

## **MIDD 2016 Fund Balance Work Group Guiding Principles**

Building off of the Guiding Principles from previous groups, the 2016 Fund Balance Work Group team determined a set of guiding principles to inform its decision making and approach to making recommendations regarding the use of undesignated MIDD fund balance. These principles are envisioned to be used for the 2016 funding year, as the fund balance process will be revisited within the context of MIDD II, should it be renewed by the King County Council.

The 2016 MIDD Fund Balance Work Group principles are outlined below:

**Prioritizing the equitable distribution of resources across communities and populations that have been traditionally underserved or who experience less access to care, including:**

- Communities of Color
- Lesbian, Gay, Bisexual, and Transgender (LGBT)
- Youth
- Refugee and Immigrant Communities

**Addressing disproportionate impacts of non-Medicaid service cuts generated by the Affordable Care Act (ACA):** cuts to non-Medicaid services based on ACA assumptions are disproportionately affecting certain populations, impacting their ability to receive services.

**Considering emergent needs:** Utilizing MIDD funds to help address crises or critical issues, such as the opiate epidemic.

**Planning for transition between MIDD I and MIDD II:** MIDD I expires at the end of 2016 unless renewed by the Council. King County, along with a wide array of communities and stakeholders, is developing a MIDD II Service Improvement Plan to be implemented with MIDD II funds. Using fund balance to support MIDD I services during the MIDD transition period between MIDD I and MIDD II, is a priority.

**MIDD funds as leverage:** Use of MIDD funds to leverage, match or maximize other funding streams is a priority.

**Ensuring equity for MIDD contracted providers:** While county operated programs have received inflationary adjustments over the life of their MIDD contracts, community providers providing MIDD services received a moderate adjustment in 2015. Consequently, in order to maintain contracted service levels as costs rise each year, providers have increasingly had to subsidize MIDD-funded programs.

### **Other Key Factors and Considerations**

In addition to the guiding principles above, the team identified other key factors involved in making recommendations on the use of MIDD fund balance:

**Efficiency/readiness to launch:** As the current MIDD expires at the end of 2016 and potential renewal is on the horizon, the team recognized that timing and readiness to launch is a factor for bringing strategies on line or expanding existing strategies. In order to operate as efficiently as possible, the team prioritized funding for strategies that could be started without delay.

**Geographic distribution of services:** The recommendations take into account the county-wide nature of the services provided. All citizens of King County may utilize the services regardless of what area of they reside in.

**Amount of funding available:** Department of Community and Human Services fiscal staff prepared an updated financial plan for the work team. Using the figures from the financial plan the team assumed **\$3.3 million** in undesignated MIDD fund balance to be available for programming by the Executive and Council for the spring 2016 supplemental process.

**Timelines and county processes:** Given the county's timelines for transmittal and action on supplemental budget legislation, the team anticipated that MIDD fund balance resources would not be available for expenditure until late summer or early fall. Finally, it is worth noting that any MIDD fund balance proposal transmitted to the Council may be amended prior to adoption.