# WORKFORCE ARIZONA COUNCIL

# Full Council

Thursday, February22nd, 2024 ‖ 1:00 pm – 3:00 pm

Hybrid Meeting  
Location: 4016 N Black Cyn Hwy, Phoenix, AZ 85017

<https://us02web.zoom.us/j/6612530414?pwd=WEJaVjcrejRyY1hCTkhUMmFCdGFiQT09>

Meeting ID: 661 253 0414 Passcode: 612238

**Full Council Members Present:**

Chairman Mark Gaspers, Boeing

Vice Chair John Walters, Liberty Mutual

Second Vice Chair Audrey Bohanan, Adelante Healthcare

Ian O’Grady, Policy Advisor, Governor Hobbs

Todd Graver, Freeport McMoRan

Alexander Horvath, Tucson Medical Center

Larry Hofer, Cox Communications

Willard James, Centene

Brian Rice, HonorHealth

Dennis Anthony, Arizona Public Services

Thomas Winkel, Arizona Coalition for Military Families

Jackie Elliott, Ed.D, Central Arizona College

Shawn Hutchinson, Phoenix Electrical

Beverly Wilson, Arizona Dept. of Education, Title II

Angie Rodgers, CEO, Department of Economic Services

Kristen Mackey, Department of Economic Services, Title IV

Jenna Rowell, Local First Arizona

Bill Ruiz, Southwest Mountain States Carpenters Local Union 1912

**Full Council Members Absent:**

Senator Sine Kerr, Senator of Arizona

Representative Justin Wilmeth, Arizona House of Representatives

Gregory Anderson, Summit Healthcare Services

Bobbi D. Taylor, CP North America

Karla Moran, SRP

Randall Garrison, FenTek Industries

Stephen Richer, Maricopa County Recorder

Michelle Bolton, Intel

Daniel Witt, Lucid

Danny Seiden, Arizona Chamber of Commerce & Industry

David Martin, Arizona General Contractors

Debra Margraf, NECA

Sandra Watson, Director, Arizona Commerce Authority

Josh DeSpain, IBEW Local 570  
Heather Carter, Maricopa County Community College District

Jeffrey McClure, CEO, Pinal County

1. **Welcome**

Chairman Gaspers welcomes all members of the Workforce Arizona Council and the public to the Q1 2024 Full Council meeting.

1. **Call to Order**

The meeting is called to order at 1:05pm.

1. **Success Story**

This quarter’s success story highlights Santa Cruz County and Jesus Garcia.   
   
Jesus and his family were facing financial challenges after his father's COVID-19-related death, 20-year-old Jesus Garcia sought support at the WIOA office to pursue an IT certification and employment. Jesus co-enrolled in the WIOA Out-of-School program, he gained Work Experience with the Santa Cruz County IT Department, receiving supportive services and attire. Through the HlB Grant, Jesus earned his IT certification at New Horizons, securing an entry-level IT position with the County Superintendent's office.   
  
His journey underscores the program's positive impact on his life and the fulfillment derived from witnessing his progression

1. **Call to the Public**

Leah Cickavage provides an Arizona Workforce Association (AWA) update. The AWA members met this morning. There was a lot of gratitude, extended, to this council as well as the state for focusing on the reallocation of the one-time funding opportunities as well as some private response funds going towards the local areas to make a positive impact. It was mentioned if there was any consideration for those that were not awarded that had applied, potentially technical assistance might be considered for those local areas. Also, again, gratitude and thanks to Chairman Gaspers, for continuing to meet with our local directors for strengthening our partnership. Local areas currently are underway with plan development, another consideration that was mentioned was at this time there's a lot of different monitoring that are going on at one time. If there was consideration for staggering state monitoring it would be greatly appreciated. I know many are diving into those local plans and that development process. Lastly, the AWA will be hosting some great training seminars within the next few months, they are going to have presentations from Larry Robbins who is a WIOA expert. We are going to sponsor these seminars. It's going to be open to anyone who may be interested and we will be happy to share and forward the information for those interested.

1. **Consent Agenda**
   1. **Approval of minutes from November 30th, 2023**
   2. **LWDB Job Center Certification Timeline**
   3. **Local Plan Timeline**
   4. **Apprenticeship Workgroup Development**
   5. **Employer Measures**
   6. **ETPL Workgroup Update**
   7. **ARIZONA@WORK Branding**
   8. **Council Convening Outcomes**
   9. **NGA Winter Policy Forum Update**
   10. **Performance Measures Update**
   11. **NTN Update, Tom Colombo**

Chairman Gaspers: Before we jump into the Consent agenda, Congratulations to Kennedy Riley on her well-deserved promotion as Deputy Workforce Administrator. We are thrilled to see the incredible contributions she will undoubtedly make in her new role. Prior to Kennedy’s promotion Stacey Faulkner served in this capacity and is now passing the reins over to Kennedy.

Welcome Nancy Avina, who will be OEO’s new Research & Policy Manager. We are excited to see all the great things you will accomplish in your new role! Welcome Nancy Avina & congratulations, we are happy to have you as a part of the Workforce team!

Second Vice Chair Audrey Bohanan motions to approve the consent agenda. Alexander Horvath seconds. The motion passes.

1. **2024-2027 4 Year WIOA Unified State Plan Review & Approval, Vote, Sara Agostinho, DES**

In May, the initial engagement opportunity involved distributing a stakeholder survey to key individuals integral to our system. The purpose was to gauge perspectives on path state plan goals, vision, and mission. This survey marked the commencement of initiatives that progressed into more tangible opportunities. The primary focus was on involving stakeholders to gather content crucial for shaping the vision, mission, and goals of the state plan, along with ideas for implementing the strategy. This process concluded at the close of 2023, culminating in the curation of information and collaboration with our essential state agency team. This collaboration aimed to digest proposed goals and strategies. Notably, our teams within administration, the Department of Economic Security (inclusive of core partner programs in Title 3 and Title 4), state agency partners at the Department of Education for Adult Education (Title 2), and local area partners vital to our Title One B program services, actively contributed to the state plan. Throughout January, these stakeholders were provided the opportunity to review the state plan during its final stages of public comment.



The public comment period extended from January 15th to January 30th. The council had the plan in its possession a week before that period commenced. As previously stated, significant contributors, particularly core partner programs, were involved in the design, review, and refinement processes. Their active participation greatly influenced the overall development of the state plan open for public comment. A total of 89 inputs were received, including contributions from local areas, board members, and council representatives who also shared public comment inputs.

WIOA Clarifications Examples

* + Explanations regarding data summarized in Economic Analysis
  + Super-sector information
  + Updated descriptions of ARIZONA@WORK system, Business Services Team’s role, and Adult, Dislocated Worker, and Youth programs
  + Additional explanation of Re-entry program services

Verbiage & Formatting Examples

* + Use of “%” vs. “percent”
  + Acronym clarifications
  + Adoption of “recognized credential” and/or “industry recognized credential” throughout plan

Content Additions

* Definition of “Employer Penetration Rate”
* Information of where ARIZONA@WORK local plans can be found
* Reference to coordination between the Eligible Training Provider List (ETPL) and Arizona Office of Apprenticeship
* Customer Choice ETPL clarifications
* Northern Arizona Good Jobs Network (NAGJN) Project summary
* ARIZONA@WORK Job Center Certification process
* Finalization of State Plan Waivers
* “No Wrong Door” approach clarity

For more Information: [WIOA Unified State Plan Public Comment Summary](https://drive.google.com/file/d/151EGEqxjA25MdlK4l38gYDgoqZcnuQlf/view?usp=sharing)

State Plan Goals:  
Goal # 1: Promote a customer-driven workforce system approach - Build worker-centered, industry driven career pathways and sector strategies to meet the current and future needs of jobseekers, employers, and the state's economy.

