What Should be Included in a Fiscal Memo?

- See below for suggested analyses to describe the following:
  - Scope: How many youth and families are impacted
  - Assessments: Low or infrequent assessments
  - Revenue: Low, decreasing, or inconsistent/unreliable revenue
  - Costs: High collection costs
  - Retroactivity & Discharging Debt: Debts will never be paid
- When responding to a fiscal note, identify who wrote it and their assumptions, and build out your own price points.
- **When responding to general fund backfill estimates, know that there can be other options.** It is common to assume a backfill will be needed, and that is an assumption in itself. Sometimes agencies can absorb revenue loss by reallocating what they have or finding ways to minimize spending. Backfilling doesn't always have to come from the general fund; sometimes, there are other budget areas within the agency they can pull from.
- **Data from your state will be most compelling to legislators.** Refer to the data you have and acknowledge gaps or missing data. Sometimes, these memos can inspire legislators to work to fill gaps in the data. For example, in Arizona, advocates identified in their fiscal memo that certain counties did not provide data in response to a public records request. In response, legislators requested that the counties provide their missing data. See their memo at [debtfreejustice.org/resources](https://debtfreejustice.org/resources).
- **Data from other states can be compelling, especially when chosen strategically.** Consider states that are comparable geographically, demographically, and politically, and draw from their data if your state's data is limited. For example, suppose you're advocating in a Southern state. In that case, it's probably best to highlight data from other Southern states and only include data from California or other West Coast states if your organization/bill sponsor/lobbyist feels confident that will not be off-putting to legislators. Sometimes you need to make an adjustment on another state's data to make it applicable, ex: use a population ratio.
- Don't try to get the price point to zero just to make it zero. You can often justify the price point by covering revenue growth in other areas and explaining that the legislation is so important that it's worth whatever the revenue impact is going to be.

## How Should a Fiscal Memo be Formatted?

- Shorter is better. Aim for 2-5 pages, including all content, footnotes, and appendices.
- Remember, you are probably ghostwriting this memo for your bill's author, so keep the formatting simple and formal, and save the fancy and creative design for other materials (like fact sheets!)

# Template Memorandum

## MEMORANDUM

TO:  
RE: **BILL # (BILL AUTHORS)** Fiscal Impact  
FROM:  
DATE:

### Summary

**Tip:** Describe who acquired the data and how, current state laws on youth fees and fines, and key points. See the template text below.

This memo, prepared by [bill author, your or other advocacy organization, etc.], addresses questions about the fiscal impact of abolishing youth fees and fines in [STATE].

Estimates are based on publicly available data and responses to [Public Records Request, Court Rule, etc.] requests from [COURTS, etc.]. [describe data sources, discrepancies, and adjustments made to calculate estimates].

[STATE] law authorizes [courts, state agencies, and local entities] to charge [fees, fines, and court costs]<sup>1</sup> to [youth and their parents or guardians] for a youth’s involvement in the [juvenile and/or criminal legal systems], with consequences including incarceration and extended system involvement for failure to pay. Nationally, researchers have found that youth fees and fines undermine the financial security and emotional well-being of children and their families, disproportionately impact low-income families of color, prolong youth involvement in the system, and increase recidivism.<sup>2</sup> [Furthermore, courts collect juvenile fees and fines at extremely low rates, making them unreliable and inadequate revenue sources.] [##] states have already acted to repeal fees and/or fines, and at least [##] states are considering repeal this year.

[OPTIONAL TEXT TO PROCEED KEY POINTS: “In addition to the harm to youth, families, and communities, youth fees and fines generate little or no net revenue for governments in STATE, because:”]

- KEY POINT
- KEY POINT
- KEY POINT

Understanding the concurrent harm to youth, families, and communities and [negligible or unreliable revenue] resulting from youth fees and fines, [some or many] [STATE] counties have already ceased assessing them. [BILL], sponsored by [SPONSORS], would revise the [STATE] Code [to eliminate fees, fines,

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<sup>1</sup> Youth administrative fees are charged for costs associated with adjudication, detention, and probation, and youth fines are charged as one of many accountability mechanisms available to judges. Fines and fees are distinct from restitution that youth are ordered to pay to crime victims.

<sup>2</sup> See, e.g., Jessica Feierman et al., Juvenile Law Center, “Debtors’ Prison for Kids?: The High Cost of Fees, Fines, and Restitution in the Juvenile Justice System,” 23 (2016).

and court costs] for [youth and/or their parents or guardians] related to a youth’s involvement in the [juvenile and/or criminal legal systems].

