

July 1, 2024, marks the start of the FY 25 budget; thus, programs have both come to end and new programs are now underway. Now that the new budget cycle has begun, and the week of Independence Day upon us, it is always a quiet week in state government as agencies now break away from the end of fiscal year chaos and take time for family and summer fun. It's also a time for us to reflect on all we have as a state and a nation. While the political climate seems worse than ever, there is far more that unites us than divides us. There are many wonderful hardworking people that make Idaho the best state in the best nation in the world. We hope you will join us in taking time this week to reflect on all the good we have here as we safely celebrate our independence and freedoms.

The Joint Finance Appropriations Committee (JFAC) met for three days early in June to hear budget, policy, and performance evaluation updates. The Committee was able to tour the CWI facilities after receiving an update on the Idaho Launch Program that will go live in July to fund thousands of Idaho high school graduates to go on to an indemand career. The Committee was updated on the lawsuit of Hawkins vs State of Idaho, related to the sale of the ITD Headquarters. Since this is ongoing litigation, not much could be discussed; however, it was stated oral arguments will start in August and a decision will be made most likely in September.

As we enter the summer months, two things remain a constant, wildfire season in Idaho is here and state employees are jumping to a new agency or leaving to pursue an opportunity in private sector. This year is no exception, as we continued to see major shifts being made in the Governor's Office staff, top agency positions including longtime Chief of Staff, Josh Whitworth, leaving the State Controller's Office as he heads to his new role as Executive Director of the State Board of Education, and more. One of the largest shifts, is newly appointed Idaho Department of Health and Welfare (IDHW) Director, Alex Adams. As he builds out his executive team, Director Adams' is building a dream team of some of the top talent across state government.

Since Director Adams has started, he has already revamped numerous sections of rules, including all rules related to Foster Care Licensing. As he makes his way through his eight divisions, IDHW will continue to see major changes to solve internal challenges the Department has struggled with over the years. Director Adams is also reviewing all Division rules, to work to eliminate regulatory burdens across the Department. Reducing regulatory burdens is just one of four goals he has set forward, as well as strengthening child welfare, promoting upward mobility, and improving behavioral health. We anticipate seeing IDHW continue to make strides is resolving many of the Legislature's concerns prior to the beginning of the 2025 session.

There has been an abundant amount of chatter surrounding potential leadership candidates throwing their names into the race for a House or Senate Leadership. While some are waiting until the November General Election results are in to decide what leadership position to run for, some have been very candied on pining for a specific seat in leadership. Potential members of leadership have already begun to reach out to new members of the Legislature who removed an incumbent from their seat. As we move closer to the 2024 November General Election, the horse trading and calculated moves will only grow louder. The May 21st Primary Election results have now become official, and all recounts have been completed. <u>HERE</u> are the finalized results.

BB&A has continued to work diligently through the summer as we meet with agency directors, new staff, and both returning and new legislators. Our team has also been working to stay ahead of the curve with meetings, news, and the political ongoings, to best inform and create personalized strategies to achieve your goals. July is a natural reset time period where new policy priorities are created, now that the 2024 session priorities are officially live. Do not hesitate to reach out to discuss your goals and ideas for the upcoming 2025 session.



On June 6, 2024, the Idaho Department of Health and Welfare (IDHW) Board held their quarterly meeting. The new Director of Department of Health and Welfare, Dr. Alex Adams, was introduced by Chair Timothy Rarick. Director Adams gave remarks regarding his role and his excitement to make a difference at the IDHW.

He introduced his new team members he will bringing on and discussed the reorganization of IDHW. Michael Person will be joining as a Deputy Director, overseeing the IT, Licensing and Certification, and Management Services. Juliet Charon will also be stepping up from Administrator of Medicaid to a Deputy Director. She will still oversee Medicaid and Behavioral Health. In the office of Director, Director Adams has brought on Jared Larsen, current Policy Advisor for Governor Little, will step into the role of Chief Legislative and Regulatory Affairs; all legislation and regulations will pass through Jared first. Misty Lawrence, current Division of Financial Management (DFM) Budget Bureau Chief, will be IDHW Chief Financial Officer. Monica Young, current Human Resource Manager, will be Program Manager Communications and Customer Experience. Monty Prow, Current Director of Juvenile Corrections, will be stepping into a Deputy Director position to oversee the Child, Youth, and Family Services. Deputy Director Prow will oversee Jean Fisher, who will be the Administrator of Youth Safety and Permanency. Deputy Director Miren Unsworth will be now overseeing the Division of Public Health and Division of Welfare.

Director Adams discussed his goal to focus on foster care. One goal set is to double the adoption rate. Although this is a tall order to reach, he believes a culture change is necessary to reach the goal. IDHW will now change the focus of marketing to foster children instead of scattered messages.

Director Adams signed a temporary rule to waive the fee for foster care adoptions. He also launched "One Department" as a new IT system for internal sign offs and help break down the siloes within the Divisions of IDHW. 170 staff positions that were completed were eliminated to find a more realistic number of needed FTP. A monthly report will be conducted on Medicaid programs for JFAC to see transparency and take action on budget deficits as well. Director Adams wants to focus on quality over quantity, so focusing on a few things very well instead of many items mediocre is a priority.

Director Adams reviewed rule dockets related to Foster Care Licensing, suggesting a repeal and replace of the rules. The new rules would replace the Idaho model and to move to the national model, which is considered less regulated. The new rule will move licensing approval time period from thirty (30) days to one (1) day. Director Adams does not believe this will impact safety but will increase the ability for a family to become foster parents. The rules also would allow for the IDHW to pay for needed safety items that a family would need to become a foster family. These rules would go into effect on July 1, 2024, to give time for internal licensing and training.

Board member Schmidt did question if this would put a strain on FTP; Director Adams did state this will leverage current employees. He believes no matter what, IDHW will have a request to JFAC related to foster care to raise rates and other cost issues that are discovered between now and budget setting. The IDHW Board motioned and approved to repeal and replace the rules related to Foster Care Licensing.