Goal #2: Foster Business Engagement - Enhance workforce services that ensure employers have access to a diverse and skilled workforce.

Goal #3: Invest in Opportunity and Growth - Leverage statewide, systems-level partnerships to strengthen collaborative, coordinated, and streamlined services to achieve results for all Arizonans.

Goal #4: Prepare Arizona’s Youth for Workforce Success - Enhance youth services to provide equitable access to high quality training, ensuring Arizona's youth are equipped for meaningful employment and long-term career success.

**Questions/Comments:**

Bill Ruiz: What was some specific unique feedback on Goal #4, Preparing Arizona’s Youth for Workforce Success?

Sara Agostinho: Much of it was about the unique expansion of outreach into our full and into population. There were many conversations around partnership being part of that conversation early for the information sharing with our schools and how we better make those connections, especially, knowing that, education, under the Department of Education, can help, to spread in some of that conversation. I know there were early conversation to try to move forward with a combined state plan, which means that we will be able to tap some of our other required partner programs like CTP, into that, conversation and the timing didn't work, but we were able to start that conversation and have little focus of coordinated efforts, they plan about that being one of the focus coordinated efforts, but there is a tremendous amount of interest. I'm thinking through the population side of our use and how we get to the population side of our use and how we get. So, that they know about all of the assets. I'm thinking through the population side of our use and how we get, so that they know about all of the assets and resources available.

Ian O’Grady: Would you mind highlighting the in-demand and emerging industries as well that was mentioned in the 4 year report?

Sara Agostinho: I can’t name them off the top of my head, but I do know that the in-demand industries were voted on by the council. They did include manufacturing, construction, and technology, and public health care, but they are very clearly outlined and listed in the plan for people to follow.

Ian O’Grady: Thank you. I know we have some new members that are in those industries. So I wanted to make sure they were aware of those.

Angie Rodgers: I think Sarah rightly gave credit to her entire team, on their work on this process and the OEO team. So I just want to say thanks also to Sara who has shepherded a very year-long process through this. Getting lots of feedback from every community in our state and I think the birth of this baby now today, also it's probably very, you know, gives you a sense of relief, but also it's probably very, you know, gives you a sense of relief, but also some accomplishments. So thank you, Sara.

Chairman Gaspers: Echoes Angie Rodgers comment, thank you for the very thorough process and thank you to the Coucnil members who have been a part of this process as well.

Beverly Wilson: Title IV felt very included and so did our providers around the state have the opportunity to put our efforts into this plan, and make suggestions and revisions that was really an exciting part of this process. Thank you, Sara.

Thomas Winkel: I would like to qualify my vote, of Yay, with a brief request. So, I’d like to humbly request the inclusion of Arizona's guidance, that of Arizona Road Map to better employment , and with our active duty military basis and our efforts relating to the Arizona Veterans for the employer and campus designation and switch our part of our these efforts have been in operation one way or another since 2009. They have highlighted the Arizona by 2, soon to be 3, white houses. The Department of Defense, the VA, many other. I've been invited to speak on these multiple times in front of both the Senate and the house, some better in the military. In our concept here in Arizona has been provided as technical assistance to all 50 governors challenge teams, and their desires to replicate efforts that we have of their service members, their families within their states.

Ensuring that Arizona is doing all that it should for our military affiliated operations. I want to be really clear here. This is not about the Arizona coalition, this is not about Thomas Winkle presenting. This is about Arizona Coalition for Military Families with a Governor’s office, the Arizona Department of Economic Security, The Office of Economic Opportunity, and all of the other organizations that, work towards workforce, and including the ARIZONA@WORK system that has been involved with this since it's inception back in 2009. Working and being recognized nationally, as being a best practice state for ensuring that service members, families are landing well. At any point in their lifespan and ensuring that they are getting everything that they deserve. It's really important to know that this has already been going on there has been a collaboration between all the principal agencies so far. There are MOUs, tying us all together between the military base and doing different various organizations. It is my hope that the council continues to support the inclusion of these efforts. These things have been woven into the previous, state plans. So this is not, adding again, but just read, including this information into the state plan. We hope that this inclusion will not just maintain our best practice status. But that it will, allow us to be able to attract more service members better.

Chairman Gaspers: Would there be reasonable peaceful that we could add what's being discussed in like an appendix?

Stacey Faulkner: I think if the council voted to include Thomas's suggestions, you would have to move very quickly, but I think we have just a little tiny bit of wiggle room, understanding that it still needs to be approved by the governor and also give time to put those edits in the plan and go through the process. Thomas, I’m going to hope that you have language already written that we could just slide into the plan. And if that's the case, I think that we should make it work, within the timeline still.

Second Vice Chair Audrey Bohanan: So did we include the language and the plan last time? Can we use the same language that was in the plan last time that you want to put it in a plan this time?

Thomas Winkel: Yes, it was included last time, but the effort has become more robust, so I would like to add the additional robustness.

Vice Chair John Walters: Is the reason we didn't include it this plan?

Sara Agostinho: I can’t speak to the last plan cycle, as I was not here during that time frame. But much of what we have built off of, Built off of was the former content aside from the area where we built out our goals and our new strategies. So we can go back and see where that content was plugged in the past.

Angie Rodgers: Did the questions or the format change at all that would have caused us to say yes this content certainly was not an oversight that there are mentions in the state plan about veterans and supporting military families. They're maybe just not in the same places that they have been.

Sara Agostinho: In priority service, the veterans and then other, identified, priority or service groups, I would honestly have to go back more closely to our old state plan, to kind of reference where those components would have been included, but there were small modifications in the state and guidance that was released by the Department of Labor that did remove certain prompts that used to be in the state plan that I do remember when I was creating, some of our guidance and so there were I handful of items, that have been removed, but I cannot speak to whether or not they were.

Chairman Gaspers: in terms of the format it does allow for kind of additional review?

Sara Agostinho: We can add an appendix, if you wanted to format it maybe in, more explanation or, you know, some, take the, intentionality of continued coordination. There is more for flexibility in what appendices can include. The prompts themselves are not ones that we determine and not one that we can change.

Second Vice Chair Audrey Bohanan: I also want to hear, we're sure that the data and the information is not there that you want to be there.

Thomas Winkel: It is not there.

Kristen Mackey: I don't remember seeing anything in the spreadsheet that said, Thomas Winkel, or anybody from your team, you know, would like to add all this. So just kinda curious whether, one public comment was put in and in two, if we're going to add substantial information does it have to go out for public comment? And right now we don't have language to even vote on.

Second Vice Chair Audrey Bohanan: Once the plan is approved, can it be amended at a later date?

Sara Agostinho: There is a two year modification.

Chairman Gaspers: Although that is subject to change and just want to flag that.

Sara Agostinho: There is a review process that happens with DOL. So the plan is only finalized once those conversations, inclusive of the negotiation of the state’s performance levels across our whole corporate programs are established. But, submission to the Department of Labor, is set, for March, fourth, at this point, there is limited flexibility with requesting. We can identify what content we would want to include and sort of think through the right space for that.

Chairman Gaspers: My big questions is whether we need to go out for public comment, which I’m not sure that we have time for.

Second Vice Chair Audrey Bohana: Versus a link to redirect people to these resources or another partner?

Thomas Winkel: During the creation process, I had requested to be a part of the creation of the state plan. I was directed toward the public comment period. Which I had sent staff to and was it was still not included in the plan.

Chairman Gaspers: So as a council member you were not included?  
Thomas Winkel: As a council member I was not included in the initial planning process.

Sara Agostinho: I believe every council member received invitations to the state plan survey to the state plan development session. We did have one of your team members join our South Arizona regional state plan development session and I know your feedback was on our list of recipients. But those clarifications were shared.

