



November 17, 2021

Dear Mayor Johnson, Mayor Pro Tem West, Deputy Mayor Pro Tem Resendez, and Council Members Moreno, Thomas, Arnold, Narvaez, Bazaldua, Atkins, Blackmon, McGough, Schultz, Mendelsohn, Willis, and Ridley:

We write to alert you to misleading information that we understand you have received from OmniBase Services of Texas, a for-profit company that administers a program that has caused great harm to low-income Dallas residents.

This budget cycle, the City of Dallas's Office of Equity and Inclusion, Resilience Division worked with local, state and national experts to develop a set of recommendations to reduce the burden of fines and fees on low-income Dallas residents. One of those recommendations was to end participation in the OmniBase program, which puts holds on people's ability to renew their licenses if they miss a court date or a payment on class C tickets (usually traffic offenses). These holds trap people in a cycle of debt. Without their licenses, they have difficulty working to pay off what they owe, but until they pay what they owe, they cannot drive legally and risk accumulating more tickets, more license holds, and more debt if they do continue to drive. Moreover, these holds are disproportionately issued against Black residents and are concentrated in lower-income neighborhoods. Among right and left, there is widespread agreement that programs like OmniBase are ineffective, undermine protect public safety and have devastating economic consequences. **In a victory for equity and racial justice, the recommendation to end Dallas's participation in the OmniBase program was approved by City Council this fall as part of the City budget.**

The private, for-profit company that administers the program, OmniBase Services of Texas, has now stepped in to try to reestablish the program in Dallas, in an unabashed attempt to prioritize profits over people. This company's only functions are to administer a computer program that receives hold information from courts and then sends it on to the Department of Public Safety; operate a "helpline" (which is dysfunctional based on the hundreds of times we have sought information for our clients); and collect millions of dollars in fees from the people with renewal holds. In fact, **OmniBase's only source of revenue is the fees paid by people to lift their holds.** They have collected hundreds of thousands of dollars in fees, if not more, from Dallas residents over the course of Dallas' participation in the program. Their objection to Dallas'

decision to exit is obvious: **OmniBase does not want Dallas—or any jurisdiction—to exit the program because that leads to a loss of revenue for them.**

But, OmniBase didn't share that information with you. In Dallas, OmniBase Services, their president Shawn Tracy, and their hired lobbyist, Victor Alcorta, are currently circulating a misleading brief on the program. This brief is not branded to show that it was authored by OmniBase Services, nor does it ever mention the author's huge financial stake in Dallas' continued participation in the program. Instead, the brief makes numerous misstatements in a last ditch effort to save the company's fees from Dallas. It is worth addressing the most misleading claims of this brief in turn:

1. **The OmniBase program is NOT an alternative to warrants, and in fact, it actually fuels arrests and police interaction.** In Dallas, the exact same people who get OmniBase holds also usually get warrants as well. The fact that the same people who receive holds also receive warrants is explicitly referenced in Chapter 706 of the Transportation Code (see Tex. Transp. Code § 706.005(1)–(3)). In fact, the OmniBase program actually increases the number of tickets and accompanying warrants that low-income people receive. People with holds on licenses that have expired often must drive to work to try to pay off their tickets. However, because they do not have a valid license, police are likely to pull them over and then arrest them on existing warrants and issue new citations for driving with an invalid license, which then leads to additional warrants and jail time. In this way, the OmniBase program leads to countless arrests each year. Jurisdictions that use the OmniBase program actually issue 60 percent more warrants for unpaid tickets per capita than jurisdictions that do not use the program.

Similarly, exiting the program will in no way lead to an automatic uptick in warrants. The decision whether to issue a warrant in a Class C case rests squarely with the judge and is not automatic. Dallas is wisely engaged in a comprehensive approach to reduce the burden of fines and fees on its residents, and exiting the OmniBase program is one element of that plan. Implementation of the full set of evidence-based recommendations that the Office of Equity and Inclusion has developed will ultimately reduce both warrants and end driver's license holds; lead to people being ordered to pay amounts they can actually afford, thereby improving compliance rates; and provide them reminders and instructions about court dates, thereby improving appearance rates.

