



MIDD Fund

King County's Mental Illness and Drug Dependency (MIDD) Fund is supported by a countywide 0.1 percent sales and use tax that funds behavioral health services, including mental health and substance use disorder programs. As a fund that relies exclusively on sales tax revenue, the MIDD is very sensitive to changes in the economy.

BACKGROUND

Due to COVID-19 reductions in economic activity and the related recessionary impacts on sales tax revenues, the MIDD Fund's projected revenues dropped precipitously for the three-year period 2020-2022. In addition, the Department of Community and Human Services (DCHS) will transfer approximately up to \$20 million of MIDD funding per biennium to mitigate a shortfall in the Behavioral Health Fund, creating additional financial pressure on the MIDD Fund.

DCHS balanced the 2020 budget through a mix of using reserves, pausing not-yet-started initiatives, capturing underspending, reducing some scalable programs such as training and incentive payments for the remainder of the year, and closing one Community Court. This fact sheet outlines the process, approach, and proposals to address the 2021-2022 financial gap in the MIDD.

PROCESS AND APPROACH

DCHS; the Office of Performance, Strategy, and Budget (PSB); and the agencies involved in therapeutic court operations worked together to develop proposed reductions to balance the 2021-2022 MIDD budget.

The process included many stakeholders and a framework developed previously in collaboration with the MIDD Advisory Committee. Key tenets of the decision-making process included:

- Use reserves to the extent possible to mitigate the need for reductions.
- Capture expected underspending and review all initiatives for projected spending, changes to demand, and changes to other funding sources before any service reductions are made.
- Review demographics served by each initiative to focus on preserving initiatives that serve higher populations of people of color and services with upstream focus.
- Review performance and utilization data to identify initiatives that could be reduced without significant service impact.

PROPOSED 2021-2022 REDUCTIONS

Based on sales tax forecasts from the August 2020 Office of Economic and Financial Analysis (OEFA) adopted forecast, the MIDD Fund needed to make reductions of approximately \$21M to balance the 2021-2022 budget. The table below summarizes how the proposed reductions affect each of the five MIDD strategy areas.



King County

2021-2022 Proposed Budget

MIDD Strategy Area		2021-2022 Baseline Budget	Proposed Reduction Percent	Proposed Reduction Amount	Proposed 2021- 2022 Total
ADM	Administration & Evaluation	8.8 M	6%	(0.5 M)	8.3 M
CD	Crisis Diversion Strategy	49.2 M	11%	(5.3 M)	43.9 M
PRI	Prevention and Intervention Strategy	38.9 M	4%	(1.7 M)	37.2 M
RR	Recovery and Reentry Strategy	22.7 M	29%	(6.6 M)	16.1 M
SI	System Improvement Strategy	13.6 M	28%	(3.7 M)	9.8 M
TX	Therapeutic Court Strategy	24.6 M	12%	(2.9 M)	21.7 M
Subtotal for Existing MIDD Strategies		157.8 M	13%	(20.8 M)	137.0 M
Transfer to Behavioral Health Fund					15.0 M
Total Proposed MIDD Budget					152.0 M