

September 24, 2021

MEMORANDUM

To: Public Safety and Human Services Committee
From: Jeff Simms, Analyst
Subject: Response to SLI HSD-006-A-003 Estimating Cost to Fully Fund LEAD Program

On September 24, 2021, the Public Safety and Human Services Committee (PSHS) will hear a presentation responding to Statement of Legislative Intent [HSD-006-A-003](#) (the SLI) by the Let Everyone Advance with Dignity program (LEAD, formerly Law Enforcement Assisted Diversion), which is managed by the Public Defender Association. The SLI requests the Human Services Department (HSD) provide estimates for referrals and associated costs if all priority qualifying referrals to the LEAD program citywide are accepted and a description of how these estimates will be incorporated into the Mayor's 2022 Proposed Budget. Inclusion of the SLI in the 2021 Adopted Budget was intended to obtain information necessary to assess further action on [Resolution 31916](#), which calls for appropriate funding to accept all priority qualified referrals for the LEAD program citywide.

HSD asked LEAD to prepare data-driven calculations to respond to the Council's request. The submission of this data was accompanied by a statement from HSD (see Attachment 1) recommending against further expansion of the LEAD program in the 2022 budget so that further work could be completed to ensure alignment between HSD, LEAD, and other criminal justice system alternatives and the impact of the Council's appropriation of \$3 million for LEAD in June 2021 could be assessed.

This memo examines the referral and cost estimates prepared by LEAD. The estimate provided by LEAD would result in a total program cost of \$21 million in 2022 and \$30 million in 2023 to accept all priority qualifying referrals, an increase above current levels of \$13 million and \$21 million, respectively.

Definition of Priority Qualifying Referral

The SLI is focused on serving all priority qualifying referrals to LEAD. A "priority qualifying referral" is a term that allows for subjective judgements based on the specific circumstances of the referral. Generally, LEAD clients are individuals who engage in criminal activity related to behavioral health issues, substance use, and/or extreme poverty or income instability. Arrest diversion to LEAD has been authorized from the program's outset in 2011 for drug crimes and prostitution, and as of 2018, the Seattle Police Department and City Attorney's Office have expressed an intent to allow arrest diversion of criminal trespass, theft, property destruction, and obstructing charges. Arrest diversion for non-domestic violence assault and harassment has been discussed by City departments as a potential further arrest diversion expansion for people likely not to be legally competent for criminal proceedings due to acute mental illness. Per

changes mandated by the Council in the 2020 Mid-Year Supplemental Budget ([Ordinance 126148](#)), LEAD referrals can be approved if the LEAD project management team determines that the referred individual chronically violates the law, that accepting the referral is consistent with racial equity, and if the LEAD case management teams believe that the resources available to them are appropriate to the individual's known needs.

Over the last year, factors determining when there is a priority qualifying referral have included examining whether the referred individual has experienced intergenerational poverty, been impacted by the war on drugs, or reported intergenerational behavioral health or chemical dependency issues. Black, indigenous, and other people of color are generally prioritized. An individual's actual community impact, such as having known warrants and open court cases is considered. Due to direction from Council regarding geographic expansion and areas of focus, geographic location can be a reason for not accepting a referral.

Referral and Caseload Estimates

To estimate total priority qualifying referrals City-wide, LEAD conducted a survey of partners that currently refer clients to the program. The survey asked for the estimated number of Seattle-based referrals the partner would send if LEAD had sufficient funding to accept all priority qualifying referrals (see Attachment 2 for details). After obtaining this data, LEAD reduced the number of referrals based on the current rate of duplicate referrals and proportion of individuals who do not complete intake into the program. This resulted in an estimate that 2,586 referrals would be made over the course of 2022, resulting in 1,450 individuals entering the program.

