MIDD 2026-27 Budget Update

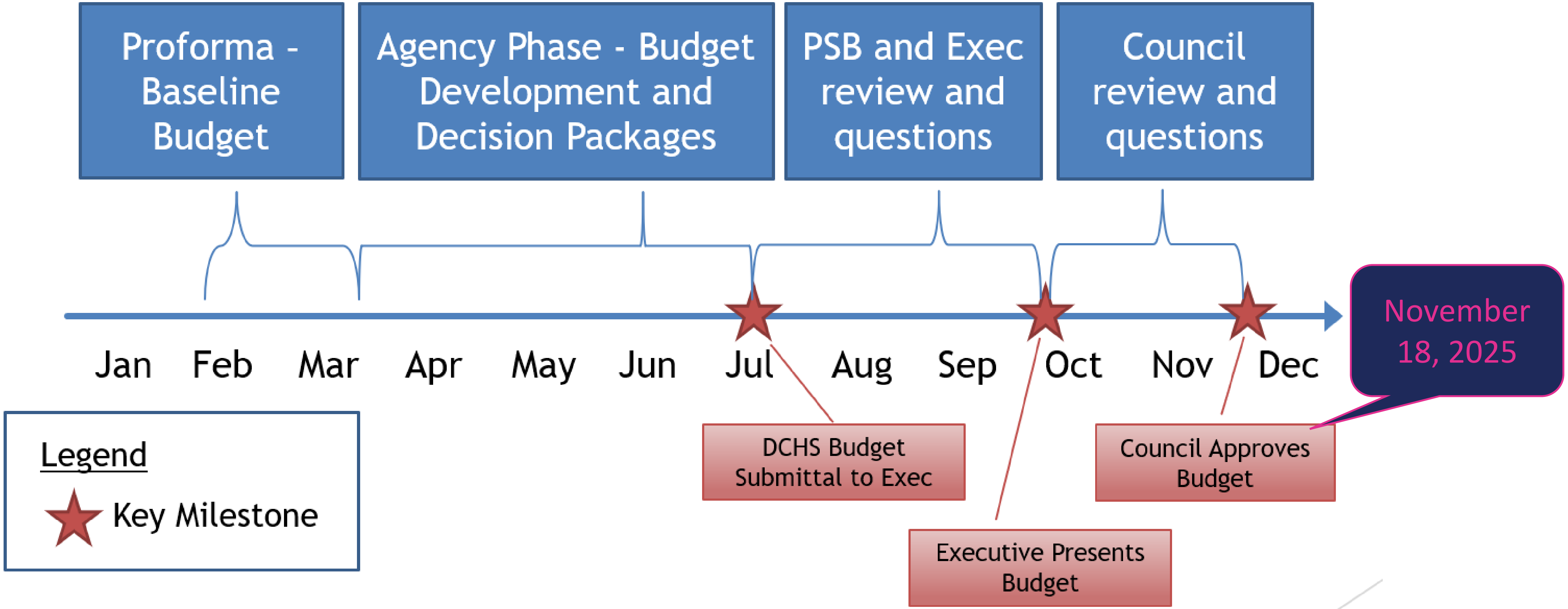
December 11, 2025

King County

DCHS

Department of Community and Human Services

Biennial Budget Process



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Incremental Budgeting

Base Budget (Pro Forma)*	$222M	
• Agency Proposed Budget**		+$18M
○ ***Revenue assumptions revised downward by $19M between agency/executive proposals*		
• Executive Proposed Budget		-$16M
• Council Adopted Budget		<u>$2M</u>
• Total Adjustments from Base $4M		
Council Adopted	$226M	

*All Appropriations (DCHS, Judicial Administration, Prosecuting Attorney, Public Defender

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What is in the adopted 26-27 budget?

Base Funding (Pro Forma)

Agency/Executive Decision Packages (if approved by council)

Council Budget Adjustments

Proviso: Analysis of provider inflation adjustment process, due July 1, 2026

Budget Adjustment Details (1 of 3)