Thomas Winkel: I was not able to attend specific sessions for a variety of different reasons. So I was asked to participate in some other way, and the way I was directed towards was the other sessions.

Second Vice Chair Audrey Bohahan: What is what is the impact or risk for moving forward with the plan as is presented today without the additional information?

Thomas Winkel: I think the state plan is incredibly important it is part of the reason why I'm on council is to be able to ensure that the information that is going on in the community between the various partners that we have partnerships that it is included into the state. I look at it as a super guidance document that helps to support the efforts. We have referred to them, or different organizations and entities, and the local development boards, once they're interacting, but now I want to provide them with, what is possible and highlighting the need and the necessity for the utilization of the services.

Second Vice Chair Audrey Bohanan: If the additional information is not there, what's the impact to our folks doing the work? Is there a gap? Or can they get the information easily someplace else? I’m trying to understand should we move forward and just mediate in some other way? I mean are there other actions that we can take as a council to ensure that we have given all of our workforce partners all of the data and information and tools that they need, even if it is not directly included in the plan, assuming that the plan has the kind of language that committed to our veterans and their families.

Thomas Winkel: I am wonderfully satisfied with an alternative plan, this is important to the council, it's important being able to move forward and recognize that, but, you know, these are important issues. Without the level of importance being committed to by the leadership that we have here in this room. That other priorities take place, take emphasis and then the infrastructure that has been held becomes less of a priority. There are a thousand priorities that are sitting at best of all good folks and the earnest work that they are doing. I will not take anything away from each person that's out there in the ARIZONA@WORK centers that are doing the work every day. They are doing extraordinary work. They have to prioritize the that they are doing each every day. So that's not the issue there.

Second Vice Chair Audry Bohanan: I love compromise. And so what I'm thinking is that we move forward with the plan that is, but we have a work group because this council now has work groups and we put a work group together who is focused on exactly that.

Angie Rodgers: I can imagin from the local workforce perspective, we can ask questions about how they have served military, how they serve veterans, and we could come back with some data and information to at least set where we're at right now to see if locals or other partners, are doing right now to be able to engage that.

Beverly Wilson: Did a quick search on the state plan, and there are 2 mentions for veteran services. One is the Coalition that Thomas Winkel represents, the other one is under partnerships, specifically speaks to partnership with Arizona Department of Veterans Services.To improve outreach capabilities and provide toolkit assistance to all veterans across the state and then further explains the operation with ARIZONA@WORK.So I'm thinking that maybe a solution to this would be to include the document you'd refer to earlier as appendices. And the language I think is inclusive in the section that I'm looking at as I'm searching, but that would be an additional reference.

For ARIZONA@WORK partners to be able to further get information about how to do this work better in a better way.

Chairman Gaspers: I appreciate the recommendation and I would lean towards that, the only question I have is this piece on appendix, whether or not I would have to go to public comment before proceeding after this vote to the governor's office. So. I don't know that we can do that unless I have some guidance on required public comment. So then I would suggest for a discussion, not a motion. Just as you said, with an appendix to that language. Also a work group to be formed. So we're not losing sight of, veterans issues. And third quarter to have that placed on the agenda item for veterans issues that can be raised in full public, meeting settings for the full council, the third quarter of 2024.

Angie Rodgers: Just a process questions about submitting additional information to the Department of Labor, but this council has not seen.

Chairman Gasper: Do you have it, Thomas?

Thomas Winkel: Not on me, no.

Angie Rodgers: Is there an ability for us to submit something now? And then later offer with council approval, can we say this is our addition to our previously submitted plan?

Anna Hunter: Yes, we can submit an amended plan. So. I think they're it could be easier to essentially submit comfortable with the current plan and with the potential of Thomas and the Coalition to suggest language that could be added to an amended plan that you will have to look at at the next quarterly meeting. We can submit an amended plan to DOL with the recommended language as an option.

Chairman Gaspers: I prefer that approach. Given a chance for this council to review the language. Before motioning, the council would want a veteran work group to form and ask that all stakeholders are engaged in this work group, we will work towards an agenda item Q3 Full Council meeting to raise in full that setting these issues to ensure we're not losing sight of veterans issues as a state, and recognizing that option, I will just ask for a clean motion to approve the 2024-2027, four-year WIOA State Plan.

Thomas Winkel motions to approve. Second Vice Chair Audrey Bohanan seconds the motion. The motion passes.

1. **Rapid Response, Anna Hunter, DES  
   a. Fiscal Alert 24-001: PY21/FY22-5 One-Time Funding Opportunity**

ALERT 23-002 (October 20, 2023): Rapid Response allocation increased to LWDAs and established $775,000 availability for LWDAs to apply for WBL focused funds

* $3,825,000 of 1st year Rapid Response funding is allocated and available to LWDAs
* No applications received for establishing new, or expanding current, WBL programs

ALERT 24-001 (January 10, 2024): $10 Million Funding Opportunity for Allowable Statewide Activities.

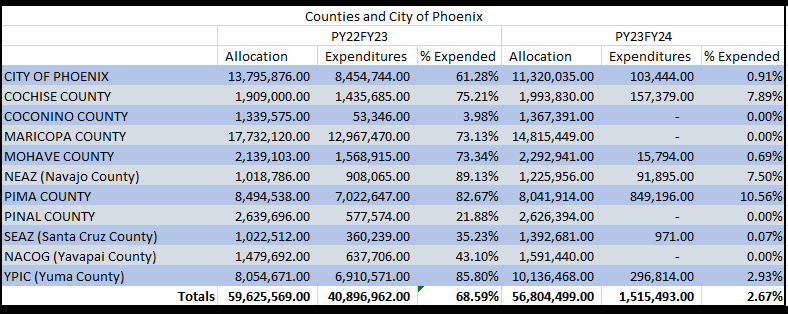
* $11.125M in Requests/Proposals Received
* 6 LWDAs submitted proposals

$5.9 million awarded based on submitted proposals

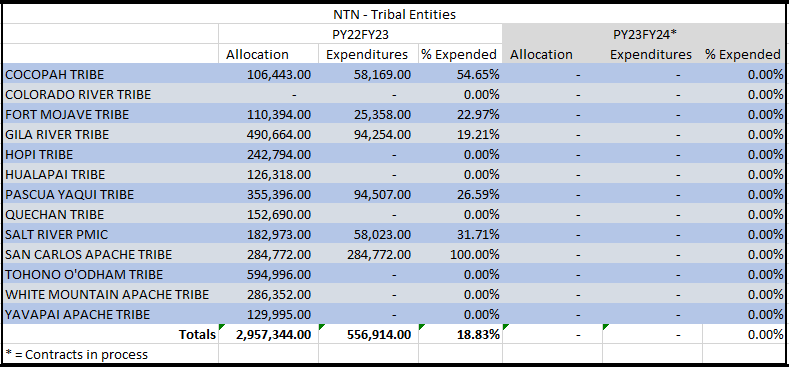
In the last quarter of October 2023, a total of $3,825,000 in first-year rapid response funding was fully allocated and made available to local workforce development areas. Additional first-year rapid response funds are also available if needed. The aim is to continue making these funds accessible to address the needs of dislocated workers and employers. In January 2024, an alert (24-001) was issued, and the Department of Economic Security (DES) requested proposals from local workforce development areas. There is $11,125,000 available for grants related to allowable statewide activities. Proposals were submitted by six areas, including Coconino County, Northeast Arizona, Pinal County, Yuma County, City of Phoenix, and Pima County.

DES has evaluated all submitted proposals for allowability and sufficiency to spend the allocated funds by June 2024. Based on these assessments, $5.9 million has been awarded to local workforce development areas, leaving a balance to be spent on statewide allowable activities by the specified deadline. DES is confident in the availability of allowable expenses and assures that no funds will be reverted back to the Department of Labor.