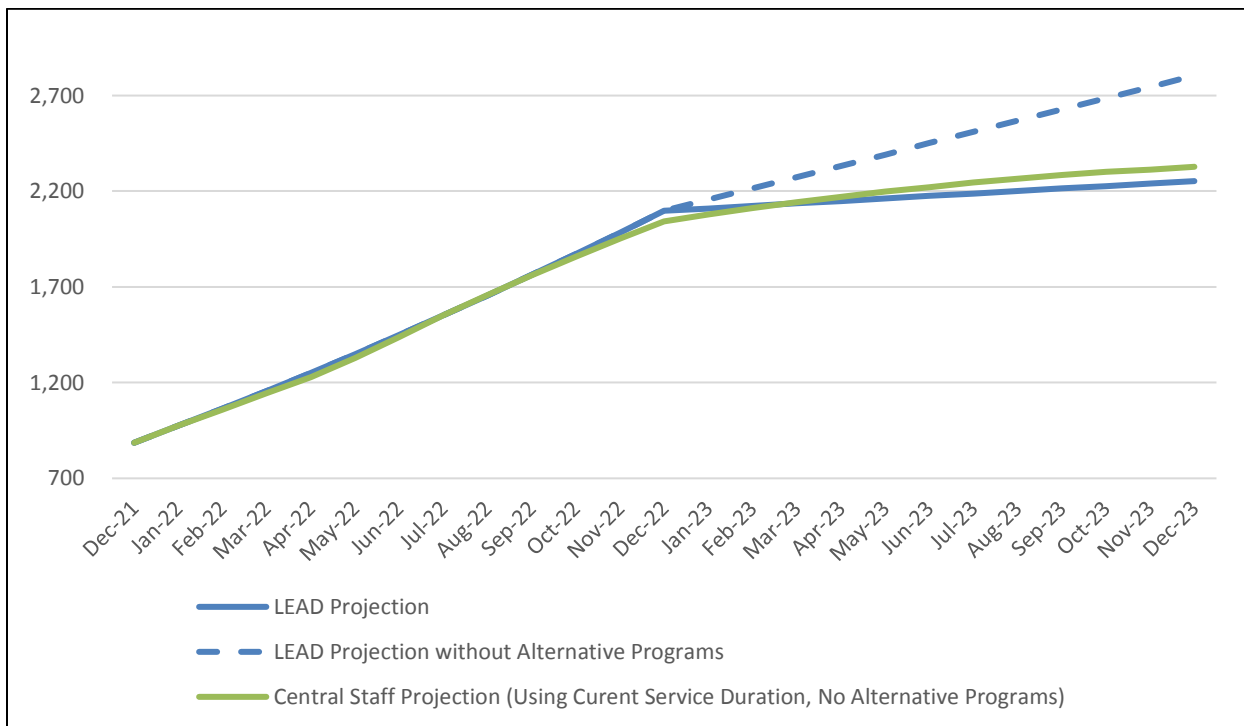
Generally speaking, a LEAD client falls into one of three stages. The most common stage is an active client who is intensely and actively meeting with the LEAD clinical team more than once every three months. The second stage, outreach, is a client who has contact with the LEAD clinical team but is not considered intensely engaged and typically has less than one contact every three months. A third stage, alumni, is a stabilized client who no longer requires intensive care coordination but may occasionally return for some assistance. Clients in any stage are considered discharged or disengaged in the event the person is sent to prison, moves out of the area, is out of contact for more than a year, or dies. Over the last year, it is estimated that a client remains in the active stage for an average of eight months, outreach for an average of six months, and alumni status for an average of four months. It is not uncommon for a client to move between the active and outreach stages.

The estimate of caseload prepared by LEAD in the SLI response assumes that new referrals who complete the intake process always move into the active LEAD caseload. It also assumes a fixed number of program exits each month in order to project the net caseload growth. Significantly, the LEAD estimate assumes that new community-based organizations and public safety initiatives would become operational by 2023, and some individuals who might otherwise qualify for LEAD would be referred to those programs and resources rather than to LEAD. Such

a change in the rate of referrals would slow the rate that the monthly caseload increases (see the solid blue line in Chart 1). However, absent the development of those alternative pathways by 2023, LEAD caseload could continue to rise substantially (see the dotted blue line in Chart 1) and there is a risk that the program would need to limit or pause accepting referrals.

Central Staff sought to confirm LEAD’s caseload projection based on the average time spent in each stage of the program. The Central Staff projection does not assume the rate of referrals to LEAD would decrease in 2023 due to new program alternatives, but it does assume that the number of referrals each month remains the same after reaching the levels projected from the partner survey. With these underlying assumptions, the rate of caseload increase in the Central Staff projection levels off in 2023 but continues to increase (See the green line in Chart 1).

Chart 1: LEAD Caseload Projections Using Different Underlying Assumptions



Neither the LEAD nor the Central Staff projection reach a point where the outflow of clients balances the inflow of new referrals. So in both projections, the caseload would interminably increase. If correct, the projections would therefore suggest that either the definition of a priority qualifying referral requires narrowing or new practices must be developed to more rapidly exit clients from LEAD.

The need for such changes could be even greater than suggested by these projections if the number of referrals increased more than estimated by the partner survey. For example, both the LEAD and the Central Staff caseload estimates assume that no new referral sources emerge

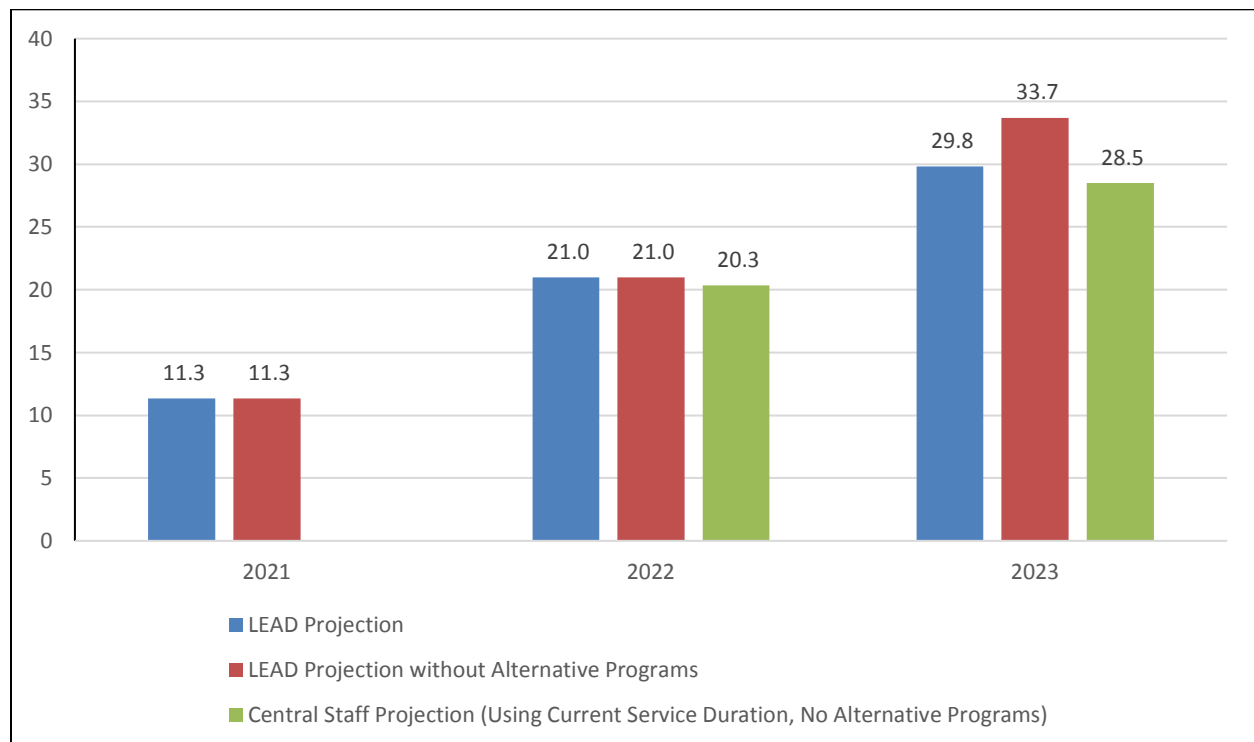
as funding for the program increases. However, it is possible, perhaps likely, that new community partners would begin to provide referrals or that greater awareness of LEAD’s presence in a community would impact the number of referrals. It is not possible to project what those impacts could be at this time.

