



January 25, 2021

MEMORANDUM

To: Greg Doss and Aly Pennucci
Council Central Staff

From: Angela Socci, Executive Director of Budget/Finance
Seattle Police Department

Subject: CB 119981

I. Executive Summary

On Tuesday, January 26, the Public Safety and Human Services Committee will consider CB 119981, which reduces appropriation in the Seattle Police Department's (SPD) 2021 Adopted Budget by \$5.4 million and increase appropriations in Finance General for participatory budgeting by the same amount and imposes a proviso. SPD respectfully submits this memorandum to describe the impacts of further cuts to the department's budget. The department is still assessing the effective impacts of the prior budget cuts and provisos. The preliminary results of that work are addressed herein.

To summarize:

- There will likely be additional salary savings available in 2021 due to late separations in 2020. However, if this vacancy savings is cut from the budget, SPD cannot absorb any unanticipated or unbudgeted costs in 2021.
- SPD is experiencing an extreme staffing shortage, the future effects of which are not fully known. The department has implemented some mitigation options (e.g., transfers into Patrol) to reduce the impact to emergency response services, namely 911 response. Other mitigation options, such as hiring more civilian support, are limited due to lack of budget resources and budget use restrictions.
- The department is committed to operating within its reduced overtime budget in 2021. To achieve this, SPD's capacity to work all types of events may be drastically reduced in 2021.
- The budget issues presented herein could be addressed through the supplemental budget process or separate legislation later in the year when more information is known.
- SPD will request funding from Finance General set aside for paid parental leave backfill in 2021. SPD's 2021 budget was developed with this funding transfer assumed. To increase transparency regarding this fully-anticipated allocation of centrally-held paid-parental resources, CBO will include this request in first supplement budget ordinance that will be submitted to Council.

II. Background

Prior to the 2021 budget process, SPD was asked to use salary savings to cover personnel costs such as overtime, separation pay and other benefits. This approach generally allowed the department to have flexibility to adjust account-level budgets to meet operational needs. The use of salary savings to cover such unanticipated or unpredictable costs is standard practice throughout the City.

In the 2021 budget process, City Council made a policy decision to move away from this budget model to a more restrictive model that requires greater adherence to account-level budgets. During budget deliberations, Councilmembers expressed a strong preference for greater visibility into the department's budget and expenditures and more opportunities to review and approve specific budget appropriations in advance of work being performed.

III. CB 119981

The stated intent of CB 119981 is to reduce SPD's budget by \$5.4M in 2021 to counteract the department's request for an equal appropriation in 2020 to reimburse the department for expenses tied to paid parental leave benefits, cash outs for higher-than-anticipated separations and citywide COVID response, including overtime for staffing testing sites and purchase of PPE for first responders. This bill has also been linked to SPD's anticipated staffing shortage attributable to additional sworn separations in the fourth quarter of 2020.

The department is providing this comprehensive overview of the 2021 budget to help inform Council's decision-making process. *While the impact of this cut cannot fully be known at this point in the year, the department herein outlines several budget issues for consideration alongside the subject bill.* Staffing and financial reports have also been provided for reference.