Data from the two other jurisdictions that recently exited the OmniBase program demonstrates a dramatic decline in warrants after the decision to exit, contrary to OmniBase's claims. Comparing Office of Court Administration data from the 12 months preceding the decision to exit the program with the 12 months following the decision, the City of Austin went from issuing more than 19,000 failure to appear warrants pre-exit to only 138 failure to appear warrants post-exit. Harris County issued about 141,000 failure to appear warrants pre-exit; that fell to 74,460 failure to appear warrants post-exit. Even

when accounting for a decrease in cases between the pre-exit and post-exit periods, the drop in warrants issued by both jurisdictions was precipitous.

2. **The OmniBase program does NOT offer a “clear release of hold pathway,” but rather traps people in a never-ending cycle of debt.** As discussed above, people with OmniBase holds in Dallas also receive warrants. However, while their warrants automatically lift as soon as the person appears in court and gets a new court date, payment plan, or community service plan, the OmniBase hold does not lift until the underlying debt is almost entirely paid off. This means that people making good faith efforts to resolve their tickets will still have a hold on their license if they enter into a payment plan or community service agreement that takes several months to complete. Even if a judge does waive the OmniBase fee that funds OmniBase Services of Texas, the person will still not be able to drive until nearly all their underlying debt is satisfied. This adds additional barriers to getting to their job or community service site, as they risk getting more tickets, more OmniBase holds, and more warrants, driving them deeper and deeper into debt.
3. **The OmniBase program does NOT increase revenue—it may actually decrease it.** There is no evidence that using the OmniBase program increases either compliance or revenue. In fact, according to an analysis of self-reported data from over 800 active municipal courts across the state, the average amount collected per case is lower for active courts in cities that use the OmniBase program than for active courts in cities that do not (i.e., \$233 per case on average that do not use the program and \$188 per case for courts that do).
4. **OmniBase holds are NOT fundamentally different than driver’s license suspensions.**
The variances between OmniBase holds and driver’s license suspensions is a distinction without a difference. Both ultimately prevent someone who cannot afford their fines and fees from legally driving, and both result in the same cycle of debt and increased likelihood of arrest and detention discussed above. With a driver’s license renewal hold, there is always the possibility of an immediate impact. If a person’s license is already expired or is soon to expire, or if the person has yet to obtain a first-time license, the consequences of a renewal hold will be felt immediately.

This is not the first time that OmniBase Services of Texas has tried to protect their revenue stream against policymakers' wishes. Last summer, they attempted and failed to block Harris County from lifting OmniBase holds after the Commissioners’ Court voted to end its participation in the program. In addition, this past legislative session, OmniBase Services of Texas and its private lobbyist blocked common-sense legislation that would have reformed the program so that holds would lift when people come into compliance by appearing in court and getting on a payment plan or community service plan. This legislation had broad support and *no*

organizational opposition except for OmniBase Services of Texas, the company that profits from the hardship of people who lose their licenses under the program.

We urge you not to let this company continue to profit off the backs of Dallas's most vulnerable residents. Protect the critical step that Council has made towards equity and justice for all by exiting the contract.

We also urge you to ensure that all residents fully benefit from Council's decision by lifting all 200,000 existing holds. Just as the Austin City Council and Harris County Commissioners Court did when they exited their OmniBase contracts, you can and should direct the municipal court to lift all current holds as part of the exit. This will ensure that Council's decision to exit the contract provides immediate relief to the tens of thousands of Dallas residents living under the burden of this program.

For an in-depth, data-driven analysis of the OmniBase program's effects in local jurisdictions, please read this report: <https://bit.ly/OmniBaseFailures>. We are happy to answer any further questions, so do not hesitate to contact us (Emily Gerrick, egerrick@fairdefense.org, or Mary Mergler, mmergler@texasappleseed.org).

Sincerely,

CitySquare
Texas Organizing Project
Texas Fair Defense Project
Texas Appleseed

cc: T.C. Broadnax, Dallas City Manager