Nevertheless, it is important to remember there were numerous assumptions made to develop these estimates and the slower rate of caseload increase could be an indication that in-flow and out-flow are beginning to balance. If LEAD funding is increased in the future, the accuracy of these assumptions should be monitored to better project if caseload will reach an equilibrium.

Cost Estimates

LEAD developed a staffing and cost model that varies based on the total program caseload each month. The model uses existing salary, benefit, and operational costs, though they are not adjusted for inflation or other changes over time. It assumes one case manager for every twenty active cases and one for every 80 outreach cases. The modeling assumes that 15 percent of active clients would receive hotel sheltering supports. Chart 2 shows the estimated cost of accepting all priority qualified referrals citywide using this staffing and cost model and the caseload estimates discussed above.

Chart 2: Estimated Total Cost to Accept All Priority Qualified Referrals City-wide (Dollars in Millions)



Other public entities could support some of these estimated costs along with the City. In addition to City General Fund support that is provided through HSD, LEAD currently receives funds through two contracts with King County. The King County Mental Illness and Drug Dependency Sales Tax (MIDD) currently provides nearly \$1.5 million to support LEAD in Seattle. LEAD assumes that funding will increase by four percent in each of the next two years due to inflationary adjustments. Similarly, LEAD receives approximately \$380,000 from the Trueblood Court Monitor for pre-booking police diversion of individuals whose law violations were thought to stem from high acuity mental health needs, though the Trueblood funding will end in June 2022. In addition, there are multiple other public funding sources that could potentially support the program, including State funding for the Recovery Navigator Program and State mental health services funding.

Assuming that the on-going funding from HSD increases by four percent over each of the next two years, City funding is expected to already be \$6.5 million in 2022 and \$6.7 million in 2023. These amounts do not include \$3 million one-time funding provided by the Council for the LEAD program in 2021 through [Ordinance 126375](#), which is assumed to end without Council action.

Next Steps

In the next week, the Council will receive the Mayor's 2022 Proposed Budget. Through that process, the Council will have the opportunity to deliberate over funding for LEAD in 2022. The SLI was intended to provide Council the information needed for those deliberations.

Attachments:

1. Response to SLI HSD-006-A-003 (Report on demands and costs for citywide diversion program) from Tess Colby, Deputy Director Human Services Department
2. LEAD Project Management Team Response to SLI HSD-006-A-003 (revised September 17, 2021)

cc: Esther Handy, Central Staff Director
Aly Pennucci, Policy and Budget Manager

Memo

Date: August 4, 2021
To: Councilmember Lisa Herbold, Chair, Public Safety and Human Services Committee
From: Tess Colby, Deputy Director, Human Services Department
Subject: Response to SLI HSD-006-A-003 (Report on demands and costs for citywide diversion program)

Introduction

This report is provided in response to Statement of Legislative Intent (SLI) HSD-006-A-003, which requests that the Human Services Department (HSD) provide a report to determine the amount of funding necessary to allow law enforcement pre-arrest diversion programs to accept all priority qualifying referrals citywide.

Pursuant to the direction in the SLI, the Let Everyone Advance with Dignity (LEAD) Policy Coordinating Group prepared the attached report and they offer it as a response to the questions included in the request. HSD is transmitting the report on behalf of LEAD.

Current City of Seattle Investments in LEAD

This SLI was approved and included in the 2021 City of Seattle Budget which invested \$6 million in LEAD. In June 2021, Ordinance 126298 appropriated an additional \$3 million to LEAD.

At this time, we cannot support an expansion of the program, as the data outlined in this report is insufficient to understand the total cost of expanding the LEAD program. In 2022, HSD's contract with LEAD is transitioning over to the newly formed Safe & Thriving Communities (STC) division. HSD recommends any discussion related to evaluation, cost analysis, or impact analysis of LEAD be delayed to 2022 in order to (1) allow STC to ensure alignment with LEAD and other systemic responses to criminal justice system alternatives and (2) allow sufficient time to contract and evaluate impact of the \$3M midyear budget add to LEAD in 2021 spearheaded by Councilmember Herbold.