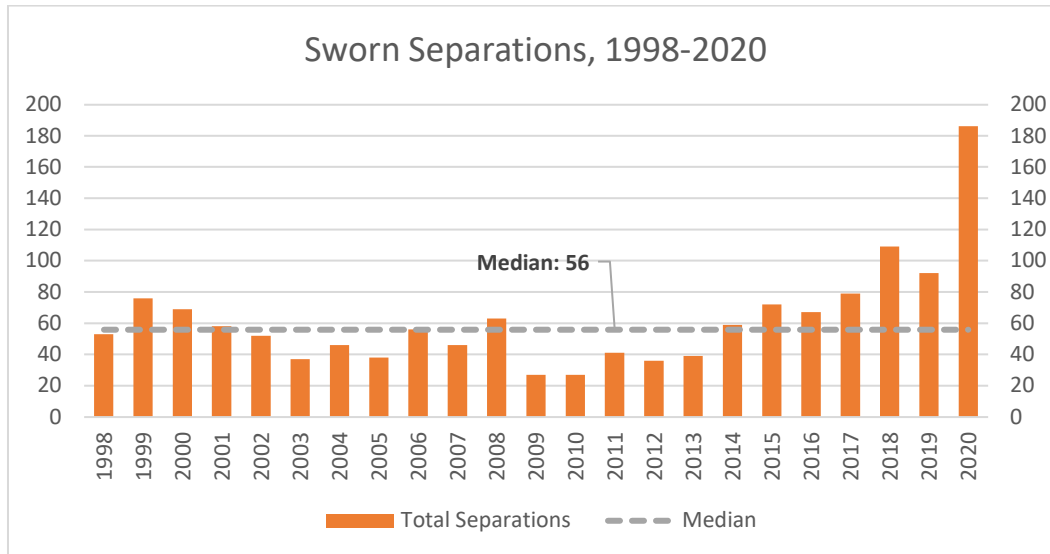
NOTE: The COVID pandemic continues to stretch department resources, City operations and revenue streams. With the arrival of the COVID vaccine, some return to normalcy may be achieved in 2021. However, it is likely the department will continue to incur expenses related to COVID. CB 119981 was initiated, in part, because the department sought a year-end appropriation in 2020 for FEMA-reimbursable COVID-related expenditures. SPD will continue to incur costs in 2021 and will require future budget appropriations for these costs, the total of which is not known at this time and therefore excluded from this issue paper.

Also, the City has not closed the books on 2020. This impact statement does not factor in the year-end results, which will not be known until February 2021.

IV. Staffing Update

In 2020, SPD lost more officers than any other year on record. Of the 186 separations, 46% had 7 years of service or less. Combined with a hiring freeze, SPD realized a net loss of -135 officers. In a typical year, SPD would use its staffing plan (i.e., staffing model) to determine the number of hires needed to backfill for anticipated losses. This same tool has been used since 2002 with positive results until 2018 when attrition greatly exceeded calculated projections. Because it takes approximately 18 months to recruit, hire and train new officers, the efficacy of the staffing plan relies heavily on the department's ability to project future separations. Sworn separations were steady and largely predictable for the past two

decades. Attrition slowed predictably during and after economic recessions, but the proportion of fully trained leavers was in line with original attrition forecasts until 2018 when SPD lost over 100 officers, exceeding the annual attrition forecast by 51%.



The department has been asked by Council to provide updated attrition projections for 2021 for consideration alongside CB 119981. This is not possible given the variance seen in the last three years. Past attrition patterns no longer hold and advanced forecast models (e.g., autoregressive integrated moving average (ARIMA)) will not generate an attrition forecast because the inputs are not valid. Without an attrition forecast, the staffing model is not usable as a forecasting tool.

Additionally, the department's 2020 hiring projections are still in development pending the results of ongoing discussions with the Washington State Criminal Justice Training Center regarding SPD-only Academy classes. The department has contracted with the National Testing Network (NTN) to test new candidates in lieu of holding in-person tests during a pandemic. The test results for the NTN applicants will be available in February 2021. The department does not have data on the conversion rates of online applicants as this is a new process. That said, SPD has 26 candidates already scheduled for Academy starts in February 2021.

