# WORKFORCE ARIZONA COUNCIL

# Executive Committee

Thursday, February 15, 2024 ‖ 1:00 pm – 3:00 pm

Virtual Meeting

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

Meeting ID: 661 253 0414

Passcode: 612238

**Executive Committee Member Present:**  
Chairman Mark Gaspers, Boeing

Vice Chair John Walters, Liberty Mutual

Second Vice Chair Audrey Bohanan, Adelante Healthcare   
Beverly Wilson, Arizona Dept. of Education Core Program - Title II

Angie Rodgers, Director, Dept. of Economic Security Core Program- Title IV  
Kristen Mackey, Administrator, Dept. of Economic Security- Title IV  
Karla Moran, SRP

Willard James, Centene  
Larry Hofer, Cox Communications

1. **Welcome**Chairman Gaspers welcomes all members of the Executive committee and the public to the Q1 2024 Executive Committee meeting.
2. **Call to Order**The meeting is called to order at 1:02pm
3. **Call to the Public**N/A
4. **Approval of minutes from Q4 November 16th, 2023 Executive Committee meeting**

Karla Moran moves to approve the minutes from the Q4 2023 Executive Committee meeting on November 16th, 2023. Vice Chair John Walters seconds the motion. The motion passes unanimously.

1. **Workforce Team Report Out**Chairman Gaspers congratulates Kennedy Riley on her recent promotion. Kennedy is now the Office of Economic Opportunity’s Deputy Workforce Administrator.
   1. **LWDB Job Center Certification Timeline, Kennedy Riley**

As a reminder, the job center certification is a requirement for WIOA to be conducted every 2 years. The council must approve all certifications. LWDBs have already received timeline, certification tools, and policy to begin the job center certification process. All required documents due to Council staff **6/4/24.** The Council will review and approveon **8/15/24 & 8/22/24.**

* 1. **Local Plan Timeline, Kennedy Riley**Local plans are a requirement of WIOA. Local plans must be completed every 4 years with modifications every 2 years, and the Council is required to to approve all local plans. LWDBs have received a timeline, local plan submission guidance packet, and policy to begin the local planning process. All required documents due to Council staff **9/3/2024.** The Council will review and approve on **11/14/24 & 11/21/24**
  2. **Apprenticeship Workgroup Development, Kennedy Riley**

The Council staff surveyed local areas on current apprenticeship investments. It was found that only 4 areas are currently funding apprenticeship enrollment and that the local areas are interested in developing their processes to better serve job seekers and employers. Council staff are looking into creating a workgroup to address the gap in services in coordination with state partners.

* 1. **Employer Measures, Kennedy Riley**

Employer measures were developed by the Council in 2020. The measures are not in alignment with current data that is able to be obtained. In addition, OEO has not been provided access to customized reports. The Council staff proposes to develop a workgroup to re-design the measures to better fit the needs of the workforce system. Mainly focusing on work-based-learning (WBL) and services to employers. The old measures will be revised and new measures will be proposed to the Council post re-authorization of WIOA.  
**Questions/Comments:**   
Kristen Mackey: You briefly touched on it with the reauthorization and there is the request for information, what is the best measure and how will that look? What should the federal government be looking at in terms of measuring and employer measures? Timing wise, you said we would wait, but then we're in the beginning stages. So given I think the last 3 authorization took like 12 years. I wouldn't want to put a bunch of effort into this and then have it come back to us and we would have to measure something different.  
Kennedy Riley: I know Stacy is actively involved with NGA and does know a lot about what reauthorization looks like. Stacey, do you have an idea on the timeline?  
Stacey Faulkner: So it was my understanding at the NGA meeting that they had hoped to get a decision within the next few months. But I know that that can change to Kristen's point, it, you know, could be extended year after year. It's already been extended once. So we're just we're at the liberty of them right now.  
Kennedy: I think what we can do is kind of research this a little bit more, see what maybe the best move is.If anything, maybe just look at revising the measures and bringing them all back to you. We just want to make sure that the data we're giving you is accurate. And actually make sense for the system.  
Chairman Gaspers: And if we're not getting. Seeing much traction by. Summer. I think it's unlikely.Kennedy: More to come, hopefully will give you all more of an update by the May meeting.