This memo summarizes key research about the fiscal implications of [ex repealing fees and fines] in the [STATE] juvenile legal system, including [ex: revenue, costs, and effects of retroactivity].

## I. Background

**Tips:** Describe the scope of the problem and how many youth and families are impacted.

Suggested analyses:

- How many youth are assessed fees and fines
- How many youth are in the juvenile and/or criminal legal systems
- Juvenile and/or criminal legal system spending

## II. Fiscal Impact of Eliminating Youth Fees and Fines

**Tips:** Alternate heading for this section: “Youth fees and fines in [STATE] provide negligible revenue to the state and counties while doing substantial harm to youth and families.” Subheadings below could be neutral, as written, or could emphasize key trends in the data. For example: “Youth Fees and Fines Generate Low Revenue,” “Youth Fee Debt is Largely and Increasingly Uncollectable,” “Collected Amounts are Declining,” and “Low Assessment Rates.”

### a. Fee and Fine Revenue

**Tips:** Alternate heading for this section: “Potential Losses” or “Revenue from Youth Fees and Fines is Low.” Describe how much is assessed and collected annually statewide and/or by county. Highlight low or infrequent assessments. Highlight low, decreasing, or inconsistent/unreliable revenue.

Suggested analyses:

- Low % of dispositions resulted in a fine
- Number of counties that already don’t assess fees or fines
- High % of all fees and fines assessed are concentrated in a few counties
- Amounts collected statewide
- Amounts collected in the largest county with the percentage of the statewide amount
- Amounts collected in counties as a percentage of county budgets
- Amounts collected over time (highlight if decreasing or inconsistent)
- Decreasing youth arrests or caseloads indicates revenue will decrease in the future

Resources:

- Tax Policy Center’s [interactive data tool](#) shows state- and local-level data on fee and fine revenue as a share of the state general fund revenue, state budget surplus, and fiscal recovery funds. Although not youth-specific, you can assume that youth fees and fines revenue is less.

## **b. Fee and Fine Costs** *[Alternate heading for this section: “Potential Savings”]*

### **i. Collection Costs**

**Tips:** Alternate heading for this section: “Administrative Costs.” Describe the estimated annual costs of collecting youth fees and fines or compare revenue with the cost of collections. Highlight high collection costs. Especially if your bill includes retroactivity or discharging debt, highlight that most debts will never be paid. The *DFJ Cost of Collections Estimate Guide and Case Studies* resource at [debtfreejustice.org/resources](https://debtfreejustice.org/resources) has more on this.

Suggested analyses:

- Collection costs and collection rates (highlight if low)
- Monetize or describe indirect cost savings, including reduced probation and recidivism costs and keeping money in the pockets of low-income families.
- Disproportionate costs to Black, Brown, and/or Indigenous youth
- Amount and age of outstanding debt
- Amount of uncollectible (older) debt
- Eliminating collections duties/costs may offset any increased duties/costs of discharging debt.

Suggested citations:

- A study conducted by the Brennan Center for Justice found that criminal fines and fees were an inefficient source of government revenue.<sup>3</sup>
- Some campaigns compared the cost of collecting youth fees and fines to the cost of collecting federal taxes - the IRS spends<sup>4</sup> about 35 cents for every \$100 collected.

### **ii. Other Costs**

**Tips:** List collateral consequences. Describe how the financial strain on youth and families limits their ability to buy a car, which can be a barrier to getting a job. Describe how fees and fines prevent families from investing in other things like health care and education. Describe indirect but tangible cost savings associated with eliminating youth fees, including reduced probation and recidivism costs and keeping money in the pockets of low-income families.

Suggested citations:

- In jurisdictions that collect a greater share of their revenue from fees, law enforcement agencies solve violent and property crimes at significantly lower rates.<sup>5</sup>
- Monetary obligations in the juvenile legal system are associated with increased recidivism among youth.<sup>6</sup>

<sup>3</sup> Matthew Menendez et al. (2019). The Steep Costs of Criminal Justice Fees and Fines, Brennan Center for Justice, [https://www.brennancenter.org/sites/default/files/2020-07/2019\\_10\\_Fees%26Fines\\_Final.pdf](https://www.brennancenter.org/sites/default/files/2020-07/2019_10_Fees%26Fines_Final.pdf).

