

**WORKFORCE ARIZONA COUNCIL
PERFORMANCE ACCOUNTABILITY COMMITTEE
AGENDA**

Thursday, November 10, 2022
1:00 p.m.

Via Zoom: <https://azcommerce.zoom.us/j/91368218609>

Members Present:

John Walters, Chair - Liberty Mutual
Larry Hofer - Cox Communications
Sheryl Hart - AZ Department of Education - Adult Education Services
Audrey Bohanan- Chief People Officer, Adelante Healthcare
Jeff Fleetham – Arizona Registrar of Contractors

Members Not Present:

Kristen Mackey - DES, Title IV
Dennis Anthony – Arizona Apprenticeship Advisory Committee

1. Call to Order:

The Quarter 4 Performance and Accountability Committee meeting is called to order, 1:00pm.

2. Welcome

Chair Walters welcomes all committee members and the public to the Q4 Performance and Accountability Committee meeting.

3. Call to the Public

None.

4. Approval of Minutes from August 18th committee meeting

Move to approve minutes: adopt motion: Sheryl Hart, second: Jeff Fleetham. The motion passes unanimously.

5. Employer Measure Update- Nancy Meeden, DES (Discussion)

Recall earlier this year, the Council adopted 3 state measures related to services to employers:

- Connecting with Employers
- Individual Participant Learning Completions (participants in work based learning)
- Employers Utilizing Work Based learning

These state measures were adopted by the Council while waiting for the federal agencies to define effectiveness in serving employers.

- Retention with the Same Employer: Percentage of participants with wage records who exit from WIOA core programs and were employed by the same employer in the second and fourth quarters after exit.
- Repeat Business Customer: Percentage of employers who have used WIOA core program services more than once during the last three reporting periods.
- Employer Penetration: Percentage of employers using WIOA core program services out of all employers in the State.

On September 14, 2022, the Departments issued a Notice of Proposed Rulemaking (NPRM):

- Proposal to revise the text of the WIOA regulations to use *Retention with the Same Employer* as the performance indicator used to define effectiveness in serving employers for all six WIOA core programs.
- The data for all six core programs will be combined into one measure
- Provided the rationale used by DOL and DOE for choosing the one approach over the others two and their plans for implementation
- Includes an invitation for public comment through November 14, 2022

Today we are sharing with the Committee an overall summary of our response

ADES Concerns - *Retention with the Same Employer*

While it measures retention with the same employer, it alone is not a measure of how *effectively* employers are served:

- The proposed indicator conflicts with the approach used by workforce programs that an initial employment opportunity can serve as a pathway to better employment opportunities; and
- The proposed indicator will be impacted by variables present in today's workforce, which are outside of the control of the State's workforce system:
 - Self-Employment
 - Temporary Employment
 - Transitioning Job Seekers
 - Contract/Gig Workers

Repeat Business Customer - Better Approach

More reflective of "Effectively Serving Employers"

- Reflects actual relationships between the State's workforce system and employers by measuring the number of employers who return to the State's workforce system for repeat service.
- State's overall performance will not be impacted by outside variable

Employer Penetration - Not a Good Approach

ADES agrees with DOL and DOE on limitations of *Employer Penetration*

- Emphasis on quantity rather than on the quality of the employer service provided.
- Reliability issues with data entry and the process to count unique establishments.
- Measurement of program output rather than outcome.
- Potential for creation of incentives to prioritize program range rather than depth in service and delivery.
- Lack of sensitivity to industry sectors by State and local workforce agencies.

DOL & DOE will collect data for two years before implementation.

- One core program will be responsible for reporting statewide data for all six programs - which is not how other the measures are reported
- Titles II & IV do not use the same data reporting system as Titles I & III
- What will be used in the Statistical Adjustment Model (SAM) used to measure success

Comments must be submitted to DOL & DOE by November 14, 2022

Discussion:

Jeff Fleetham: Expresses concern with the measure of retention with same employer. The construction in Arizona is clearly a significant problem here... Connects and agrees that this is problematic.