While there are opportunities for immediate activities that the council or the governor's office may be interested in, allowing the expenditure of funds by June 2024, DES remains confident that there are enough allowable expenses to prevent any funds from being reverted**.**

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This is an update regarding program year 22 fiscal year 23 allocations and expenditures across 11 of the local areas. 68.5 9% of the allocations have been expended. And these expenditures across the local areas are very typical for the local area.Expenditures at this point in the state fiscal year. And the department has no concerns.

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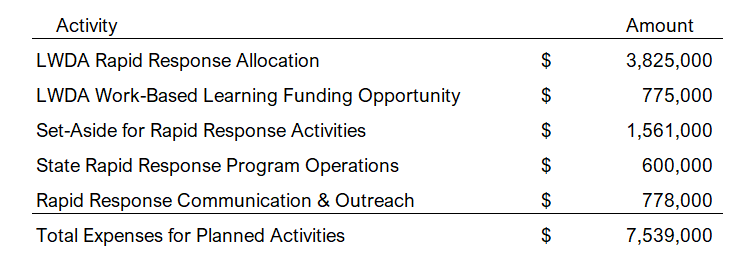
Highlight the Nineteen Tribal Nation tribal entities. This is a challenging situation with no identified fiscal agent for the 19 tribal nations local workforce development area at this time.

Without a fiscal agent, we have 2 independent contracts with tribes who allow us to continue to provide funds. But many of the tribal activities have been suspended. Due to an inability of us to provide those dollars to the tribes to continue to provide services.

1st Year Rapid Response DW Budget PY23/PY24

$7.539 M Total State 1st Year RR DW Funding

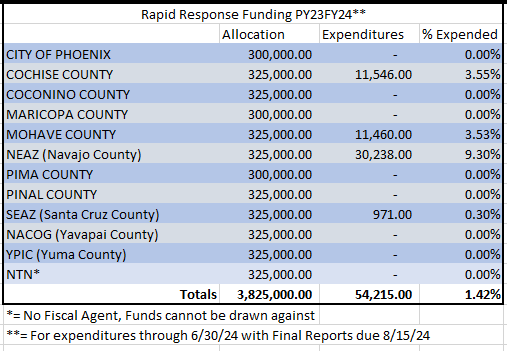
LWDA Funding Allocations released on Alert 23-001 (PY23/FY24 LWDA WIOA Title I Funding Allocations) and Alert 23-002 (PY23/FY24 Rapid Response Funds).



Arizona received $7.5 million in first-year rapid response dislocated worker funding for fiscal year 2024. Over 50% of this fiscal year's rapid response dollars have already been allocated to local workforce development areas. An additional $1.5 million is set aside for rapid response activities, specifically for work-based learning funding opportunities released through an alert last summer. This funding aims to assist local workforce development areas in establishing work-based learning programs to meet employer metrics.

Responding to concerns about delays in receiving rapid response dollars under the previous methodology, the department has implemented a new process to expedite fund distribution. Although no local area has utilized this process yet, the department is actively seeking feedback on its efficiency once engaged.

The state rapid response program operations allocate funds for statewide coordination, ensuring a coordinated response to federal requirements for dislocated worker assistance. The team collaborates with local areas promptly upon receiving or issuing a warning to address the needs of dislocated workers. Lastly, there is an ongoing communication and outreach plan, involving a vendor, to strategically provide outreach and communication for Arizona at Work as a whole.



Update regarding the allocated, first year rapid response dollars provided to the local areas. So, these the amount expanded by the local areas at this point is low but certainly available as local areas need to use these dollars they are available for them for all first year rapid response allowable activities.

Q4 2023, October 1, 2023 - December 31, 2023 Statewide Rapid Response Activity

WARNs received: 13 Note: Rapid Response Events from Q3 2023 WARNs occur in Q4 2023.

Total Number of Affected Workers: 1,671

* Data per WARN information submitted by employer
* Note: The number of affected employees does not equal the number of individuals that become Dislocated Workers (DWs) at the date of employment separation. The actual DW number is usually significantly lower due to various factors:
  + WARN is notice due to a contract change - no employment interruption
  + Affected employees tallied in the WARN transferred into other positions within the company
  + Affected employees gained reemployment prior to the date of separation
  + Affected individuals go into retirement

Resource Packets Delivered to Employer site or via email: provided to 4 Employers

ARIZONA@WORK Resource Packets delivered to the affected employees

* 1. This action is dependent on employer cooperation and availability

Rapid Response Events:13

Note: These events are in response to Q3 and Q4 2023 WARNs and Layoffs

Activities: Resource Packets, Information Sessions (Resources, Resume, Interview Skilling), and Hiring Events:

* 1. Flex LTD - 2 Information Sessions in partnership with Maricopa County
  2. General Motors - 3 Information Sessions and 2 Hiring Events in partnership with Maricopa County
  3. Shaw Industries Group, Inc. - 2 Information Sessions, 1 Hiring Event in partnership with Yuma County
  4. Management & Training Corporation (MTC) - 2 Information Sessions state-supported, lead by Pima County
  5. TuSimple - 1 Information Session in partnership with Pima County

**Questions/Comments:**

Second Vice Chair Audrey Bohanan: So when you compare quarter 3 to the prior years, that's 1,600 lower than it normally is?

Anna Hunter: We have seen an uptick in WARNS, year over year. I think we are seeing. Certain amount of WARN and Non-WARN activities. But I think overall we are seeing an uptick in WARN activity across the state. Obviously we have a large number of employers there in Maricopa County, which is not surprising just right per capita, but it's all over the state. So almost every local area has engaged some sort of rapid response activity because of, the unfortunate nature of layoffs.

Beverly Wilson: Are there any plans of the state has for that 1.5 million that's being called for contingency?

Anna Hunter: That 1.5 million in the first year of spending, and it's a third year dollar. So those dollars can roll over and be available in the second year, if they roll into the third year they are more available for state wide activities. They are available right now for immediate needs but they will not be reverted they have 2 more years of program opportunity to be spent.

Vice Chair John Walters: Is most of the money spent in the third year, second or first?

Anna Hunter: It depends. The law allows the dollars to be spent more liberally in the third year. So I think when it comes to how the dollars are spent historically, we spend more dollars in the third year. Now, because we can't predict the activity for the allowability of the first year. I think the other thing that makes it difficult to answer your question is that we handle these dollars differently. Over time that historically it's hard to say. Before when the Rapid Response dollars were held at the statewide level in 2020 the first year Rapid Response dollars, the entire allocation of that 7.4 was allocated directly out of the 12 local local areas. It didn't allow for statewide coordination. And they also didn't necessarily account for if there were more or less layoffs in any one part of the state. Once they were allocated, they belong to local areas for allowable services.

Jenna Rowell: To clarify, around the allocations already made to the local workforce development areas when the Arizona Workforce Association update occurred. I think there was a request, could any technical assistance be provided to those who didn't get an allocation? Is there any opportunity to take those that were allowable and viable and share the principles of those to give those other areas any additional shot at funding?

Anna Hunter: We can absolutely do that, and I put note of that. As I mentioned in the Executive Committee last week, DES is confident that not one of these dollars will be reverted back to the Department of Labor. Now, if the council or the governor's office has activities that are both viable and allowable DES is open to how we can potentially use these funds to serve Arizona in the best way between now and June 30th. But that's a wonderful idea, we can absolutely post the awarded. projects. And certainly our conversation about public comment.

Jenna Rowell: It's great to hear how innovative they were. So just helping others see what was workable and allocated could be really helpful, so thank you.

Chairman Gaspers: Whether the 6 local areas that had already submitted, whether they could expand those potentially or whether they could expand those potentially and or the those that were not awarded whether they could amend or to be able to potentially access the remaining balance?