<sup>4</sup> Ibid.

<sup>5</sup> Goldstein et al. (2018). Exploitative Revenues, Law Enforcement, and the Quality of Government Service. *Urban Affairs Review* 56, No. 1: 21-22, <https://journals.sagepub.com/doi/full/10.1177/1078087418791775>.

<sup>6</sup> Piquero et al. (2023). A Statewide Analysis of the Impact of Restitution and Fees on Juvenile Recidivism in Florida Across Race & Ethnicity. *Youth Violence and Juvenile Justice*, 0(0). <https://doi.org/10.1177/15412040231180816>; Piquero & Jennings (2017). Research Note: Justice System–Imposed Financial Penalties Increase the Likelihood of Recidivism in a Sample of Adolescent Offenders. *Youth Violence and Juvenile Justice*, 15(3), 325–340. <https://doi.org/10.1177/1541204016669213>

### c. Net Impact

**Tips:** (Revenue) - (Collection costs) = Net fiscal impact. Emphasize that the net impact is likely underestimated given the indirect cost savings described above.

### III. Impact on Youth and Families in [STATE]

**Tips:** Describe the financial, emotional, and relational strain fees and fines cause youth and families. This is where you can show how fee and fine amounts that may seem “small” to legislators can add up and cause immense harm to youth and families, particularly low-income families. Refer to survey responses from impacted youth and families if you have them.

Suggested analyses:

- Example youth fee and fine bill
- Amount of fees and fines as a percentage of monthly earnings of a minimum-wage earner
- Poverty rates in the state
- Median fair market rent price

Resources:

- U.S. Department of Labor has [minimum wages by state](#).
- SmartAsset's [paycheck calculator](#) can help you estimate take-home pay.
- Annie E. Casey Foundation's Kids Count [data tables](#) show children under age 18 who live in families with incomes below the federal poverty level.
- USHousingData.com shows [average fair market rents](#) by state.

Suggested citations:

- According to the most recent Federal Reserve survey data, almost forty percent of Americans cannot afford an emergency expense of \$400.<sup>7</sup>
- Families burdened by youth fees and fines may be forced to choose between paying fees and meeting basic needs like food, rent, and utilities.<sup>8</sup>
- A 2019 study on the impact of fines and fees on family life details increased strain on familial relationships, psychological distress, and effects on other children within the family.<sup>9</sup>

<sup>7</sup> Board of Governors of the Federal Reserve System (2021). Report on the Economic Well-Being of U.S. Households in 2020, <https://www.federalreserve.gov/publications/2021-economic-well-being-of-us-households-in-2020-executive-summary.htm>.

<sup>8</sup> U.S. Department of Justice, Office for Civil Rights (2017). Advisory for Recipients of Financial Assistance from the U.S. Department of Justice on Levying Fines and Fees on Juveniles, <https://ojp.gov/about/ocr/pdfs/AdvisoryJuvFinesFees.pdf>.

<sup>9</sup> Paik & Packard (2019). Impact of Juvenile Justice Fines and Fees on Family Life: Case Study in Dane County, WI, <https://DebtorsPrison.Jlc.Org/Documents/Jlc-Debtors-Prison-Dane-County.Pdf>.

#### IV. National Trends Concerning Youth Fees, Fines, and Court Costs [optional]

**Tips:** Each state's context and political landscape are different, and you and your local partners know your state best. Consider what national talking points or data, if any, will help or hurt your particular campaign, and customize your memo accordingly.

Suggested analyses:

- Number of states that enacted laws to reduce or eliminate youth fees and/or fines
- Number of states that introduced youth fee and/or fine repeal legislation this year

Resources:

- Debt Free Justice's [Our Impact map](#) shows the current tally of states that have enacted and introduced youth fee and fine repeal legislation.

Suggested citations:

- Conservative organizations support repealing youth fees and fines because they operate in part as a regressive tax on vulnerable communities and jurisdictions generate little to no net revenue from fees and fines, which they collect at low rates with high costs.<sup>10</sup>

#### Appendix

**Tips:** Include longer tables in the Appendix.

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<sup>10</sup> Conservative, Center-Right, and Libertarian Organizations Support Ending Fees and Fines for Youth (2021) <https://www.law.berkeley.edu/wp-content/uploads/2021/11/2021.09.20-Conservative-Juvenile-Fees-and-Fines-Statement.pdf>.