* 1. **ETPL Workgroup Update, Kennedy Riley**The ETPL workgroup is close to completing the revision of the ETPL policy. This has been a collaborative effort between Council staff, local boards, ETPL coordinators, policy team, and training providers. The policy will be released for public comment within the next two months. The policy will be presented to the Council for review and approval in May.
  2. **ARIZONA@WORK Branding, Kennedy Riley**The Council staff is reviewing and editing the current policy with collaboration from Local Areas. In addition, there is being continued review of other states for best practices in branding. There have been suggestions of only having 2 logos (AZ@WORK & Local Area), instead of the current 4 logos. The Council staff will present this policy at the Q2 Full Council on May 30th.  
     **Questions/Comments:**Chairman Gaspers: I just want to make sure that there's enough time for everybody to incorporate the new branding. Also, to make sure that there's time required to change branding and printing and marketing material.  
     Kennedy Riley: Most of these local areas are already currently using that logo. This is really kind of impacting other partners that maybe have a logo or using the one that says proud support or a proud partner. It's just really ensuring that we have that cohesive system. If for some reason someone has printed materials that still have the old logo, we're not gonna ask them to throw them away. We will just start from the beginning and ask that they use the new material going forward.
  3. **Council Convening Outcomes, Oleg Shvets**There were 161 registered attendees for the event, and 138 actually attended. The event focused on showcasing successful collaborations between employers and education/workforce partners, aiming to facilitate meaningful dialogues on sustainable workforce solutions. Attendees were also provided with networking opportunities to establish potential relationships with each other.  
     **Awards:**
* Collaboration - Pima County Community and Workforce Development
* Innovation - Coconino County Workforce Development Board
* Board Impact - Arizona@Work Pinal County
* CTE Connections - West Mec

**Questions/Comments:**

Chairman Gaspers: Great work. Oh, thank you for the insight and putting this event together. To take my ideas and put them into reality. I really appreciate the whole team for being there. Thanks to everybody on the line here who was there. And please take the idea to keep making connections between partners and local areas, education providers and business, and how we can help. Second Vice Chair Audrey, thanks so much for volunteering to do that with CT Glendale. That is a fantastic to representation of us and the opportunity there. So just again, my heart full gratitude to everybody for the great session.  
Vice Chair John Walters: I absolutely loved the event. I thought that it was phenomenal. The only thing I would love to brainstorm before the next one is how to go get more members of the council attending. I would appreciate better representation from Workforce Arizona Council.  
Chairman Gaspers: Great point, John. We'll have an opportunity to, and Stacey correct me if I'm wrong, but you know still planning for a summer summit. Or you know if for future events we'll build that into the team making sure we get as much representation as we can.  
Second Vice Chair Audrey Bohanan: For all of us, it is about scheduling. So the sooner we know, and if we can have 3 months in advance and put it on our schedule and lock to down, it becomes much easier.   
Chairman Gaspers: Great point, Audrey thank you for the comment.

* 1. **NGA Winter Policy Forum Update, Stacey Faulkner**

NGA Winter Policy Forum was held from January 30th to February 2nd in Washington DC, with the participation of 150 workforce leaders from 35 states. The discussions centered around the successes and challenges related to apprenticeships and artificial intelligence (AI).  
The programming discussed:

* Future of serving youth
* Strategies for delivering services to jobseekers during disruptions
* State of the American economy
* The vision of the U.S. Department of Labor (DOL)
* WIOA planning and implementation
* Updates on government relations in Washington
* Childcare's role in increasing workforce participation and success
* WIOA reauthorization- Pell Act
* In-demand jobs, sector partnerships, and career pathways.

