

**SUMMARY and FISCAL NOTE\***

| <b>Department:</b> | <b>Dept. Contact/Phone:</b> | <b>CBO Contact/Phone:</b>                 |
|--------------------|-----------------------------|---|
| Mayor's Office     | Andrew Myerberg/684-8729    | Sarah Burtner/233-5044<br>Kailani DeVille |

*\* Note that the Summary and Fiscal Note describes the version of the bill or resolution as introduced; final legislation including amendments may not be fully described.*

***\*\*Note that this version of the Fiscal Note (D2) includes revisions by Central Staff.***

**1. BILL SUMMARY**

**Legislation Title:** AN ORDINANCE related to recruitment and retention of police officers in the Seattle Police Department; modifying a proviso in the 2022 Budget by amending Ordinance 126589; creating positions in the Seattle Department of Human Resources to assist with recruitment to the Seattle Police Department; modifying appropriations in the 2022 Budget by amending Ordinance 126490; authorizing a hiring incentives program in the Seattle Police Department; and ratifying and confirming certain prior acts.

**Summary and Background of the Legislation:** This legislation is needed to implement some aspects of the Mayor's plan to assist the Seattle Police Department in recruiting and retaining police officers.

Section 1 of the bill amends language in Ordinance 126589 that restricts the usage of salary savings in the Seattle Police Department to certain activities. This bill expands the use to include:

- salary and benefits for four new employees in the Seattle Department of Human Resources who will be dedicated to recruiting new employees for SPD;
- moving and other reimbursable expenses authorized by Council Bill 120351;
- contracting with outside agencies to help SPD develop a brand, materials, and advertising campaign to assist in recruitment; and
- improvements that can speed up the process of hiring new police officers, including technology costs and subscriptions.

This allows these new efforts to use existing appropriations to the Seattle Police Department.

Section 2 creates four new positions in the Seattle Department of Human Resources to support the recruitment of police officers:

- A recruitment manager
- Two recruiters
- An additional staff person to assist with the administration of police and fire exams, which can speed up the hiring process.

Section 3 transfers appropriations from the Seattle Police Department to the Seattle Department of Human Resources to support the salary and benefits of those four positions in 2022.

Section 4 authorizes a hiring incentive program for lateral and new recruits to the Seattle Police Department effective July 13, 2022. Lateral recruits may receive up to \$30,000 and new recruits may receive up to \$7500, depending on market conditions. This range is consistent with bonuses currently offered by peer cities in the Puget Sound region. This section also allows City employees a \$1000 referral bonus for identifying and referring potential officers, once the recruit has been hired by the City or entered the state academy. This section also requires SPD to report to the Mayor and Council on a quarterly basis on the use and commitment of these incentives.

**2. CAPITAL IMPROVEMENT PROGRAM**

Does this legislation create, fund, or amend a CIP Project?          Yes   X   No

**3. SUMMARY OF FINANCIAL IMPLICATIONS**

Does this legislation amend the Adopted Budget?        X   Yes     No

| Appropriation change (\$):     | General Fund \$         |      | Other \$               |      |
|--------------------------------|-------------------------|------|------------------------|------|
|                                | 2022                    | 2023 | 2022                   | 2023 |
|                                | \$0                     |      | \$0                    |      |
| Estimated revenue change (\$): | Revenue to General Fund |      | Revenue to Other Funds |      |
|                                | 2022                    | 2023 | 2022                   | 2023 |
|                                |                         |      |                        |      |
| Positions affected:            | No. of Positions        |      | Total FTE Change       |      |
|                                | 2022                    | 2023 | 2022                   | 2023 |
|                                | 4.0                     |      | 4.0                    |      |

**Does the legislation have other financial impacts to The City of Seattle that are not reflected in the above, including direct or indirect, short-term or long-term costs?**  
 Ensuring public safety is a Charter obligation of the City. Having an appropriately staffed police department will reduce overtime costs in the Seattle Police Department.

CENTRAL STAFF ANALYSIS:

SPD and the Mayor’s Office indicated that the hiring incentive will assist with the City’s efforts to meet its staffing plan goals. As transmitted last month, the SPD Staffing Plan identifies 125 officer hires (105 recruits and 20 laterals) in 2023. The department estimates that offering officer hiring incentives for three years (2022-2024) will cost approximately \$3.8 million:

**Table 1: Estimated Cost of Hiring Incentives (2022-2024)**

| Year         | Cost               |
|--------------|--------------------|
| 2022         | \$288,750          |
| 2023         | \$990,000          |
| 2024         | \$1,612,500        |
| 2025         | \$806,205          |
| 2026         | \$105,000          |
| <b>Total</b> | <b>\$3,802,500</b> |

The fiscal impacts extend beyond the third year of implementation (2024) because the hiring incentive is dispersed in two separate payments: the first dispersed upon hire and the second dispersed approximately one year later. This method is reflected in the proposed legislation as follows “upon completion of any probationary period established by the Public Safety Civil Service Rules.” Recruits that receive a first payment late in 2024 will not receive a second payment until completing field training early in 2026. This dispersal method creates the five-year distribution in costs as shown in Table 1.