Sheryl Hart: NASDAE, National Association of State Directors of Adult Education, received similar public information request and it aligns with what Arizona is submitting and identified that the retention could have unintentional consequences (example: benefits; seeking higher paying job), adult education students will become available for higher paying jobs and agrees and is aligned with the comments

Chair Walters: Will the Departments collect data for 2 years and then implement this plan in 2024?

Nancy Meeden: This could take even longer than starting in July 2023, it could be more 2023 or 2024 to implement, first have review public comment, decide yes or no on comment and whether more changes need to happen. This could take from 6 months to 2 year.

Chair Walters, question: Has this committee worked a lot on state majors? how did the state majors affect this change?

Nancy Meeden: State measures recommended connecting with state employers and is the closest to the repeat business customer approach that we are considering. Which is a better measure of observing effectiveness.

Chair Walters: We want to ensure that our program and ARIZONA@WORK is being met on employer side and job seeker spot.

Chair Walters: Calls on Kelly Hart, DES, for any of measures or any data.

Kelly Hart, DES: 3 measures Workforce Council chose: 1. Connecting with employer: number of services provided: 4,061 services provided to employers, 107 participants complete their trainings, number of unique employers 11 employers participating in work base learning program.

6. Local Plan Modifications- Matt Smith, DES (Vote)

Final Drafts that have been received

- City of Phoenix
- Maricopa County
- Mohave / La Paz
- Pima County
- Santa Cruz County
- Southeastern Arizona
- Yuma County

Final Draft pending CEO approval

- Coconino County

Remaining Local Areas

- Nineteen Tribal Nations
- Northeastern Arizona

Discussion:

Jeff Fleetham: When would Coconino would be ready?

Stacey Faulkner: December 6th for conditional approval Southeastern Arizona would be first quarter of next year, and their modifications won't be approved until March, 2023.

Matt Smith: Submitted additional request that outlined the challenged they had due to the contracted individual having health issues, searching for executive director.

Chair Walters: Do you anticipate it being ready by March? Or will there be an additional extension?

Matt Smith: We are working to have draft submission and then move forward with final approval and according to their timelines that will be after WAC Full Council Meeting

Chair Walters: 1st extension was through Nov. 15th, is there anything we are doing or should be doing to ensure we do not end up in a similar situation with extensions?

Stacey Faulkner: There are all many set meetings and timelines and unfortunately in this situation with staffing and illness the timeline for their meeting isn't working well for our meetings. But we will not be able to approve until Q1 of 2023,

Chair Walters: Is there anything formal we need to do to extend?

Stacey Faulkner: We could put in front of Executive committee for full approval

Jeff Fleetham: Considering the original deadline was Nov. 15th, so we have 5 more months and we are still uncertain if that will happen. Is there a motion we can put in here? Giving a deadline of 1st quarter is not a deadline, need more specific deadline. Not willing to give until March 21st as the extension.

Stacey Faulkner: Should have plan in by Nov. 29th and won't be able to give formal approval until end of March. Important they are making these timelines, because it could affect their board certification and they know it's important to get these things done.

Jeff Fleetham: This could and should affect their plan if they aren't ready. If they aren't ready by end of March

Stacey: If it does go into 1st quarter then there may need to be some action put in place for a better solution

Chair Walters: Once DES receives it, what is the turn around?

Matt Smith: Timeline for review, depends on content of the plan, if there is a need for subject matter expertise and a 3rd party need to be involved it can affect the time line. Coconino submitted late October, the initial compliance review was returned in 2 weeks.

Jeff Fleetham: I am just not comfortable giving extensions because we are losing a timeline and failing our mission of what we are required to do.

Chair Walters: What are the ramifications of not following? There needs to be a hard stop and a higher priority on their list.

Sheryl Hart: Title II can withhold funding, eliminate funding, if programs are out of compliance. Definitely not preferred... our purpose is to help them be successful, and should allow them to do what they're supposed to do. I'm inclined because of specific issues going on and agree to the extension, but what are the options if that fails?