Attachment

Lead Project Management Team Response to SLI HSD-006-A-003
Lead Core Principles

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Attachment 2: LEAD Project Management Team Response to SLI HSD-006-A-003
(revised September 17, 2021)

LEAD Project Management Team Response to SLI HSD-006-A-003

revised September 17, 2021

We appreciate the opportunity to address what would be required to expand LEAD to scale throughout the City of Seattle, including the capacity to accept any and all arrest diversions and appropriate community referrals. “Scale” is defined, in Resolution 31916, as the capacity to accept all priority qualifying referrals, to ongoing case management and care coordination without a pre-determined end date.

We begin with a brief background on the present scope and impact of LEAD, and then explore possible models for calculating expansion to scale.

I. LEAD summarized

LEAD began as a resolution of long-running litigation from 2001-2008 by PDA’s (Public Defender’s Office) Racial Disparity Project and the ACLU Drug Law Reform Project, challenging the over-policing of Black people delivering crack cocaine, and demonstrating that white people constitute the majority of those dealing drugs in outdoor drug markets in Seattle. Since 2011, PDA has served as the project manager for LEAD – Let Everyone Advance with Dignity – formerly called Law Enforcement Assisted Diversion – in Seattle-King County,¹ which provides community-based care for people who commit law violations related to behavioral health issues or extreme poverty, as an alternative to punitive enforcement-based responses.

Individuals referred to LEAD receive immediate access to harm reduction-based intensive case- management, including – but not limited to – chemical dependency treatment, mental health care, legal system support, and job training and placement. LEAD participants are those who commit, or are at high risk of committing, law violations related to their behavioral health challenges and/or income instability. LEAD case management follows the harm reduction principle of taking the harm seriously--the central program goal is to reduce problematic and illegal behavior, and thereby to reduce the “police-ability” of individuals who in the past have largely been rebuffed by care systems and exposed to enforcement and the legal system as a primary response for behavioral health conditions and income instability. Police and court response is reduced by providing an alternative, community-based response that is reliable and satisfying to participants and community alike.

Additionally, in 2018, the Policy Coordinating Group decided to respond to an RFP (Request for Proposal) from the Trueblood Court Monitor which sought proposals for pre-booking police diversion of individuals whose law violations were thought to stem from high acuity mental health needs, and LEAD was selected to expand services to this population. Pursuant to the award of Trueblood funding, beginning July 1, 2018, LEAD law enforcement partners were formally able to refer individuals to LEAD when they are under arrest for a wider range of offenses, approved by the Policy Coordinating Group. Phase I of the expanded arrest diversion eligibility criteria included criminal trespass, theft and property destruction (which, after extensive data review by SPD, the CAO (City Attorney Office), King County BHRD (Behavioral Health and Recovery Division) and PDA, were found to account for nearly half of cases in which individuals were held for competency evaluation on Seattle Municipal Court cases in the first quarter of 2018). Phase II expansion

¹ Our local LEAD program is governed by a Policy Coordinating Group (PCG), operating under an MOU (Memorandum of Understanding), making decisions by consensus, comprised of (for Seattle) the Mayor, City Council, City Attorney and Seattle Police Department, as well as the King County Executive, Council, Prosecutor and Sheriff, the ACLU of Washington, and the Public Defender Association, which serves as project manager. The PCG meets quarterly. The advocacy organizations represented were those that litigated the race discrimination challenge that catalyzed LEAD. The MOU could be amended by consensus to add or remove stakeholders. PDA is the project manager working for the PCG--if the PCG so chose, it could select another project management entity. In that sense, LEAD is not a project of PDA, and it can continue if PDA were no longer selected to provide project management.

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Attachment 2: LEAD Project Management Team Response to SLI HSD-006-A-003 (revised September 17, 2021)

may include non-domestic violence assault and harassment. However, to date, there have been no arrest diversions on these expanded arrest diversion criteria.

LEAD has recognized core principles (attached to this memo) that are essential to its recognition as an evidence-based approach, and which are used by evaluators nationally to measure fidelity to the model. These principles are currently in use by the Washington Health Care Authority in designing the SB5476 “Recovery Navigator” program which, per that legislation, must align with LEAD core principles. Within those core principles, however, there is substantial room for program adaptation, including in the model of care. The model is intended to accomplish the maximum possible paradigm shift from legal system involvement to community-based care. It is also meant to establish a floor, not a ceiling, on the resources individuals are provided to stabilize, recover and heal from complex trauma and harm.

It is often said that LEAD is not a program or a single organization, but a collective impact model creating a *framework* for diversion to community-based care of individuals who do commit law violations related to behavioral health issues or income instability, where there is a public expectation of enforcement response, and where it is clear that a punitive response is harmful and counterproductive. In contrast to gun violence, the impact of each instance of problematic behavior may be less severe, but taken together, these behaviors are problematic, for vulnerable communities as well as for more affluent ones, and require a response – and the number of individuals who fall into the category of eligible priority referrals is large, because these problems and situations are pervasive, for systemic reasons that are not likely to be soon resolved.

