

August was a busy month with agencies presenting their proposed rulemaking, legislative ideas, budgets, and more to their boards. September 1st is the deadline for agency budget requests, although there is much work to do between now and session; much of the groundwork is moving into place. Agency boards and commission have been looking over proposals, asking questions, and recommending changes before everything is finalized. By October, all agency budgets and legislative ideas must be approved by the board and through the Governor's executive process. This January will be one of those unique times where some state elected officials, including Superintendent, Secretary of State, and Attorney General won't be here in January to support their budget requests and their newly elected replacements will be.

Rulemaking has also been very busy again this summer due to zero-based regulation (ZBR) rulemaking for agencies, per the Governor's Executive Order 2020-01, which intends to cut restrictive language and unnecessary regulations. Most agencies have gone through at least one, if not two, negotiated rulemaking sessions at this point, all varying in public attendance and comments. Some agencies plan to hold one last negotiated public hearing before seeking approval from their board on proposed rule changes. Once the board approves a proposed rule, they are considered pending rules for approval of the 2023 Legislature next year.

Campaigns are beginning to ramp up again heading into the November General Election. Several candidates have kicked off their campaigns and are actively fundraising. There will be nearly a 50% turnover in the Idaho Legislature from this election year, so there will be much to do before and after the November Election. There are a handful of districts that will have a tough road ahead of them, as they live in a highly competitive district. Absentee ballots will begin to be mailed on October 17, 2022, which is approaching quickly. After the election results are official, House and Senate leadership will be the next focus, particularly with many Chair and Vice-Chair seats to fill. We continue to observe these races as we meet with incoming and potential new legislators and other elected officials.

On Tuesday, August 23, 2022, Governor Little announced he was calling the 66th Idaho Legislature back for an extraordinary session or "special" session. The session was in reaction to the record \$2 billion projected budget surplus in Idaho, a qualified ballot initiative that would raise taxes to fund public education, and the weight inflation has put on Idaho families. The Governor's announcement focused on lowering income taxes, giving taxpayers a tax refund, and funding education while the people of Idaho are dealing with a 40-year high inflation rate. Governor Little stated, "Idaho taxpayers and the education system are especially imperiled by the consequences of historic inflation."

There is much discussion downtown about the upcoming November General Elections and, the ballot initiative that pertains to the policies of this special session. While some are calling this more political theater than good policy, it's important to look through the politics and recognize the opportunities and challenges of this special session and the effect of these policies. Policy in a special session can move very quickly, especially if the supporting votes are whipped before legislators get to Boise. It's also a fascinating, and potentially short-sighted, move to call back a legislature that has many lawmakers retiring or not returning after losing their primary elections in May 2022, instead of waiting for the new class to come in in January. Regardless of the spectacle, a special session is upon us and what it means for you and the state matters most.

BB&A is prepared for this upcoming special session to advocate for your interests and to provide you with the most upto-date information. In addition to the special session coverage, we will continue to keep a close eye on what agencies and boards are discussing. We are also still meeting with legislators, the Governor's staff, and agency heads regularly to maintain and build working relationships.

Please do not hesitate to reach out with questions or if there is anything else we can do to help achieve your goals. To see the Governor's full press release on the 2022 special session click <u>HERE</u>. To see a list of all proposed rules, click <u>HERE</u>.