The estimated cost in 2022 of the hiring incentive is \$289,000; as noted above, this assumes offering hiring incentives to 125 new hires (20 laterals and 105 new recruits). In addition to the hiring incentives, 2022 estimated costs for CB 120389 will include:

1. \$229,000 for the additional recruiter positions;
2. \$831,000 for the enhanced recruitment and backgrounding services and new retention initiatives;
3. \$150,000 for the Chief of Police Search.

The total estimated 2022 cost to implement CB 120389 is approximately \$1.5 million.

Implementing CB 120389, that authorizes funds for recruitment and retention activities, impacts SPD’s 2022 Adopted Budget in two ways: (1) it transfers \$229,000 in officer salary savings from SPD’s budget to SDHR’s budget to provide funding for four new positions; and (2) modifies the proviso that restricts use of any SPD officer salary savings for anything other than paying salary and benefits, to allow \$1.57 million within SPD’s budget to allow the department to spend salary savings on recruitment and retention activities. Table 2 below shows the total estimated fiscal impact of CB 120389 if SPD uses all \$1.57 million available via the modification to the proviso.

**Table 2. CB 120389 Estimated Fiscal Impacts in 2022**

| 2022 Costs Only   | Dollars            |  |
|---|--------------------|--|
| SDHR recruiter positions (cut and add from SPD budget)                              | \$229,000          |  |
| SPD hiring incentive  | \$289,000          | <b>Modify Proviso Use \$1.57 million in SPD Salary Savings to cover 2022 costs</b> |
| SPD-only costs for marketing, testing, backgrounding, and new retention initiatives | \$831,000          |  |
| Chief of Police search Costs  | \$150,000          |  |
| SPD unprogrammed salary savings available for use under CB 120389                   | \$301,000          |  |
| <b>Total</b>  | <b>\$1,800,000</b> |  |

As illustrated in Table 2, modifying the proviso will would authorize SPD spending specific amounts for hiring a recruiter, hiring incentives, and for marketing, testing, backgrounding, and new retention initiatives, and to spend up to \$301,000 in salary savings to fund any other recruitment or retention expenditure described by the bill. One example is the cost of providing reimbursement for moving expenses; note that Ordinance 126589 (passed by the Council on May 24, 2022) authorized up to \$650,000 for this purpose. While the cost of reimbursing for moving expenses would still be an authorized use under this new proposed legislation, the materials transmitted by the Mayor’s Office do not specifically assume spending any funds on moving expenses. Put another way, this would significantly reduce resources available for reimbursement of moving expenses authorized ORD 126589.

Budget Context

SPD has incurred 109 officer separations through June of 2022, approximately 60 more separations than what was forecasted during the writing of the 2022 Adopted Budget. The unneeded salary and benefit funding resulting from those separations, as well as slower than anticipated hiring, is currently projected to accumulate to \$8.6 million by year end. At the same time, the unprecedented officer separations of the last two years are creating additional costs related to overtime and separation pay for SPD. Each of these cost drivers could result in a need for a \$2.0-\$3.0 million in additional, unbudgeted expenditures in 2022. Table 3 below illustrates how SPD is intending to use its salary savings to address known and projected costs in 2022.

**Table 3. SPD Spending Plan for Salary Savings**

| <b>SPD Spending Plan for Salary Savings Provided 8-2-2022</b> |                    |
|---|--------------------|
| SPMA Contract – Retro wage adj.                               | (\$3,386,924)      |
| CB 120389 Recruitment & Retention                             | (\$1,800,000)      |
| Benefit Costs (Separation Pay and Worker’s Comp)              | (\$2,025,000)      |
| <i>Overtime</i>   | <i>TBD</i>         |
| Subtotal  | (\$7,211,924)      |
| Projected Budget Savings – est.                               | \$8,662,000        |
| <b>Remaining Balance (excl. OT) – est.</b>                    | <b>\$1,450,076</b> |

Table 3 does not account for the potential increase in overtime costs, currently estimated to be as much as \$2.0 to \$3.0 million in 2022. If that does in fact become reality, and \$1.8 million of the estimated 2022 office salary savings is used for retention and recruitment activities, that would result in SPD needing additional appropriation authority in 2022 or SPD will have a budget exception that will need to be addressed in 2023. However, the department notes that these projections are conservative and do not account for additional savings from the staffing plan that may be achieved if the pace of separations and hiring seen in the first seven months of the year persists. For instance, there were 109 separations in the first half of 2022 and the department is only projecting 39 in the second half of the year. Additional separations would create additional salary savings and allow SPD to finish the year without exceeding the current budget authority

**Are there financial costs or other impacts of *not* implementing the legislation?**

No.