From time to time the Policy Coordinating Group convenes an evaluation and data working group to assess program operations and impacts. In 2019, among other areas of focus, that workgroup looked at LEAD’s impact on racial disparity and race equity. Black and other POC participants have always constituted a majority of LEAD participants. The benefits of the program in reducing felony filings, prison and jail time, and subsequent arrests, were found by a UW research team to be experienced equally by LEAD participants regardless of race. LEAD case management was already regarded as a higher level of care than has traditionally been offered to this participant group. In 2019, the evaluation and data workgroup determined that increasing the level of care offered to participants to include both more access to housing and a channel to secure legal income constituted appropriate modifications to the LEAD standard of care. In 2020, amidst the pandemic, the Policy Coordinating Group confirmed that more certain access to housing and legal income supports should be considered, as much as possible, essential to the LEAD model of care.

In Fall 2019, the 2020 budget process saw a commitment to take LEAD to full scale citywide by 2023, in Resolution 31916, and nearly tripled the City’s investment in the program, to restore ability to take on new referrals and alleviate crushing caseloads that were created when referrals mounted in 2018-2019 without significant increases in funding (other than Trueblood). The Policy Coordinating Group directed, and the City contract with PDA anticipated, that a second case management team would be created in 2020, so that REACH would not have to carry the planned growth of the program alone.

The COVID-19 pandemic elevated the need for a housing-based approach and a legal income stream to meet basic needs. It also accelerated the need for a second case management team. The brokerage case management approach LEAD has historically used was less usable when almost all other services became inaccessible to the LEAD participant population during the COVID shutdown. At the same time, jails declined to book on low level offenses, police had little contact, and courts closed, meaning that the LEAD population was largely left out on the streets unable to safely shelter in place and without access to lawful income. In response, with agreement of the PCG, PDA developed Co-LEAD, an intensive outreach and case management team that was able to provide this population temporary lodging at hotels as well as wraparound, on-site services. Co-LEAD, thus, is the second LEAD case management team, presently deployed to quasi-residential program sites for participants for whom that is the necessary level of care.

The other major change to the LEAD model in 2020 was the advent of direct community referrals, without

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Attachment 2: LEAD Project Management Team Response to SLI HSD-006-A-003 (revised September 17, 2021)

involvement of or approval from law enforcement. In the past, LEAD was intentionally designed to intercept individuals who were suspected of crimes and otherwise would be subject to being jailed and prosecuted, in order to prevent that harm. In 2020, initially due to the impact of COVID, and later in response to regional reconsideration of the appropriate role for police, jails, courts and police largely withdrew from engaging this population. However, large numbers struggled with lack of access to lawful income, engagement in the illicit economy to meet basic needs, and record levels of harmful substance use and untreated mental illness. The need remained, but the intercept channel needed to be adjusted to ensure LEAD services reached those they were designed to assist. Recognizing this, in summer 2020, the LEAD project management team proposed, and the City and County Councils required by budget proviso, that community referrals be accepted without the previous requirement of law enforcement approval.

Presently, LEAD arrest diversion, street outreach, case management, and direct services are available for individuals who pose a risk of ongoing law violations (are exposed to enforcement and the legal system) due to behavioral health conditions or extreme poverty. Without prior approval from law enforcement personnel, under terms of the City and County Council budget provisos, LEAD referrals can be approved if the LEAD project management team determines that the referred individual chronically violates the law, that accepting the referral is consistent with racial equity, and if the LEAD case management team(s) believe that the resources available to them are appropriate to the individual's known needs.

With the advent of direct community referrals, we are seeing widespread community willingness to make referrals directly to LEAD without involving law enforcement at all. We have also seen requests from new neighborhoods for a LEAD response, sometimes communicated directly to HSD, and sometimes via community stakeholders and councilmembers. As of 2021, Community Referrals make up the large majority (>80%) of new LEAD referrals. As a result, the LEAD Project Management Team (LPMT) has had to put the majority of eligible referrals on pause as demand for the program has outpaced current LEAD resources.

Research demonstrating LEAD's positive impact on recidivism, income and shelter outcomes has been published in peer-reviewed journals. This research was calculated conservatively using metrics approved by an evaluation advisory committee that include representatives from the Seattle Mayor's Office and Council, as well as the King County Executive, Council and Department of Adult & Juvenile Detention.

II. Scope of LEAD Operations at present

Capacity for new referrals has been exhausted. Although LEAD services are technically available in all precincts, the service provision is not available in every neighborhood and does not operate at saturation levels.² HSD has had over 200 community originated referrals since the opening of the direct Community Referral process in August 2020, after provisos were passed in King County Council and Seattle City Council directing the end of law enforcement's role as sole gatekeeper to services.

REACH LEAD caseloads are again at levels seen in 2019 which caused the last referral shutdown, and which are known to imperil effective case management (the 2019 legislation requires an average caseload of no more than 20 cases and a maximum of 25 cases; LEAD case managers are in general once again far above that level. Intensive case management best practice caseload levels are 12-15 cases by comparison).

Throughout the City of Seattle, neighborhoods and businesses have demonstrated that they are willing to call directly for community-based care responses to low level criminal activity or other problematic or concerning behavior, when it is evident to them that the behavior results from behavioral health issues or poverty, and that they have confidence in the LEAD model, which emphasizes ongoing accountability and transparent

² Saturation implies felt neighborhood impact by the project and that any or all eligible referrals can be staffed with the program in a manner that complies with program fidelity

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communication to those who make referrals. The LEAD model is capable of generating a high level of felt legitimacy for alternative community-based responses to such criminal activity. However, our capacity ceiling prevents acceptance of most such referrals, leaving willing communities without anywhere to turn for these legitimate public safety and order needs.