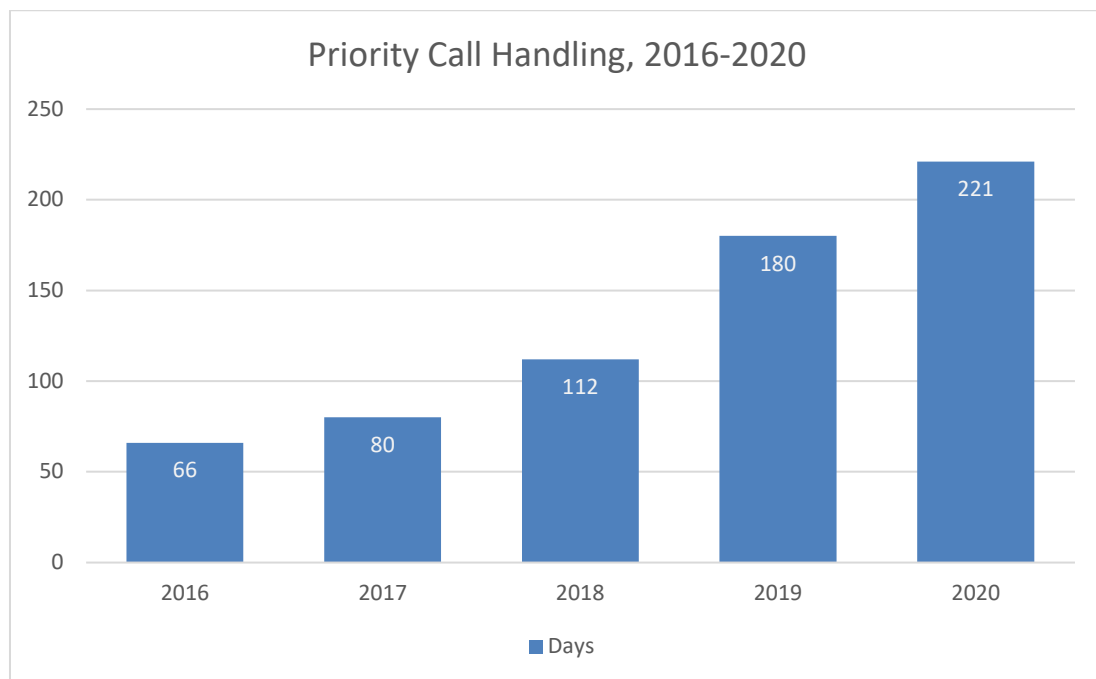
For now, the staffing model will only be updated with actuals until more information regarding future attrition and Academy availability is known. While SPD cannot provide staffing projections for the whole of 2021, the department can confirm that the loss of 49 fully trained police officers in the last two months of 2020 could generate a significant amount of salary savings in 2021. Some of these separations were already accounted for in the 2021 budget. We also know from recent history that high attrition comes with additional separation pay and overtime backfill costs. See page 9 for more information regarding separation pay.

Staffing Shortage

SPD service levels will continue to decrease absent net new hires, meaningful changes to the list of police duties, an increase in overtime usage or a combination of these workload/staffing variables. The net change in deployable sworn personnel from December 2019 to December 2020 equates to a loss of 298,000 productive hours. The department and City cannot hire its way out of a police staffing shortage of this magnitude, and the remaining officers cannot be expected to completely fill this gap on overtime at the expense of employee wellness. As of today, alternative response models have not been established and emergency response duties have not been formally cut or redistributed to other entities.

Chief Diaz took steps in 2020 to move 100 officers into Patrol to address staffing and workload issues. To achieve this level of augmentation, problem-solving Community Police Teams were disbanded along with precinct-based Anti-Crime Teams. The Traffic Section was reduced to 50% capacity. Likewise, Harbor Patrol is down 40% due to attrition and could lose the ability to respond to certain types of maritime calls for service.

Despite efforts to address the staffing shortages in Patrol, SPD declared “priority call handling” status on 221 of 366 days last year, meaning the department delivered a reduced level of 911 services for at least part of the day because on-street resources from one or more precincts were depleted significantly below normal staffing. Under this circumstance, certain categories of callers are requested to re-contact SPD. They will be given an approximate time when routine services will be restored. Individual contacts are not logged. The 2020 level of priority call handling (in days) represents a 97% increase from 2018 and a 176% increase from 2017.