Anna Hunter: Yes, we want to see these dollars out in the communities. We received a few, proposals and they were considered. So happy to have conversations about potential options. However, some of the proposals were not allowable they were very innovative, but didn't fall within the allowable activities.

Thomas Winkel: Are we able to see what the results were?

Anna Hunter: The expectation of the proposals is that they had to have outcomes tied to their proposal and an opportunity to review and evaluate those outcomes.

Kristen Mackey: I'm assuming that the CFR and the 2-200, those all those regulations were provided, right?

Anna Hunter: Yes. Our team at DES, many, local areas reached out regarding allowability. So we have this idea, it is possible and then with provided technical assistance during the process of submitting those proposals will ensure they have the strongest proposal.

Chairman Gaspers: thank you to DES for all your efforts on this to make sure that the resources are going to our fellow Arizona. I also just want to say thank you to all the local areas and I know we are discussing this issue and I know we have been discussing this issue and will continue. We have a sort of a big decision building next quarter as we have to just make decisions on our allocations in this all ties into that. And then just for history for those that weren't here, but some of you were, you know, there was a decision made back, right, like within a month of the pandemic and our second quarter of 2020 that did allocate rapid response funding at the state and so there is this question of balance of power. And specific type of funding and with all its restrictions and opportunity and importance to our pillars and how do we get that balance right. I know from my perspective that everybody's been working with great intent to try and do that. So thank you for everybody's collaboration and we have some more discussion to have and decisions to be made next quarter.

1. **Funding Allocations, Stacey Faulkner**

As a reminder, the governor appoints the council to decide on statewide allocation formulas for dispersing funds across the 12 local boards for three populations: adults, dislocated workers, and youth. The team at OEO receives both estimates and final guidance, determining the awarded amounts for Arizona.

Factors for Deliberation

1. Achieving the greatest benefit with minimal harm to all areas.

2. Allocating based on the size of the labor pool and the number of unemployed individuals.

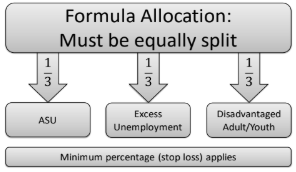
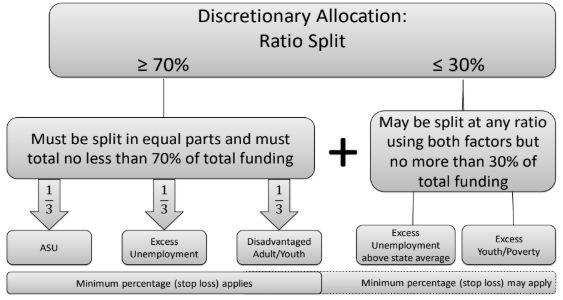
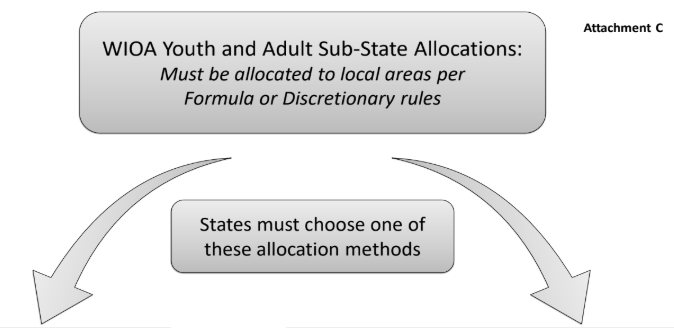
3. Assessing negative impacts on specific local areas.

4. Considering the amount of reverted funds in prior years.

5. Addressing the Rapid Response allocation.

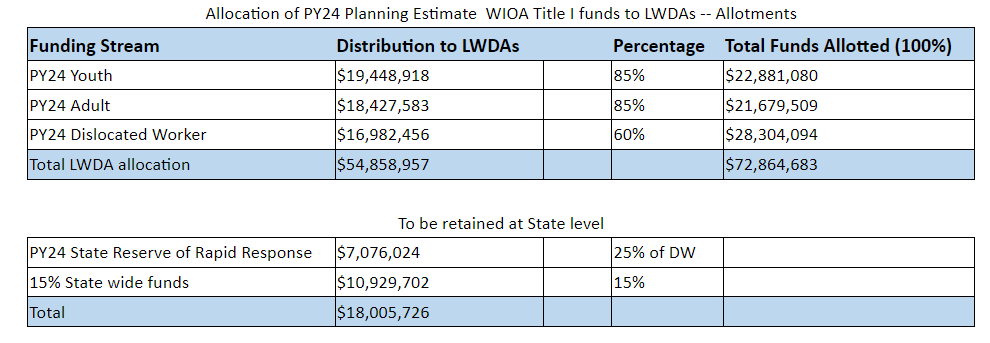
Arizona's allocation hinges on the size of its labor pool and the number of unemployed individuals. Special attention is given to reviewing negative impacts in rural communities, which typically receive a lesser annual allocation than larger local areas. Additionally, the council considers the amount of funds reverted in prior years to inform data-driven allocation decisions. The policy dictates that the council, responsible for adult, youth, and dislocated worker allocations, also determines whether the Rapid Response allocation will be withheld at the state level or reallocated to the local boards.

Formula:

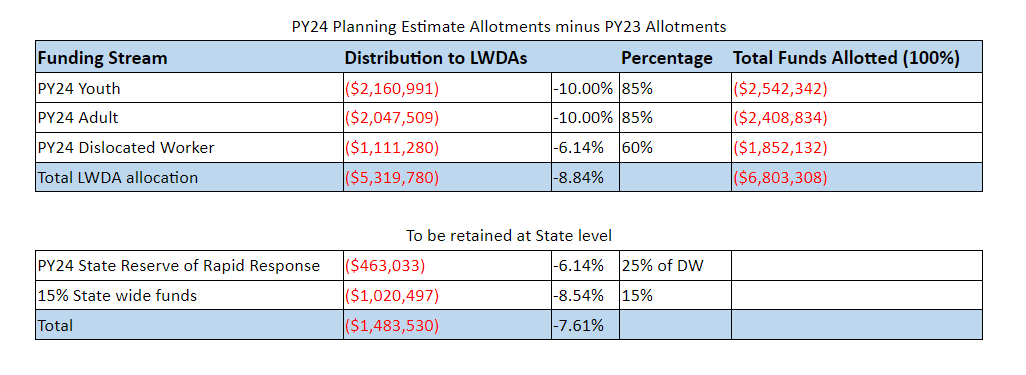


An overview to remind the council of what those factors look like and, you know, serve as kind of a chart to to help you understand those allocation, allocation methods. So in the first square over here on the left hand side, you'll see that if you select to go with the formula allocation, it's going to be spread 3 ways. Between the substantial unemployment, excess unemployment and disadvantaged adult and youth. And then if we choose to go with a discretionary allocation, it's really a ratio split split. The formula allocation to be split 3 ways. But there will also need to be determination to spend the remainder of that allocation on excess unemployment above state average or excess youth poverty.

PY23 PLanning Estimates:  
It shows that our allocation will be roughly 72 million this year. Across each funding string what would be allocated to the local boards and then for the rapid response funds in the statewide set aside that goes to the governor's office is roughly 18 million.