This inability to operate at scale has left response and service gaps for most public health/public safety issues. For example, businesses and individuals in the Mount Baker neighborhood organized to request LEAD services throughout Q2 2021. LEAD outreached the neighborhood to assess its needs and found that businesses, individuals, and service providers were prepared to immediately refer a number of potential clients. Among these referrals were a number of people residing in the Cheasty Greenbelt prior to the fatal encampment fire on June 15, 2021. As LEAD works to bring its services to scale, the public safety and well-being of potential LEAD clients in the Mount Baker neighborhood continues to be tenuous. Throughout the City, eager referral sources are being told that we cannot accept their priority appropriate referrals.

III. Factors bearing on scope of expansion to scale by 2023

Calculating the scope and cost of providing a response to all appropriate priority referrals requires determining the following:

- (Arrest referrals) how many individuals are/will be subject to arrest by SPD where it would be appropriate to refer to LEAD in lieu of arrest in at least some instances -- and on what charges is the option of referral to LEAD desired? Here it is important to note that there were already many missed opportunities since 2018 for pre-booking diversion of individuals who meet Trueblood criteria and are arrested and booked for criminal trespass, property destruction and theft; however, query the rate at which individuals are being arrested and booked for these charges since the landscape changes in 2020;
- (Community referrals) how many individuals are projected to be referred by various community sources, including
 - Neighborhood groups
 - Business groups
 - Service providers
 - Department of Public Defense
 - City Attorney
 - King County Prosecutor
 - Courts (including Seattle Municipal Court's LEAD calendar and Community Court)
 - Jail discharge planners;
- Compensation adjustments needed to recruit and retain the workforce needed to effectively engage and support the LEAD participant population; and
- Value of expanding the number of case management providers to whom referrals may be assigned, to allow for greater specialization and investment in a diverse array of community organizations (recalling that LEAD is a framework for diversion, not a program of a single organization), as a system of multiple providers entails some degree of supervision and administrative duplication that increases costs while also increasing equity in investment and helping to develop capacity in a wide array of community organizations to do this work. Diversifying the case management organizations also requires investment in technical support from the existing case management organizations for the new partners.

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IV. Forecast of Priority Qualifying Referrals, including social referrals with or without law enforcement and arrest referrals

This forecast is of limited utility in predicting the scope of expansion to scale because current referrals are constrained by our known lack of capacity to accept them, and by the fact that we conduct no affirmative outreach to recruit referrals or to make community and neighborhood organizations aware of this option, since we know we do not have the capacity to respond to additional referrals. This is offered for what it may be worth in understanding even the very constrained scope of current referrals.

COMMUNITY REFERRAL SURVEY

Data from neighbors, neighborhood advocacy groups, and out-of-network social service organizations were gathered via a survey which asked respondents about the number of referrals they anticipate that they will make in 2022. Respondents were selected based on an assessment of which individuals and groups are likely to utilize the community-based referral system in 2022. Although survey respondents represent a wide variety of Seattle neighborhoods, it should be noted that response rate was below 33%, and that survey results comprise a partial representation of anticipated LEAD referrals in 2022.

Those who responded include:

- North Helpline
- Real Escape from the Sex Trade (REST)
- U District Partnership
- Interim CDA
- Alliance for Pioneer Square
- Anything Helps
- Aurora Commons
- Mercy House
- Various individual businesses
- Community members who have made referrals (not affiliated with other respondents already listed)

PROJECTIONS

Projections for referrals based on Q1 of 2021:

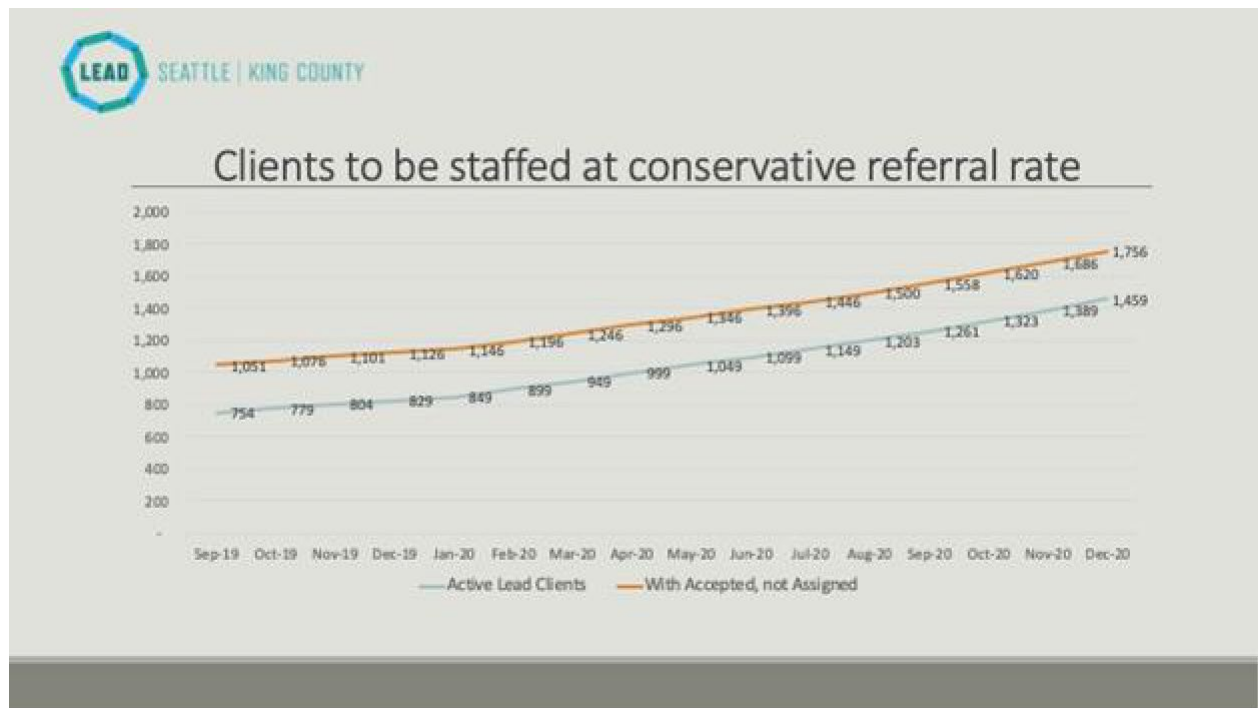
- Community Referrals – 548
- Social Contact – 124
- Arrest Diversions - 4 (caveat that expanded arrest diversion criteria are not yet in use)