As mitigation options become increasingly limited, the department will be forced to make even more difficult decisions about what police services can be continued. The COVID pandemic has offered some relief in the form of reduced special event workload and decreases in certain enforcement activities. As staffing numbers continue to decline and budget resources are restricted and reduced in 2021, SPD will be forced to make additional reductions to investigative and specialty functions, most of which have already been impacted by attrition and/or prior transfer orders.

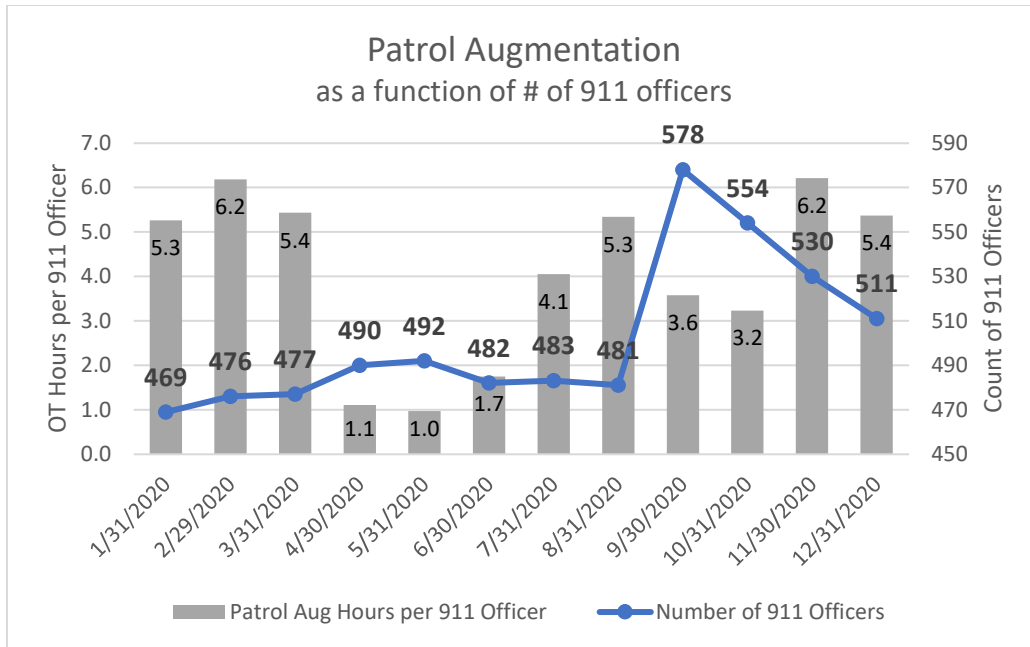
V. Budget Implications

With the \$5.4M savings generated by the year-end sworn separations, the department could potentially mitigate additional service impacts in the near term through various resource supplements described in the following sections. Without any additional resources or relief, the City must prepare for further, more drastic service impacts, such as increased response times, absence of police presence at City events (permitted and unpermitted events and demonstrations) and more instances of priority call handling.