Stacey Faulkner: If the council would like to set a final deadline, and if they don't meet that deadline... it could mean with holding funds or recertification. And we should send a letter to let them know what was decided.

John: Would like to see a hard stop and deadline. .. March 31st. And this needs to be a priority to get this wrapped up. Calls upon Audrey Bohanan for feedback.

Call an extension of Dec. 31st.

Audrey Bohanan: I think we need to hold people accountable. What support is needed to meet and achieve that goal? How do we support them?

Matt Smith: Dec. 31st deadline is more of a challenge for NTN, which their situation is more complex than Northeastern Arizona.

Jeff Fleetham: We don't have an option of doing or not doing, the whole ARIZONA@WORK is in jeopardy of not performing as required.

Stacey Faulkner: Proposes that the council will send a letter to ensure setting a final deadline and if they do not meet that deadline, it could mean consequences.

Action Item: Vote to approve completed Local Plan Modifications and conditionally approve the Local Plan Modification pending CEO approval, move to Executive Committee.

Action item: Move to approve 7 areas

Conditionally approve Coconino pending CEO approval

Northeastern Arizona: Council will send a letter letting them know that they have until Dec. 31st and they could face some type consequence, but the support will be there to help them get there.

Vote: Motion to approve extension Jeff Fleetham. Second: Sheryl Hart. The motion passes unanimously.

7. Yuma County Waiver Workforce Development Board- Stacey Faulkner (Vote)

Per Workforce local government policy. Yuma County has sent an extension for their business seat, and working hard to get the right person to fill that seat.

- Extension request sent October 6th, 2022
- Business vacancy waiver request

Action Item: Vote to approve the waiver request through December 31st, 2022

Vote on waiver request approval by December 31st.

Vote: Motion to approve extension Jeff Fleetham. Second: Sheryl Hart. The motion passes unanimously.

8. NTN Workforce Development Board Compliance and Updates- Nancy Meeden, DES (Update)

NTN Update - Fiscal Agent Designation

In 2019, the NTN LWDB was the designated Fiscal Agent

- Funds were distributed to each of the 13 Tribes
- DOL found the lack of a single entity to function as the Fiscal Agent non-compliant:
 - Conflict of interest
 - No oversight to ensure compliance
- DES instructed NTN to designate one entity as the Fiscal Agent

2019:

- DES has worked with NTN to designate one entity to serve as the Fiscal Agent
- Pascua Yaqui Tribe was approved in 2020, but never fully assumed responsibility and notified NTN in May 2022 that the tribe could not serve as the Fiscal Agent
- DES and NTN approached 3 non-profit organizations – Local First Arizona, Inter Tribal Council of Arizona, and the Phoenix Indian Center – all declined

Temporary Measures:

- DES issued separate grant agreements for PY21 adult and youth funding to the 13 tribal nations to continue services
- The Salt River Pima-Maricopa Indian Community agreed to receive the NTN Board funds through Sept. 2022
 - Funds used to pay the Executive Director and 3 Staff
- The Gila River Tribe agreed to receive the funds for November through April 2023

DES issued correspondence to update the following individuals:

- Kristine Firethunder, Director, Governor's Office of Tribal Relations
- Cindy Ptak, Governor's Office, Program Manager, Arizona Infrastructure and Jobs Act Task Force
- The Tribal Leaders of the 13 NTN Tribes

Jeff Fleetham, question: point of information, this is a big lift for the tribal nations, why the state is coordinating the tribal nations efforts and its not the fed government, what is the reasoning?

Tom Colombo: Local boards are not legal entites... The State helps the process of fiscal agent because DES has to enter an agreement, DES and the State already works closely with tribes.

Jeff Fleetham: If we don't fulfill our duties (Council) are we given more lead way because of the difficulty/complexity of the NTN?

Tom Colombo: Yes, there has been more understanding recently... at how state is trying to support the NTN. The compliance needle has been moved and a lot of outstanding work has been done. If we can get them through this fiscal agent hurdle, the agreement would need to be signed by all 13 tribes.