These numbers are projections for the remainder of 2021 based on LEAD referrals for the first quarter of the year. During the first quarter, community referrals were incoming at a high rate as the program had the capacity to take on these referrals. The numbers above reflect the projected amount of referrals if LEAD was able to take on community referrals at the same capacity. Shortly after Q1 LPMT placed most community referrals on pause due to capacity so further projections of community referrals based on Q2 would be an inaccurate estimate of current demand of LEAD services in the areas in Seattle in which LEAD is active and we are prioritizing referrals. Additionally, SPD, especially in West Seattle, are starting to make more Social Contact referrals so we estimate our Social Contact estimates to potentially increase.

PDA provided the following projection to City Council, on October 2, 2019, for estimated Law Enforcement LEAD referrals in Seattle based on referral rates in 2018 and 2019 (it is evident that these projections pertained to an era of greater SPD staffing and focus on public order offenses than we see at present or are likely to see going forward):

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V. Estimated referral volume at scale

No single existing data source smoothly predicts or allows estimation of appropriate priority LEAD referrals.

- Arrest numbers are not a useful guide to the LEAD-eligible population, as LEAD can work with individuals who are (or reasons including an increased community desire for an alternative to police response, impact of the COVID pandemic on police response, intentional jail use decreases, police staffing shortages to justice system priorities) not going to be arrested, despite that they are committing law violations. Social contact referrals approved by law enforcement have long outstripped arrest referrals (80% to 20% in 2017). In Q1, 2021 Community Referrals made up 81.1% of LEAD referrals, social contact referrals by police made up 18.3% of LEAD referrals, and arrest diversions only comprised 0.6% of overall LEAD referrals.
- The King County Point in Time (PIT) Count of those who are living homeless, while it estimates the percentage of unsheltered individuals who are drug users, also under-estimates the LEAD-eligible population, because not all who are LEAD-eligible are unsheltered. LEAD, at its core, is an alternative, community-based care response to law violations/low level crime, which will be needed even if great progress is made on unsheltered homelessness in coming months and years.

Instead, the total number of priority appropriate LEAD referrals can be loosely estimated or triangulated from an assortment of data sources, with a discount factor for estimating unduplicated individual who would be referred, acknowledging the likelihood that some individuals overlap these referral sources:

- Survey of the most common community referral sources to estimate the number of individuals they would want to refer for LEAD services over a single year, if LEAD had the capacity to accept all appropriate priority referrals.
- Adjust upward by 25% for impact of greater awareness, publicity/intentional advertising of this option
- "Intercept 0" referrals from legal system partners (these are "intercept 0 referrals," as they are

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identified based on past legal system involvement and known vulnerability to future encounters with law enforcement and the legal system absent a care-based intervention—they are not post-booking or post-filing diversion referrals). The legal system partners consulted are:

- Seattle Municipal Court Community Court
 - Department of Public Defense
 - Seattle City Attorney’s Office
 - King County Prosecuting Attorney’s Office (KCPAO)
-
- SPD estimates of likely arrest and social contact referrals, to the extent they differ from patterns we are currently seeing based on intentional policymaking by SPD leadership, the City Council or the Mayor’s Office. Absent an estimate SPD or City officials will espouse, the LEAD project management team is using 2021 current projections as a placeholder.
 - Adjust the cumulative number arrived at through the above estimation exercises downward by 20% to estimate unduplicated individuals to be referred
 - Adjust the number to be staffed with case managers downward by 30% to reflect the number of individuals who do not complete the intake process, when the outreach follow up is robust and not limited by COVID.
 - Factor in clients who exit the LEAD program (estimated at 20% after two years), which creates additional capacity.
 - Factor in the need to maintain capacity constantly to take new referrals, the need to locate teams in geographically specific zones of work, and the desire to have teams in different provider organizations for reasons of balance, specialization and cultural expertise, all of which create an upward ratchet in case manager positions not reflected in the 1:20 calculation.
 - Factor in the assumption that other crucial social services will come online for LEAD’s client demographic, which will distribute the service load currently bearing on the LEAD program. Derive a projected number of additional case managers needed in coming years until an equilibrium point is reached where program departures roughly balance new intakes, and a stable workforce is arrived at.