Arizona Decrease- TEN 19-23 Planning Estimate for Workforce Innovation and Opportunity Act (WIOA) Youth, Adult, and Dislocated Worker Program Allotments for Program Year (PY) 2024



Per the guidance that was sent out last week it does show that in that planning estimate in Arizona, as well as every other state is getting a decrease in the annual allocation. And so you'll see a little bit more than 2 million decrease for youth. The same for adults and then a little over a million for a dislocated worker. So statewide, we're getting about. 6 million-7 million decrease in our annual allocations. It will attack rapid response by about 460,000 and then the statewide set aside dollars will be reduced by a little over a million. [Link to show more information.](https://lnks.gd/l/eyJhbGciOiJIUzI1NiJ9.eyJidWxsZXRpbl9saW5rX2lkIjoxMDAsInVyaSI6ImJwMjpjbGljayIsInVybCI6Imh0dHBzOi8vd3d3LmRvbC5nb3YvYWdlbmNpZXMvZXRhL2Fkdmlzb3JpZXMvdGVuLTE5LTIzIiwiYnVsbGV0aW5faWQiOiIyMDI0MDIxMi45MDA3ODc4MSJ9.SZy_o1fYJsTVP7g2NO_xjE8jQYD7zVYzhsDE-fyrmx0/s/2954536014/br/236931570479-l)

Rapid Response Allocation Discussion

9/12 Local Boards submitted plans

* + Over 10 RR activities per plan

Build Business Service Teams

* + Capacity building
  + Workforce planning
  + Job retention/ layoff aversion
  + Work-based learning
  + Proactive approach to businesses at risk (prior to WARN)

Local Area Employer Engagement

* + More time to collaborate and invest

Needs Assessments

* + Outreach
  + Reporting
  + Economic/workforce development growth

Customized services for employers and job seekers

* + Wrap around services
  + Employment rights/regulations

**Questions/Comments:**

Kristen Mackey: Are the reverted funds at the third year that they're reverted? Not the first year fund reversion, second, third. So that that leads to me thinking, these are great things, but in they previously have had the money for 3 years. But then we had a lot that was continuing to be reverted. So, did they say how these might be implemented what might be new, that would allow them to actually implement because it sounds like, you know, basically for brand new activities and I don't know from the local level. But, what happened previously that didn't allow them to spend, I’m trying to reconcile that a little bit.

Stacey Faulkner: I think year after year we've been a very compliance driven council. And I think over the last few years, we've been able to build really strong relationships with DES, local areas and core partners. I think that it's finally time where we are comfortable as a council to put requirements and standard work process in place. I think if the council made a decision, to revert the funds we would have to set an expectation around budgets and get monthly budget breakdowns to see how we are doing as state and continue to monitor.

Kristen Mackey: Are we really using that money for what it's intended for or are we letting enough time pass so that it gets shuffled and then is that in another consideration we need to use for? So they get shuffled, and then is that in another consideration we need to use the local area in our budgets, right? If they're having to shovel it to support other activities because of reductions in budget, so what is the real need for that?

Stacey Faulkner: DES is able to do that now with the fiscal policy they can actually transfer a hundred percent of their funding.

Kristen Mackey: Is that in the third year?

Stacey Faulkner: No, that is in the first year.

Thomas Winkel: But, it would be helpful to see a side by side. If we're looking at where the allocation are going to. .What do those look like? What would be the outcome of those two ? What is the plan? What would be accomplish? Where we see the reductions. What's that mean as far as the impact on the the local area? Does that mean that we're gonna have a reduction in the staff? Does that mean a reduction of services available? What does it all mean?

Stacey Faulkner: So also the local boards are responsible for their own annual budgets. And so when they receive the annual allocation.

Thomas Winkel: Maybe even anecdotal stories about what the potential is, where we're going to have. That's would be interesting.

Second Vice Chair Audrey Bohanan: Would all of the boards prefer to have all of the funds?

Or some of the boards want the state to hold a small portion of that? That's what I'm not understanding. I'm assuming if I’m a local board and I feel that I'm effectively managing my funds, I want them all. Because it gives me 3 years to manage it effectively and some of our boards may be very good at managing the funds and then there might be a group that has the challenge, and does it have to be consistent?

Stacey Faulkner: We only hear from 9 of the 12 boards, but I can only speak for 9 of the 12.

Second Vice Chair: Sp those 9 wanted all the funds right now, give it to me because I can manage it more effectively than the state can. That is their view?  
Stacey Faulkner: Yes, that is their view.

Angie Rodgers: If I read this correctly, they have spent, 62.6 7 of the current fiscal year dollar?

Anna Hunter: It's slightly updated, it's now up to nearly 2% of the currently released first year rapid response dollars have been expended.

Angie Rodgers: I just wanna make sure we as a council are creating a balanced approach towards giving them dollars that they can spend while at the same time being planful over the course of the use of these dollars at local local at the state level.

Second Vice Chair Audrey Bohanan: But these are year one dollars, so they can have convert year 2 and as long as they spend them by year 3.

Kristen Mackey: For the council to understand it, are we really getting money for repairs from that to each or are we allowing the fund to use in different ways?

Angie Rodgers: And is there a reason that the locals are not using them on rapid response activities?

Stacey Faulkner: I did not get that granular due to time. But one thing that the locals were using a lot of the Rapid Response dollars on was funding business service teams that went out and worked with employers. That is where the local areas had to allocate the resources to fund those staff to provide those services.

Chairman Gaspers: When did they receive these funds?  
Anna Hunter: October.

Vice Chair John Walters: It sounds that the budget should be higher in some areas than in others because you're really not using rapid response for rapid response needs. You’re using it for personnel, but now I gotta sit on it for a year, 2 years, So that's nothing for me for a couple of years.

Unless you have to use it and it goes bad.   
Chairman Gaspers: Thank you for the robust discussion and thank you Stacey for the presentation. Our door is open to all the local areas directly or through the association, but please do contact Stacy and the team because we want your input as we proceed to next quarter.

1. **Labor Market Information Update, Doug Walls**

The latest short term projections we used the second quarter of 2023 as the base here to project off from and we generated employment estimates for the second quarter of 2,025. So it's a two-year forecast through the second quarter of 2025. And we produce, employment estimates at the state level as well as for 20 substate regions, which include the 15 Arizona counties, 3 multi-county local workforce areas and 2 sub county local workforce areas. And then the full release is available on our website, including the report, slide deck, data files and data tools, the most recent employment forecast is already integrated into our industry ranking tool on our website.

The Industry Projection Highlights

Our office is projecting that the employment outlook for Arizona will remain positive, but moderated over the two-year period. More specifically, we're projecting that Arizona will add over 102,000 jobs growing at a annual rate of 1.5%. We're projecting that 11 of the 12 industry sectors will add jobs with education and health services projecting to add the largest number of jobs and the construction industry projected to record the largest percentage gain of 3.3% over that time period. The one industry sector, we're projecting to lose jobs is natural resources in mining, which we're projecting will decline at a rate of 2 tenths of 1% annually.

Headwinds to Employment Growth- over the next 2 years.

