



December 2024 Report

Welcome to December – the dizzying four-week sprint that for all of us is the time to solidify planning and set expectations in advance of the 2025 Idaho Legislature. But before we delve into leadership elections, committee assignments and budget hearings, give us a moment to briefly shift gears.

First, we want to wish all of you and your loved ones a safe and wonderful holiday season. It's our hope that the time spent with friends and family provides a healthy refresh as we all gear up for what's ahead in the next four months.

We'd also like to extend thanks and gratitude to each of you. One of our chief goals here at BB&A – whether it be with you, elected leaders or agency heads – is to build and maintain strong, trusting relationships. We've enjoyed working with each of you this year and we look forward to building on our relationship in 2025.

Now, let's look ahead. The first thing to understand is there are many moving parts. It all starts with leadership elections in the Idaho House and Senate on Dec. 5-6. BB&A doesn't get involved in any way in leadership elections. That doesn't mean we're not paying attention. We don't anticipate any significant changes in the House, though the Assistant Majority Leader is up in the air with the retirement of Sage Dixon. The Democrats must pick a new Minority Caucus Chair because Ned Burns lost in the general.

This year, it's the Senate with so much in play, and so much at stake. The primary defeat of Pro Tem Chuck Winder means there will be a new person calling shots in the Senate. The retirement of Abby Lee means there will be some new faces elected to Majority Leader, Assistant Majority Leader and Majority Caucus Chair.

The outcomes in the Senate leadership contests will dictate committee chairman positions as well as negotiations over legislative agenda and policy details with the House. As leadership, committee chair appointments and committee assignments are determined, we will provide a list of who's serving where as soon as we are able.

The leadership results will heavily influence the way we develop the strategy for you and plan for the session. We'll advise of the outcomes and schedule meetings in the coming weeks to fine tune the plan for the next four months.

Some other things to keep in mind. As we mentioned a few weeks ago, Republicans made legislative gains during the General Election. The GOP supermajority is now 90-15, the biggest advantage in state history. This legislative class also includes 24 new legislators, though three of them have previously served. This means the BB&A team will be spending a lot of time early in the session educating new lawmakers on issues and policy areas that matter most to you.

The session kicks off Monday Jan. 6 with Gov. Little's State of the State address, which will include his legislative agenda, budget recommendations and priorities. At this point, we're not aware of any big initiatives the Governor is leaning into, which is uncommon. But if we're taking bets, smart money has legislators eyeing education vouchers/tax credits, Speaker Moyle's latest income tax relief plan, renewal of the Launch scholarships and various debates over Medicaid policy. Committees begin their work the following day – and away we go!



December 2024 Monthly Notes

During the monthly meeting with legislators, IDHW Director Alex Adams talked about some of the agency's budget requests for fiscal year 2026. But he also said the agency will be grateful for those requests the Governor includes in his budget proposal.

To start, Adams provided an overview of the Child Welfare journey. There are about 1,700 children deemed by the agency to be unsafe. Of those, about 85 percent get placements in foster care, about 27 percent are placed in kinship, 16 percent in congregate care and 11 percent who get some other placement. Congregate care is on the rise, with nearly 20 percent of those entering the system with substance use issues.

The current FY25 supplemental Child Welfare Budget is projected to be \$14.1 million, less than expected, yet still a significant request for JFAC to consider. Fiscally, Adams said, the best placement outcomes are ranked as follows:

- Prevention care: \$657 per child/year
- Kinship: \$5,480 per child/year
- Foster care: \$5,840 per child/year
- Congregate care: \$140,525 per child/year

The agency is working to improve foster family recruitment by streamlining licensure, providing paid family leave, PR campaigns, and partnerships. The agency is also working to improve retention via a Bill of Rights, transparency, recognition, and training. The agency intends to waive adoption fees in hopes of increasing the chances of achieving permanency. Investments in software have been made to help identify and streamline licensure.

Adams said the agency is going "all in" on Child Welfare for the FY26 budget. IDHW's goal is eventually, cases will be primarily prevention care outcomes rather than foster care outcomes. All other agency divisions will be held at maintenance, aside from non-discretionary budget increases. This would mean, he said, that every 100 kids kept out of foster care translates to a savings of more than \$500,000. Requests will include funding for:

- Recruitment
- A 5 percent foster family pay increase
- Warm line/family support clinicians (15ftp) with staff available outside the typical 8-to-5 workday window for increased foster family support.

BB&A staffed the JFAC meetings and can report some updates on the Dept. Health and Welfare budget situation. A Legislative Service Office analyst reviewed the DHW budget and highlighted some of the administrative changes made in recent months, changes that have put some divisions in different branches of the department, with others being renamed. Several supplemental budget requests from the agency were also reviewed, including:

- Foster Care Population Forecast Adjustments - \$14.1M
- Medicaid Updated Forecast - \$113.8M
- IBHP Provider Rate Increase - \$108M
- Hospital Assessment Fund - \$190M



- IBHP Contract Implementation – \$6.7M
- Civil Commitment Expenditures – \$2.6M

Additionally, the FY26 budget includes a line item for numerous positions within the Child Welfare Division to focus on Foster Care. The total FY26 appropriation request is more than \$6 billion.