DECISION PACKAGE TITLE
Budget Adds:
Buprenorphine Telehealth Line, Add $800,000
Community Driven Behavioral Health Grants, Add $844,000 + 200,000 = $1.044 Million
Contingency Management Learning Collaborative, Add $100,000
Washington Recovery Alliance, Add $500,000 + $200,000 = $700,000
MIDD Workforce Initiative, Add $1M
Recovery High School, Add $112,756
Vital/Familiar Faces Program, Add $132,000
MIDD Economic Adjustments (based on consumer price index), Add $9.8M
MIDD Renewal Positions through 2026, Add $747,000
Domestic Violence and Sexual Assault Services, Add $759,039 + $380,000 = $1,139,039
HARPS MIDD Operations, Add $527,275
DCHS Facility Management Funds, Add $1.95M
DPD Strength at Home Program for Domestic Violence, Add $300,000
Funding for Valley Cities behavioral health care, counseling, and SUD treatment programs. Proviso $10K of that amount for a written narrative describing DCHS's efforts and lessons learned in responding to reductions in federal Medicaid cuts. Add $250,000

Budget Adjustment Details (2 of 3)

DECISION PACKAGE TITLE
Budget Reductions:
~~Geriatric Regional Assessment Team Reduction, Reduce $874,082~~ Reduction restored by KC Council
High Care Utilizer Team Reduction, Reduce ($680,750) (DCHS to coordinate with CCC and other PCFU programs)
CCAP and PALS Reductions, Reduce ($316,125) (DCHS to work with DAJD)
Prevention and Early Intervention for Adults Over 50 Reduction, Reduce ($643,742) (DCHS will coordinate with DPH)
Crisis Intervention Training Reduction, Reduce ($1.0M) but council added back $364,000. (DCHS will work with Training Commission)
MIDD Budget Alignment – Reductions to align budget with actual expected resource needs. Includes reductions in programs that have historically had significant underspend., Reduce ($10.7M)
Reserves Assumptions:
Medicaid Contingency, $8M assumed in MIDD reserves
Medication for Opioid Use Disorder in KC Detention Fac., $5M assumed in MIDD reserves

Budget Adjustment Details (1 of 3)

DECISION PACKAGE TITLE
Fund Shifts:
Shift MIDD expenses for the Harborview Abuse and Trauma Center to the County Hospital Levy, ($198,000)
Performance, Measurement & Evaluation FTE Transfer, ($424,250)
Overdose and Prevention and Dispensing Funding Shift, ($477,613)
Behavioral Health Risk Assessment Tool Funding Shift to General Fund, ($632,248)

MIDD Proviso 1 - Details

Of this appropriation, $500,000 shall not be expended or encumbered until the executive transmits the next mental illness and drug dependency sales tax implementation plan ("implementation plan") and the council adopts the implementation plan by ordinance. The implementation plan shall include, among other things, an analysis regarding the department of community and human services inflation rate adjustment policy for human services contracts dated September 1, 2024 ("inflation rate adjustment policy"), which is anticipated to increase mental illness and drug dependency sales tax funded contracts in 2026 by 3.57 percent, and 3.64 percent in 2027. The analysis shall include, but not be limited to:

A. A description of how the inflation rate adjustment policy was determined to be applicable to the mental illness and drug dependency fund given the incompatibility with the requirements of the fund source due to the volatile nature of sales tax revenue;

B. An analysis regarding the effect of the inflation rate adjustment policy on the mental illness and drug dependency fund, which is projecting an average future growth rate for mental illness and drug dependency of 2.7 percent per year according to 2025 data from King County's office of economic and financial analysis;

C. An exploration of how the inflation rate adjustment policy could result in expenditures outpacing sales tax revenues and whether inflation rate adjustment policy creates a structural gap for the mental illness and drug dependency fund; and

D. Proposed mitigation strategies to address a possible structural gap due to the inflation rate adjustment policy which may include, but not be limited to, policies to:

1. Forgo program expansion to maintain inflation rate adjustment for existing programs;

2. Institute a cap on the inflation rate adjustment policy for mental illness and drug dependency sales tax funded programs and services;

3. Establish a process through which possible cuts to programs and services are made, including a description of the role of the mental illness and drug dependency advisory committee in this process; and

4. Prohibit or otherwise deem the inflation rate adjustment policy as incompatible with requirements of the mental illness and drug dependency fund as allowed by section 3.0 of the inflation rate adjustment policy.

The mental illness and drug dependency sales tax implementation plan should reference the subject matter, the proviso's ordinance, ordinance section, and proviso number in both the title and body of the ordinance.

The executive should electronically file the mental illness and drug dependency sales tax implementation plan and an ordinance required by this proviso by July 1, 2026, with the clerk of the council, who shall retain an electronic copy and provide an electronic copy to all councilmembers, the council chief of staff, and the lead staff for the committee of the whole or its successor.

Next Steps

New 2026 Provider Contracts

Program & Proviso Implementation

Financial Monitoring

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Questions?

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