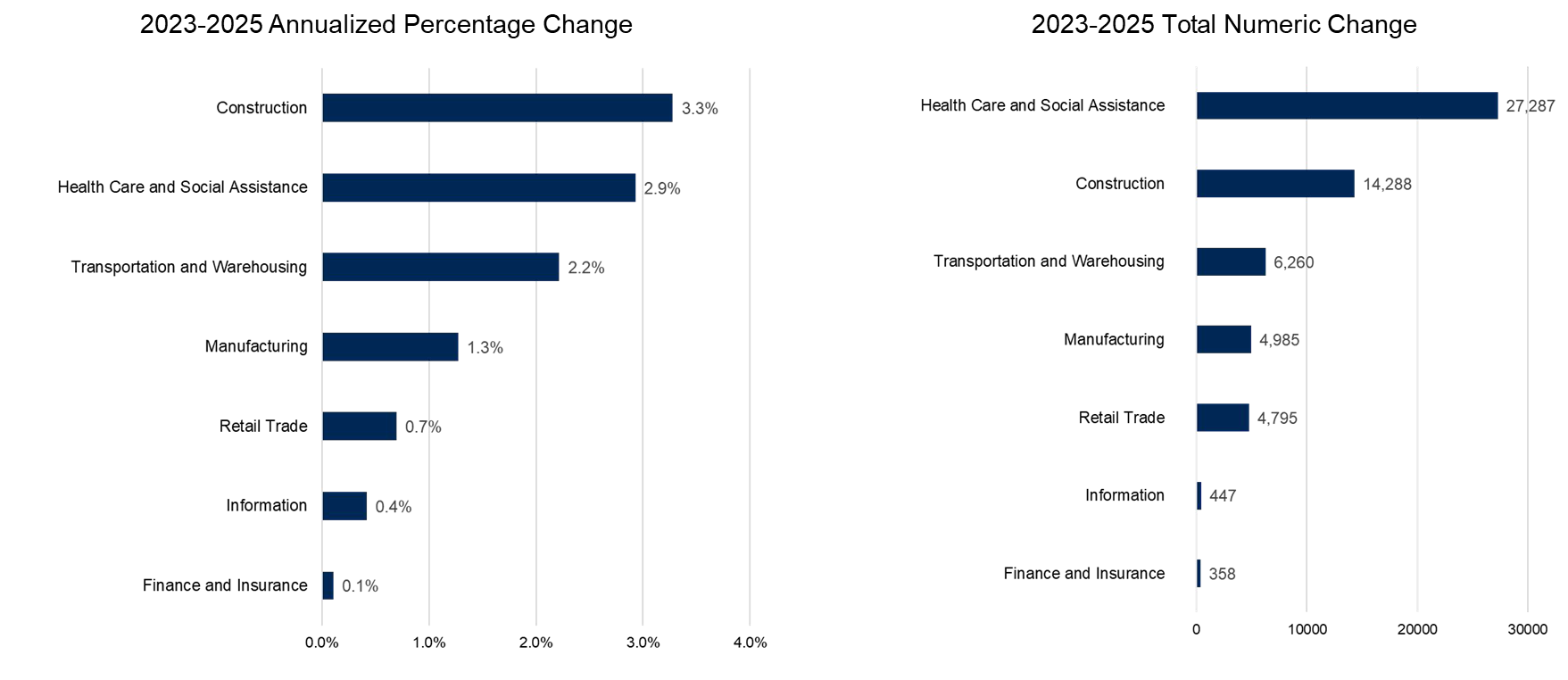
The increased cost of borrowing as likely to continue to be a challenge for the US economy overall in the Federal Reserve is committed to curving inflation and that will help. In the long run, but it's likely to slow down economic activity in a number of industries in the short run. More recently we've seen a slowdown in retail spending, which could be, an indication that the disposable income that was saved up over the last several years is drying out, working services are being, consumers are being more conservative about their spending choices. And then the third bullet related to the first one is persistent inflation. And while we have seen the consumer price index, which is the proxy for inflation, we have seen growth rates slow. Over the last year, the rate of growth is still above that 2% target rate that the Federal Federal Reserve set. We will see elevated interest rates until the CPI growth rate slows down to that target range.

Opportunities for Employment Growth- over next 2 years

Arizona remains one of the fastest growing states in the nation, and this helps bolster economic activity around the state for a number of different industry sectors. It also strengthens. Arizona's labor force making Arizona more competitive. A more competitive landing spot for companies that are interested in relocating. Another opportunity is around the aging US population, studies show that over half of, lifetime medical expenses are accrued, at the age of 65 or older. And, the number of individuals or the population cohort over 65 so there will be the demand for health care services.

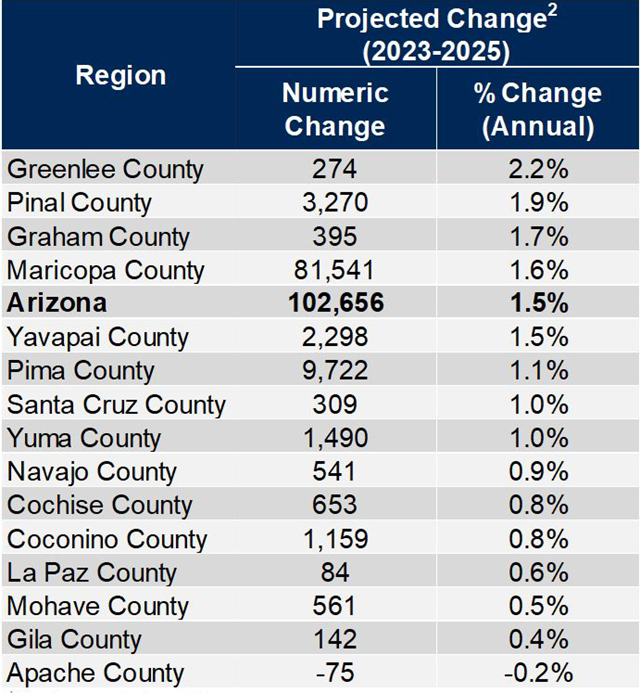
Arizona has had one of the fastest and strongest labor forces over the past decade, ranking third among the 50 states, in terms of the growth rate so that's been a huge benefit to employers that are looking for talent and who have had trouble finding talent in the past.

Projected In-Demand Industry Employment



All 7 are projected to record positive employment gains over the two-year period and then construction, health care, transportation, and warehousing and manufacturing are 4 of the 5 industries that are projected to record the fastest growth rate. Of those 12 total industries. So there is opportunity for individuals looking specifically at the in demand industries as a source of employment in the future.

Sub State Projection Estimate- Total Employment Change by Area



Nearly all Arizona counties (14 of 15) are projected to record employment growth through 2025 Q2

We did see 14 of the 15 we are projecting to record positive and employment. Growth with Apache County being the one county projected to see declines. And we can see on those declines are projected to be fairly minimal over the two-year period with a total loss of 75 jobs and, at an annual rate of 2 tenths of 1%.

The largest numeric and percent changes are projected to occur in:

▪Maricopa County (81,541 jobs)

▪Pima County (9,722 jobs)

▪Greenlee County (2.2%)

▪Pinal County (1.9%)

The smallest numeric and percent changes are projected to occur in:

▪Apache County (-75 jobs)

▪La Paz County (84 jobs)

▪Apache County (-0.2%)

▪Gila County (0.4%)

Upcoming Monthly Releases:

March 7th and March 21st

**Questions/Comments:**

None

1. **Northern Arizona Good Jobs Network Presentation- Jenna Rowell, Local First Arizona**

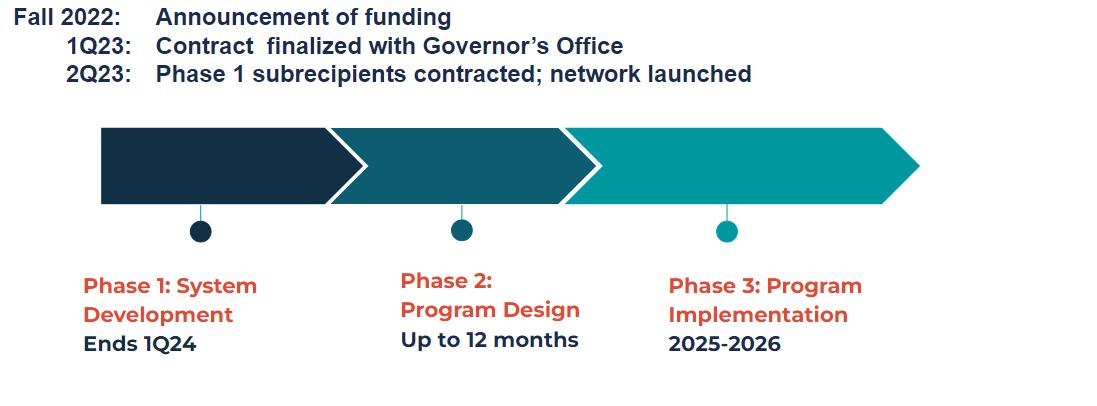
Northern Arizona Good Jobs Network: 4 Focus Sectors

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Local First Arizona is patterned after the US Economic Development Administration's good jobs area of practice. It was designed to be rolled out in 3 phases over a 4 year period and developing a regional workforce training system. So in part, this is an exciting opportunity for the community colleges, the 4 of them across the 5 northern Arizona counties to advance an MOU, that their president signed back in fall of 2022, and looking at ways they could collaborate, share resources, and build some programming together. This grant and effort provides some structure that for example might advance those opportunities and accelerate them into delivery for job seekers. You can see the 4 focus sectors, they match exactly the in-demand industries and sectors and are aligned to the 2 sets for this area which come out of Mojave County and out of for the remaining 4 counties, from Mojave over to Apache or the counties in scope here, including Yavapi.