**3.a. Appropriations**

**X** This legislation adds, changes, or deletes appropriations.

| <b>Department</b>                  | <b>Fund</b>          | <b>Budget Summary Level</b>                       | <b>Amount</b> |
|------------------------------------|----------------------|---|---------------|
| Seattle Police Department          | General Fund (00100) | Leadership and Administration (00100-BO-SP-P1600) | (\$228,691)   |
| Seattle Human Resources Department | General Fund (00100) | HR Services (00100-BO-HR-N6000)                   | \$228,691     |
| <b>Total</b>                       |                      |   | <b>\$0</b>    |

**3.b. Revenues/Reimbursements**

     This legislation adds, changes, or deletes revenues or reimbursements.

**3.c. Positions**

X This legislation adds, changes, or deletes positions.

**Total Regular Positions Created, Modified, or Abrogated through This Legislation, Including FTE Impact:**

| Position # for Existing Positions | Position Title & Department*       | Fund Name & #        | Program & BCL | PT/FT | 2022 Positions | 2022 FTE   | Does it sunset? (If yes, explain below in Position Notes) |
|-----------------------------------|------------------------------------|----------------------|---------------|-------|----------------|------------|---|
|                                   | Manager 2, General Government/SDHR | General Fund / 00100 |               | FT    | 1              | 1.0        | No.   |
|                                   | Personnel Spec / SDHR              | General Fund / 00100 |               | FT    | 2              | 2.0        | No.   |
|                                   | Personnel Analyst / SDHR           | General Fund /00100  |               | FT    | 1              | 1.0        | No.   |
| <b>TOTAL</b>                      |                                    |                      |               |       | <b>4</b>       | <b>4.0</b> |   |

\* List each position separately.

**Position Notes:**

**4. OTHER IMPLICATIONS**

- a. Does this legislation affect any departments besides the originating department?  
 This legislation impacts the Seattle Police Department and the Seattle Department of Human Resources.
- b. Is a public hearing required for this legislation?  
 No.
- c. Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?  
 No.
- d. Does this legislation affect a piece of property?  
 No.

- e. Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities? What is the Language Access plan for any communications to the public?**
- Public Safety is a core, charter obligation of the City of Seattle. All residents deserve public safety, and all communities and neighborhoods benefit from a safe city. This legislation is designed to increase the number of officers who can respond to calls for help from residents in a timely manner.

CENTRAL STAFF ANALYSIS:

It is possible that the hiring incentives could help attract more people of color as well as reduce barriers for those that have been hired, including those that are disproportionately affected by Seattle's increasing housing costs and commute times.

SPD has focused on making direct connections with communities historically underrepresented in policing with the explicit aim of recruiting officers who reflect the diversity of Seattle. This effort is consistent with a new Public Safety Civil Service Commission (PSCSC) rule that will allocate additional test points for multi-lingual candidates that sit for the police exam. It is also the focus of a 2017 report on recruiting made by the Community Police Commission, which contained nine recommendations that emphasized more connection with the community.

SPD has indicated that it has recently increased its hiring of people of color, which historically have belonged to vulnerable and disadvantaged communities. Racial diversity of SPD hires has increased to approximately 40 percent in the last several years. If this trend continues as the department grows its officer numbers, then SPD will further increase its racial diversity in absolute numbers and as a percentage of the sworn force.

It is also possible that any increase in the size of the police force may result in over policing of non-white neighborhoods. The Center for Policing Equity, in a study completed in 2021, found that Black and native American pedestrians at a greater likelihood to be stopped by SPD than white pedestrians. Additionally, pedestrians of color are more likely to be searched than their white counterparts, despite being statistically less likely to carry weapons. The Department continues to provide anti bias training and report on bias indicators as part of its compliance with the 2012 Federal Consent Decree.

**f. Climate Change Implications**

- 1. Emissions: Is this legislation likely to increase or decrease carbon emissions in a material way?**

No.

- 2. Resiliency: Will the action(s) proposed by this legislation increase or decrease Seattle's resiliency (or ability to adapt) to climate change in a material way? If so,**

**explain. If it is likely to decrease resiliency in a material way, describe what will or could be done to mitigate the effects.**

No.

- g. If this legislation includes a new initiative or a major programmatic expansion: What are the specific long-term and measurable goal(s) of the program? How will this legislation help achieve the program's desired goal(s)?**

The goal of these efforts is to increase the number of active sworn Seattle Police officers who are available to provide public safety services to the City. The Seattle Police Department annually publishes a staffing model and reports quarterly on progress towards that staffing model.

**Summary Attachments:**