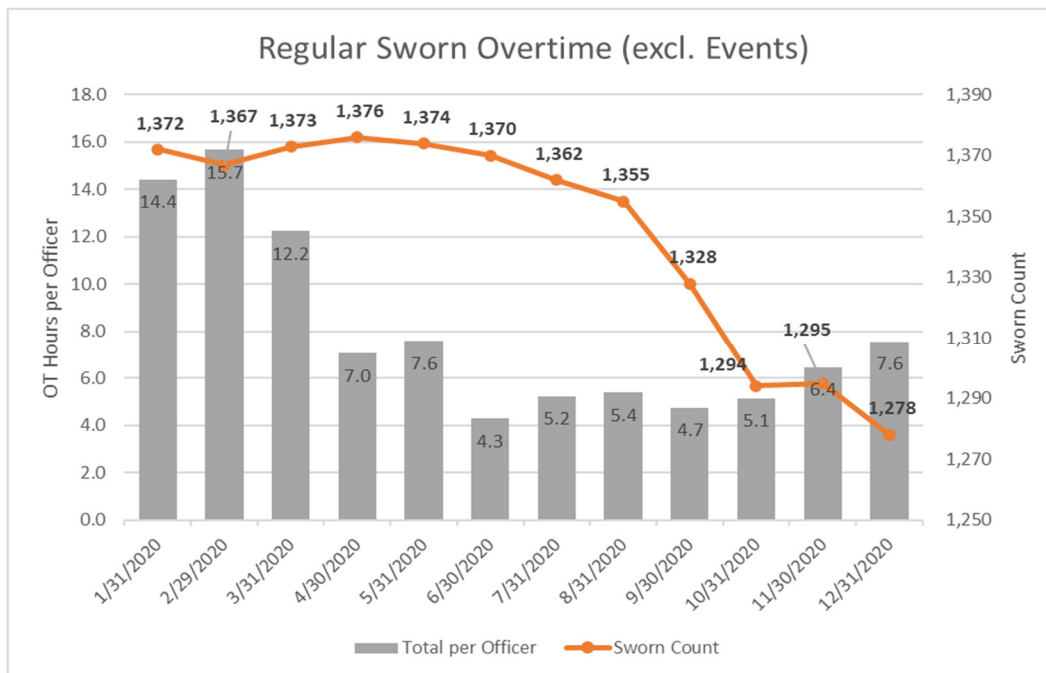
Overtime

For the last decade, it has been common practice for SPD to offset staffing shortages with overtime. The cost of a single overtime hour, typically paid at 1.5x an employee's pay rate, is actually less than the cost of a regular time hour when benefits are factored into the equation. Not only is it less expensive, it is more expedient to deploy an existing, fully trained police officer on overtime than it is to recruit, hire, outfit, train and deploy a new police officer to address increasing demands for police services. The department's capacity is expanded through the use of overtime. In fact, most ideal staffing model assessments/formulas call for a certain amount of overtime to meet overall demand, so that resources can be flexible based on need.

Under normal circumstances, overtime enables the department to do more work with fewer staff resources. That said, there are limits to how much overtime can be used to offset staffing shortages. Close monitoring of overtime usage has shown a considerable decrease in the number of overtime shifts being used in some areas where staffing has decreased. In other areas, overtime usage is increasing as staffing levels decline. The chart below shows a per capita increase in patrol augmentation overtime as precinct staffing levels decreased in the last quarter of 2020. Note, these staff counts include officers assigned to the Community Response Group created September 30, 2020. The sergeants who supervise 911 response officers have been excluded.



On the other hand, a look at all sworn overtime (excluding event overtime) in 2020 shows a lesser increase in overtime usage despite a dramatic decrease in the total number of sworn officers. It should be noted that the high levels in January and February must be considered in the face of the need for and calls for extra police presence in downtown, and investigative actions, following the mass shooting on January 22, 2020.



More work will need to be done to determine the relationship between staffing levels and overtime usage, especially where overtime is needed to meet minimum staffing requirements. There are analytic tools that can forecast likely costs of staffing shortages, which SPD seeks to use.

Finally, the department's overtime budget for 2021 was reduced by \$7.9M compared to the 2020 adopted overtime budget. As a result, SPD must prioritize overtime needs and expenditures and plan for contingencies in order to operate within the overall budget parameters set for this year. The department is still developing its overtime allocations for 2021. Early analysis suggests that the department has insufficient budget to staff all special events, meaning SPD may not be able to provide traffic control or other police services at all permitted or non-permitted special events in 2021.

Event overtime is being closely tracked and will be reported to Council on a recurring basis with the expectation that unbudgeted event overtime may require a future appropriation increase, including but not limited to overtime used to staff revenue-backed sporting events, City permitted events requiring police presence and non-permitted events with a high likelihood of traffic disruption.