1. **2024-2027 4 Year WIOA Unified State Plan Review & Approval, Sara Agostinho, Vote**State Plan Development Process  
   The first engagement opportunity back in May, was sending out an initial stakeholder survey to individuals that we knew were critical to our system to understand where perspectives landed in terms of path state plan goals, vision and mission, and allow that to be the kickoff of the profits that we utilized and that flowed into more concrete opportunities to begin to further. The focus was to engage stakeholders to collect much of the content that helped to divide vision, mission for the state plan, the goals that you see reflected and ideas around the strategy that can help implement the goals. That process sort of capped off at the end of 2023. To curate all of the information and certainly connect with our state agency team that are critical to the content that is reflected, allow the opportunity to digest the proposed goals and strategy. To highlight that our teams within administration, the Department of Economic Security, which include core partner programs within Title 3 and Title 4, our state agency partners over at the Department of Education for Adult Education, Title 2, and certainly our local area partner, that are critical in our Title One B program services, all were engaged in contribution to the state plan and then we're also offered the opportunity throughout January to be able to review the state plan and in it’s final stages of public comment.   
     
   The State Plan submission is due to WIOA State Plan Portal by March 3rd, 2024.  
   

The public comment from January or period from January fifteenth through January thirtieth.

The council did receive the plan a week prior to that. And as I mentioned earlier, key contributors, core partner programs, were part of that design, save and process and so they were very active in the overall development of the public of the state plan that was submitted for public comment. We received 89 inputs. There was public comment from, from our local areas. Some board voices, and council voices also shared some public comment inputs as well.  
  
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.

Will James motions to approve. Vice Chair John Walters seconds the motion. The motion passes.

**Question/Comments:**

Chairman Gaspers: In the material that we received, a prep packet for the executive committee, we've got the whole Appendix, for the executive committee, and it details great detail on all the comments and and see responses and actions. The one thing I'd ask is just making sure that the full council has the full plan with plenty of time, not the day before our meeting to give council members a chance to review the entire plan, not just the appendix of the slides.

Sara Agostinho: Sure, yeah, we can, we can certainly do that. The plan will be a very close reflection to what was posted for public comment.

1. **PY22 State WIOA Performance Assessment Update, Matt Smith, DES**State Performance Assessment Overview:

WIOA state performance is assessed annually as part of the performance accountability requirements established in WIOA Section 116. Departments of Labor and Department of Education determine WIOA core program success or failure to meet the primary indicators of performance. The results determine whether states will be required to establish corrective action plans and/or face financial sanctions. States are provided with the results of the assessment, including detailed data tables and elements of the Statistical Adjustment Model used to establish adjusted levels of performance

Link: [Arizona PY22 State Performance Assessment](https://www.dol.gov/sites/dolgov/files/ETA/opder/DoP/WIOA_Annual_Reports/2022/AZ_772565.html)

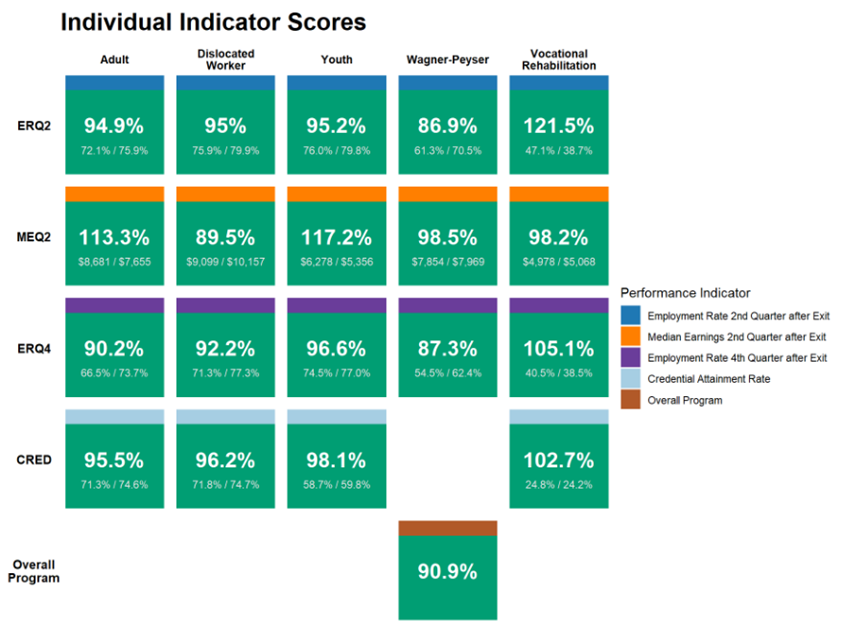
Guidance (TEN 04-23)  