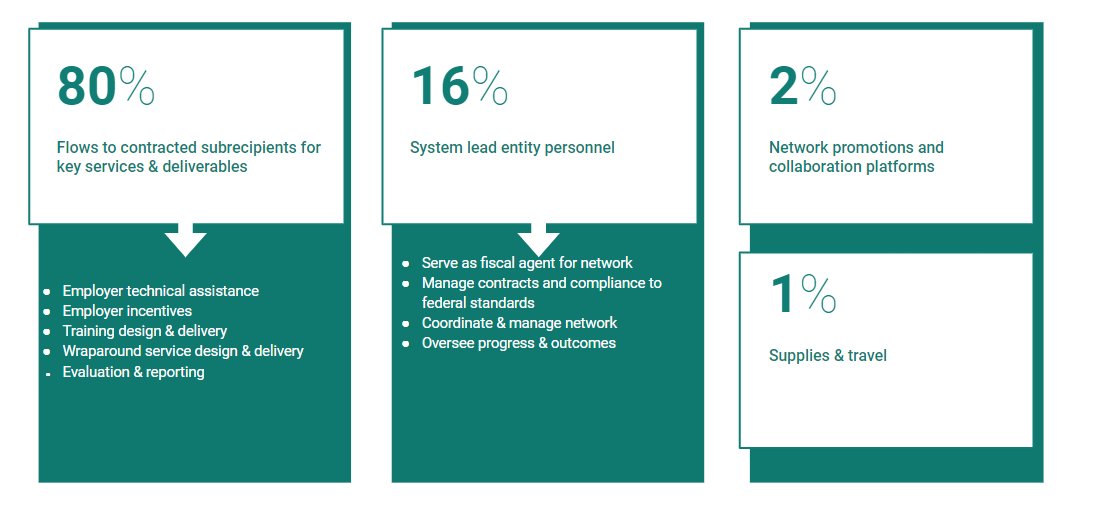
Increase and Enhance Community Regional Growth

* Avoid duplication of services
* Maximize resources
* Develop, adapt, or scale training-to-employment programs that:
  + Provide workers with the skills to secure or advance in quality jobs that provide good pay, benefits, and growth opportunities
  + Address needs identified in Comprehensive Economic Development Strategies (CEDS)
  + Connect underemployed or unemployed workers to existing and emerging job opportunities in Northern Arizona

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3 phases that again some work happened that took some time to get the funding in place and contracted between us and the governor's office and then with the network, which are sub recipients who receive the majority of the funding. We are about to wrap up phase one and when we come out of that phase we'll have a blueprint document and that's really will contain the meet that the council might be interested in. This year will be about designing the training programs and then the next 2 years starting in 25 will be about implementing and that's really when measurement and tracking of metrics begins.

Total Budget: 9.5 Million over 4 years (on a reimbursement basis)



That amount of money over that amount of time across 5 counties is only going to spread so far, but we hope that it can do some good in scaling, adopting and piloting some new training models that will be heavy on the employment , and on the job learning. 80% of that money flows out to the sub recipients in the network. There's a small amount to 3% that is for some of what overhead type expenses across the network and then local first in our role as the State Rural Development Council. That's a federal designation is in that system lead entity role, providing a lot of the compliance, oversight, reporting, and technical assistance to the network.

Primary Phase 1 Deliverable: A Regional Blueprint

The blueprint guides Phases 2 and 3.   
Developing it involved:

* Gathering information about skills and hiring needs from sector employers across the region
* Assessing existing community college offerings by sector across the region
* Identifying training-to-employment programs to be adapted, scaled or developed in Phase 2

Next Steps:

* Finalizing blueprint (March 2024)
* Sharing blueprint with LWDBs, CBOs and other key stakeholders for input and engagement
* Launching Phase 2: Design
* Expanding network to fulfill deliverables across:
  + Training design
  + Employer engagement & technical assistance
  + Wraparound service design
  + Evaluation & reporting

Questions/Comments:

None

1. **ARIZONA@WORK System, Anna Hunter, DES**

This is live on the ARIZONA@WORK website. There's instructions on how to use this interactive tool. This is a vision for what this could be as a useful tool, not only to council members, but to the people that are served by this ecosystem.

Link to [ARIZONA@WORK Tool](https://docs.google.com/presentation/d/e/2PACX-1vQg5a51NOsSaDRLgVl6vaotnTblcoVBXXB0PCidFosOFm2yJocgF6vCdDAWKfNW0oW4koHRHFVRMgde/pub?start=true&loop=false&delayms=60000&slide=id.g268df9914d5_0_52)

Questions/Comment:

Chairman Gaspers: Who is the audience for this product being live?

Anna Hunter: The audience could be a number of different people and populations.

Chairman Gaspers: If it's just providing definitions and I'm either an employer or seeking a job, is it really taking me where I need to go?

Anna Hunter: This tool is so full of links, almost every word are a link to take you to the ARIZONA@WORK website, the local workforce development version website to connect you immediately to the service that provides either the provider that provides that service or the local area, you connect with that provider.

Chairman Gaspers: so how much are we boiling down for people not to have to understand like what Wegner Peysner is, rather, I just need a job, I live here, where do I go?

Anna Hunter: Oh, absolutely. This is not meant to replace the Arizona Outlook website, which provides most high-level needs. This is on the additional information on the ARIZONA@WORK website.

Second Vice Chair Audrey Bohanan: Can we de-jargan?

Anna Hunter: Absolutely, this is the feedback we are looking for from the Council to make this tool as useful as possible for a wide variety of audiences.

Thomas Winkel: One area where this I think will be highly effective with our navigators, resource navigators, veterans, social workers, case managers, whatever access, you know, those types of things. But I saw a couple of confusion

Second Vice Chair Audrey Bohanan: It's easily get confused with the different programs and what they provide. So, it's beneficial for us as board members to understand this information.

Anna Hunter: Once again, we don't want to be the best kind of secret, but this is an exceptionally complex ecosystem for breaking that down into services, what service are you looking for and how do we connect you with someone who provides that service? Or do you already know what program you're interested in? So, let's talk about programs. It is a really complicated system, so anything we can need do to help.

1. **Adjournment**

Vice Chair John Walters motions to adjourn the meeting. Thomas Winkel seconds the motion. The meeting is adjourned at 3:05pm.

*Pursuant to A.R.S. § 38-431.02, notice is hereby given to members of the Workforce Arizona Council Full Council and to the general public that the Committee will hold a meeting, open to the public, on Thursday February 22nd,*  ***1:00pm.*** *via Zoom. For more information, please call (480) 798-4809.*

*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 at the Office of Economic Opportunity, located at 1400 W Washington St., Phoenix, AZ 85007*

*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.*