Using the above methodology, and after surveying partners and considering current referral rates, the LEAD project management team projects a referral volume of 2,586 in 2022, as follows:

Referral Source	Number of Projected Referrals
Survey of Community Referral Sources (exclusive of legal sources ³)	1128 projected annual community referrals from all sources (acknowledge that 25% upward adjustment could occur with intentional communication that this option is available)
Survey of legal system partners and review of SMC filing data provided by the City Attorney’s Office	<ul style="list-style-type: none">● 520-1040 projected annual referrals from Community Court (mean=780)● An additional estimated unduplicated 300 individuals filed in SMC not passing through Community Court● An additional estimated

³ As of June 8th, 2021, community referrals had come from a variety of sources including REACH (36.1% of referrals), Co-LEAD (19.5%), the Department of Public Defense (10%), Everspring (9.2%), and the Seattle Police Department (5.5%). Other referral sources, whose respective referrals each account for less than 5% of the total, include but are not limited to the Aurora Commons, the Seattle Fire Department, the King County Prosecuting Attorney’s Office, the University of Washington Police Department, the Seattle City Attorney’s Office, Asian Counseling and Referral Services, family/friend referrals, and self-referrals.

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	unduplicated 250 individuals referred for filing to KCPAO <ul style="list-style-type: none">• Total: 1330 internally unduplicated referrals from legal system partners
Based on SPD Referral Patterns	<ul style="list-style-type: none">• 128 annual internally unduplicated referrals from SPD
Projected Total	<ul style="list-style-type: none">• 2586 referrals

After factoring the 20% probability of duplicate referrals between different referral sources, a number of the total 2586 referrals can be discounted. In addition to this duplication reduction, an intake reduction should also be applied. Each of these priority referrals would have a staffing impact for the outreach/screening function (in-field staff who seek out and patiently engage individuals who are not yet ready to work with case managers). The case management cohort is estimated to need to absorb 70% of this number, as prompt outreach when fully staffed and not impacted by COVID is estimated to engage and facilitate intake for 70% of referrals, up somewhat from the “conversion to intake” rate from recent years when outreach staff were far under needed capacity. With both reductions and with monthly rounding, the projection model assumes that 1451 individuals will be assigned to a case manager in 2022.

To determine how many additional case managers would be needed until an equilibrium between new referrals (after current demand is absorbed) and program graduates/departures is reached, we use the average caseload ratio established by the City Council in 2019 (1:20), to determine that, in 2022, 66 new case managers would be required with the new referral volume. Individuals departing the program (REACH staff estimate 20% after two years) at the same time create some additional capacity, while the need to maintain capacity constantly to take new referrals, the need to locate teams in geographically specific zones of work, and the desire to have teams in different provider organizations for reasons of balance, specialization, and cultural expertise, requires an upward ratchet in case manager positions not reflected in the 1:20 calculation. Taking these two factors together into consideration, 66 is a reasonable estimate of the number of added case managers projected to be needed in 2022.

Growth in referral volume and the case management workforce requires some additional staff for milieu management, outreach, and clinical supervision, as well as increased flex funds for participant basic needs and direct support.

VI. Cost estimates to support pre-arrest diversion services for those referrals citywide in 2022 and 2023

COST

- Requires determination of compensation to address workforce challenges and appropriate equitable compensation for work of this significance and challenge. Front line FTEs should be budgeted at \$54,000-\$70,000 (mean of \$62,000) and supervisors at \$70,000-\$95,000 (mean of \$82,500).
- Requires estimating added cost (for supervision, administration, and technical support) if multiple case management providers are engaged. There are presently three LEAD case management teams (REACH, Co-LEAD & Community Passageways) in Seattle or adjacent communities; additional providers, if desired (which LEAD partners support) will decrease cost efficiency to a degree because of admin duplication, but this inefficiency is offset by the opportunity for specialization, cultural expertise, and a more stable workforce base not dependent on a small number of providers.
- Requires assessment of whether additional neighborhood-based office locations are needed apart from North and East spaces already secured. It is likely that SE Seattle and SODO workspaces will be needed,

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and that the satellite office space costs should be increased from current; costs likely would not double given the favorable commercial lease rates presently available. This is not included in the present budget projections.

- Possible additional cost for participant income stabilization and basic needs provision. Propose that flex funds and cash support be increased by 25%; alternatively, or additionally, that a local minimum income program be established (not only for LEAD participants).
- Assessment of whether quasi-residential model is essential for impact for some participants and if so, strategies for providing space. Propose that City leaders encourage engage the Regional Homelessness Authority and the County's Health Through Housing leadership to ensure that this population, sitting at the intersection of homelessness and exposure to the criminal legal system, be prioritized for both non-congregate shelter programs and permanent housing placements, especially ARPA vouchers that can pair with long term LEAD case management to address housing needs of this chronically unsheltered high barrier population.

Note on additional available resources for LEAD expansion: Resolution 31916 requires that there be public funding for all appropriate priority LEAD referrals -- it does not limit that public funding source to the City general fund. There are immediate prospects for increased public support for LEAD via State funding for implementation of the SB 5476 Recovery Navigator program, which is required to operate on LEAD core principles. Trueblood, 988 and other mental health services funding in the 2021 Washington State budget are also likely sources to supplement local LEAD funding. Federal funding for LEAD expansion is also likely, and Representative Jayapal has consistently offered to pursue that channel.