The green cells are those indicators that were previously assessed in the in the last 2 program years, by 20 and 21. Those are the second quarter after exit employment rate and the median earnings for a title one and 3 core programs. The yellow cells, PY22 is the first year of assessment and this year that assessment was expanded to include Title 4, vocational rehabilitation, as well as the fourth quarter. After X and employment rate and credential attainment rate. Also noted in the PY 22 assessment is the overall program score.

Performance Success or Failure:

Among assessed indicators, performance failure occurs if, any single Individual Indicator Score for any single core program falls below 50 percent of the adjusted level of performance; the Overall State Program Score falls below 90 percent for that single core program; or the Overall State Indicator Score falls below 90 percent for that single measure.

Arizona PY22 State Assessment Results

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The green fill and you each indicator represent a successful outcome. So you can see that we were successful in all 20 of the assessed indicators. The top 4 rows are the individual indicators within their programs. You can see the credential attainment rate indicator does not apply to title 3, which is why it's blank. The final row, the fifth row, that overall program score is what I mentioned earlier. The assessed overall program score for the title 3 programs.

Summary:

All assessed indicators (20 in total) were successfully met. For the third consecutive year, no performance failures among assessed indicators. For the first time, the Departments assessed an “Overall State Program Score” indicator, for Title III Wagner-Peyser Employment Service program, which met the required threshold of 90% (90.9%). For the first time, the Departments assessed the individual indicator scores for the Title IV Vocational Rehabilitation program, which was successful in all four assessed indicators, exceeding the adjusted level of performance for three of four.

Resources

[Arizona PY22 State Performance Assessment](https://www.dol.gov/sites/dolgov/files/ETA/opder/DoP/WIOA_Annual_Reports/2022/AZ_772565.html)

[TEGL 11-19, Change 1: Negotiations and Sanctions Guidance for the Workforce Innovation and Opportunity Act (WIOA) Core Programs](https://www.dol.gov/agencies/eta/advisories/tegl-11-19-change-1)

[Training and Employment Notice (TEN) 04-23](https://www.dol.gov/agencies/eta/advisories/ten-04-23)

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

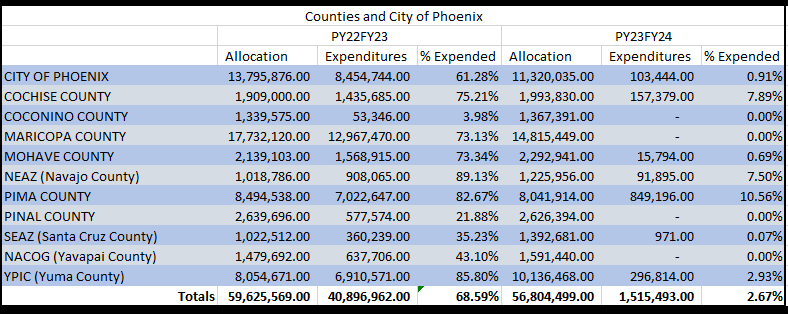
ALERT 23-002 (October 20, 2023): Rapid Response allocation increased to LWDAs and established $775,000 availability for LWDAs to apply for WBL focused funds