Jeff Fleetham: There is terrific opportunity there and hopefully we can keep it going.

Nancy Meeden: NTN is the only WF in the nation composed ONLY of tribal nations. DOL has recognized this from time to time as well.

9. Council Restructure- Stacey Faulkner (Discussion)

Committees vs. Workgroups -- Beginning 1st Quarter 2023

- Effectiveness and Efficiency
- Statewide Collaboration

Strategic Plan

- Initiatives and Priorities
- Compliance vs. Statewide Expectations and Impact

Workforce team has been discussing internally with Chair Gaspers. A big challenge was finding time for council and committee members and continue to move these items forward. This will be discussed at Convening

How can we do things differently?

Workgroups will allow more area and flexibility to focus on one initiative or priority and move these forward.

Council is more compliance focused currently and should be more collaborative, conquer initiatives and move priorities forward. We would not need to have quorum, or follow open meeting laws. This allows a lot of flexibility.

Nationally workgroups are a more successful and efficient model rather than multiple committees to accomplish the same goal

Stacey and Chair Gaspers attended NGA- and the main topic was moving committee actions forward. Discussed challenges and best practices. What we found was that we discovered that many committees are transitioning to work groups.

We appreciate the committees and the committee chairs, but just to be transparent everyone is a volunteer and use extra time to move those initiatives forward, and if we go to work group model, it gives an opportunity to pull in other partners and allow workgroup sessions and move priorities forward. Collaboration and the different partner participation may be very beneficial. Council also does not have a strategic plan- Stacey strongly believes that developing a strategic plan that guides us for a 5 year plan/period. This will allow the council to track data, and see where we are state wide, rather the focusing on compliance items. Our council is very compliance focused, and the expectation should be designing a robust workforce system.

Not near finalizing- we need the feedback and the discussion to allow partners to come together to move action forward.

These workgroups will be lead by members of the workforce team/OEO team. Creating these work groups to focus on enhancing our services that we are providing.

Overall, workgroups are innovative and will allows us to have more engagement across the state.

Feedback/Discussion:

Sheryl Hart: I think the workgroup structure vs. committee structure makes sense, would like to say that the 3 populations make sense, and the education topic may be missing a topic with other topics... potentially missing the adult literacy piece and would suggest adding CTE and IET.

Jeff Fleetham: Would like to see CTE and work based learning, as it is so tied together and tied to business.

Sheryl Hart: Also discussing the 3 barriers and adding a dotted line with adult learning, IET and adult priority population.

Chair Walters: love the flexibility that workgroups allow. Love the feedback and it sounds like the committee feels it would be a good change.

Stacey Faulkner: would like to add that this will be taken to a vote at the Council meeting. The ARIZONA@WORK website will still be accessible on the website to stay updated.

Chair Walters: We want to deliver great things for Arizona and keep it booming! Very much appreciate you and Chair Gaspers bringing back the information.

10. Adjournment

Sheryl moves to adjourn the meeting. Jeff Fleetham Seconds the motion. Motion passes unanimously. Meeting is adjourned at 2:21 pm.

*Pursuant to A.R.S. § 38-431.02, notice is hereby given to members of the Workforce Arizona Council Measuring Effectiveness Committee and Performance Excellence to the general public that the Committee will hold an electronic meeting, on **Thursday, November 10th, 2022 at 1:00 p.m.** via zoom. For more information, please call (480) 904-0826.*

Persons with a disability may request reasonable accommodation, such as a sign language interpreter, by calling (480) 904-0826. Requests should be made as early as possible to allow time to arrange the accommodation.

A copy of the material provided to Committee members (with the exception of material relating to possible executive sessions) is available for public inspection by contacting workforce.council@oeo.az.gov.

Under A.R.S. § 38-431.03(A)(3), the Committee may vote to go into executive session, which will not be open to the public, for the purpose of obtaining legal advice on any item on the agenda.

At its discretion, the Committee may consider and act upon any agenda item out of order. Members of the Committee may appear by telephone.