Civilian Support

In a normal year, public-facing civilian personnel like Crime Prevention Coordinators or Community Service Officers could help supplement precinct-based community safety services. However, SPD's budget for civilian personnel was reduced by over \$4M in 2021. To achieve this cut, the department must maintain a minimum of 40 civilian vacancies through the year.

SPD has several vacant civilian positions that could be funded through \$1.4M in sworn salary savings. The positions below provide important services and are considered a high priority to the department. SPD has been unable to fill most of these positions due to the ongoing hiring freeze initiated in 2020 and further budget cuts and provisos imposed in 2020 and 2021. Filling these positions would partially offset some of the impacts caused by the sworn staffing deficit:

- *Crime Prevention Coordinator (CPC) – North Seattle (2.0 FTE), one new and one vacant since April 2020, \$236,378*
The department currently has 5 CPC positions. CPCs work with businesses, residents and crime victims to develop crime prevention strategies, disseminate information and promote community collaboration.
- *Community Service Officers (CSOs) – citywide (4.0 FTE) – one vacant since August 2020, 1 vacant since September 2020, 2 positions never filled, \$467,628*
These four positions would join the newly formed CSO unit, currently comprised of 2 squads.
- *Community Service Officer Supervisor – citywide (1.0 FTE) – position never filled, \$128,825*
This position is responsible for supervising the third CSO squad that was delayed due to the COVID pandemic and related hiring freeze.
- *Management Systems Analyst Supervisor – citywide (1.0 FTE) – vacant since November 2020, \$159,100*
This position works in the Data-Driven Policing Section and is responsible for data management, analysis and dissemination via automated internal and external dashboards. If

- this position remains unfilled, the department will struggle to meet its data reporting requirements, including Council-mandated reports.
- *Admin Staff Analyst – citywide (2.0 FTE) – NEW, \$252,682*
The department has two vacant administrative positions that could be repurposed to address SPD’s growing public disclosure backlog. Currently, the department has approximately 2,807 open requests, and the average PDR workload is estimated at 300-400 open requests per Public Disclosure Officer. In 2020, SPD received over 9,000 individual requests (as compared to 8,045 PDRs received in 2019, and 7,209 PDRs received in 2018).
 - *Sr. Management Systems Analyst – citywide (1.0 FTE) - NEW, \$149,336*
In 2021, the number of recurring and one-time reports requested by Council increased dramatically (23 in 2020 versus approx. 110 in 2021) in addition to increased reporting as part of the Mayor’s Executive Order and new Consent Decree requirements. The majority of this work is being performed by the same four Budget/Finance staff responsible for budget development and monitoring. This group does not have capacity to meet the new reporting requirements in a timely manner. This position would also support the development of automated reports and public-facing budget dashboards.

If Council cuts \$5.4M from the department’s budget via CB 119981, SPD will be unable to fill these civilian positions in 2021.

Technology Needs

The department is currently researching ways to leverage technology to address the growing staffing deficit and respond to calls for more transparency and accountability. In 2020, SPD processed 37% of its calls for service via online and telephone reporting, up 14% from 2019. Continued investment in online platforms is a cost-effective way to meet public demand for reporting services while reducing in-person police contacts.

Additionally, there is a critical need for investment in the maintenance of the Data Analytics Platform (DAP) and in new models for determining minimum police staffing (in response to questions about the appropriate size of the police department) and for predicting and guiding interventions for employees exhibiting signs they need support (in response to research findings that the threshold-based early intervention system (EIS) is relatively ineffective).¹ The department is looking to build on existing platforms, like version one of the DAP, which was instrumental in satisfying SPD’s initial obligations under the Consent Decree. DAP 1.0 has served to identify critical insights and gaps in our understanding but is based on an outdated and inefficient design, creating limitations that restrict its usefulness. DAP 1.0 was originally designed to respond to a specific set of requirements under the Consent Decree. Since then, the DAP use cases have grown dramatically as the platform was used to meet increasing demands for non-Consent Decree related information and analysis.

These new technology and automated services would help SPD rebuild community trust and promote a healthy agency culture. The referenced upgrades were identified as part of the ongoing re-envisioning work, with input from internal and external partners, and would provide invaluable insight and

¹ James, S., James, L. & Dotson, L. Evaluating the effectiveness of a police department’s early intervention system. *J Exp Criminol* (2020). <https://doi.org/10.1007/s11292-019-09397-8>

enhanced capabilities to inform this important work. The department prefers to initiate these projects immediately to avoid unnecessary delays and impede progress. An additional cut to SPD's budget in 2021 will inhibit the financing of the critical technology upgrades and improvements needed to implement community safety reforms and deliver fair and equitable police services.

Separation Pay

CB 119981 was initiated to reduce SPD's budget in 2021 for general fund reimbursement for separation pay in 2020. Due to the high number of separations in 2020 and a combined mid-year budget cut of \$19.5M, SPD was unable to absorb the increased cost of separation pay last year. Similarly, SPD will be unable to absorb the estimated \$1.1M to \$1.8M separation pay overage in 2021 due to the budget cuts already imposed during the 2021 budget process. The department could use the salary savings from officers who separated late in 2020; however, the subject cut removes that funding from SPD's budget. If the department is expected to absorb these costs in 2021, it would need to identify additional savings in other account categories. This would cause additional service interruptions and/or reductions (see above). Historically, SPD used salary savings to cover this expense.

For budget planning purposes, the department is currently using a range to estimate the cost of separation pay this year. For this estimate, the low-end sworn attrition estimate includes 79 separations and high-end includes 107. Note, recruits and Phase 2 student officers were excluded from the attrition count. The civilian separation counts were adjusted to account for the mid-year transfer of Parking Enforcement and Communications Center personnel.

2021 Budget - Separation Pay	\$898,374		
2021 Separation Pay Estimate	Avg Unit Cost	Projected Expense (est.)	Budget Shortfall (est.)
Low - 113 total separations	\$ 18,000	\$ 2,034,000	\$ (1,135,626)
High - 152 total separations	\$ 18,000	\$ 2,736,000	\$ (1,837,626)

Paid Parental Leave

The City Budget Office (CBO) has historically recommended against providing City departments with an adopted budget appropriation for paid parental leave (PPL). As a relatively new benefit, CBO did not have a methodology to predict PPL needs by department. Because of this, all appropriation for PPL is kept in Finance General and distributed based on actual utilization within the departments. Because of this, SPD does not use salary savings to cover PPL costs and will continue to ask for a supplemental budget appropriation for these costs. In 2021, the department estimates backfill cost for PPL will be around \$1.8M. This estimate is based on 2020 needs.

If SPD, alone, is asked to cover these costs with its already reduced budget and, again, will not receive funds from the Finance General set-aside, the Chief will have to identify additional service reductions to ensure the department can cover the costs of back-filling these individuals. It is important to remember that a sworn officer on leave cannot be replaced by a temporary hire given the requirements for being a sworn officer. The only way to replace an officer who normally would be on the streets responding to community calls, is to supplement that position with an officer on overtime pay. Current staffing

realities further restrict the department's capacity to operationally absorb the provision of this benefit without the use of additional overtime funds.

VI. Conclusion

It is too early in the year to determine the full impact of the proposed \$5.4M budget transfer. While salary savings may accrue in 2021 as a result of year-end attrition, the department recommends that Council give thoughtful consideration to the challenges facing the department and recognize the uncertainty surrounding the budget issues outlined above before repurposing department funds.

Attachments:

- Overtime Actuals – 2019 and 2020
- Staffing model with actuals through 2020 and template for 2021-2022
- Precinct Staffing Reports for November and December 2020
- SPD Communications Center Policy and Directive regarding Priority Call Handling