* $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

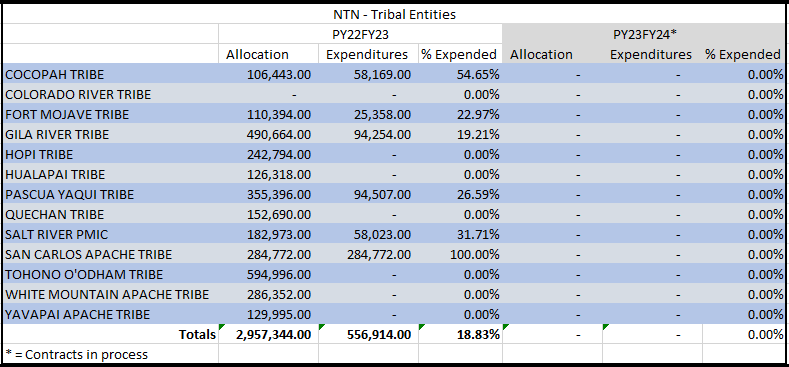
ALERT 24-001 (January 10, 2024): $10 Million Funding Opportunity for Allowable Statewide Activities.

* $11.125M in Requests/Proposals Received
* 6 LWDAs submitted proposals
* $5.9 million awarded based on submitted proposals

Last quarter in October of 2023 a total of $3,825,000 of first year rapid response funding all allocated and available to the local workforce development areas. There are also additional, first year rapid response dollars available if a local area was to expend all of these dollars. To continue to make those funds available to meet clients and employers needs in these specific dislocated workers. Additionally, there was an issued alert 24- 001 in January 2024. Last month, DES requested proposals from the local workforce development areas. For opportunities for allowable statewide activities we have $11,125,000 that was available for these grants for the local workforce development areas. 6 areas submitted proposals, including Coconino County, Northeast Arizona, Pinal County, Yuma County, city of Phoenix, and Pima County. DES has assessed all of the submitted proposals for allowability and the, the sufficiency to spend the dollars by June, 2,024 and have awarded where they should be alert and have awarded 5.9 million based on these submitted proposals to the local workforce development areas. That leaves a balance of money that needs to be spent on statewide allowable activities by June, 2024. DES is confident that we have allowable expenses that no money will be reverted back to the Department of Labor.

However, there is opportunities if there are immediate activities that the council or if the governor's office would be interested in that we could expend the dollars by June, 2024 that we could participate in but the department is confident that we have enough allowable expenses to not revert any of these dollars. ****

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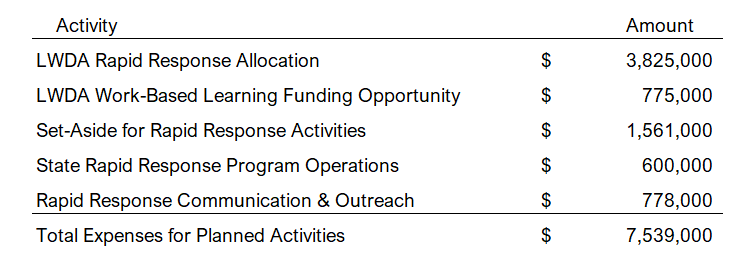
Highlight the Nineteen Tribal Nation tribal entities. This is a challenging situation with no identified fiscal agent for the 19 tribal nations local workforce development area at this time.

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.

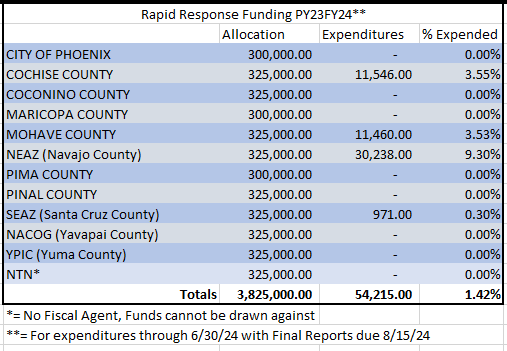
1st Year Rapid Response DW Budget PY23/PY24

$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).



7.5 million dollars that Arizona received in first year rapid response dislocated worker funding for fiscal year 24. As a reminder is the rapid response allocation sent to the local area so more than 50% of this fiscal year's rapid response dollars have been already allocated and provided to the local workforce development areas. We provided the next line is the work based learning funding opportunity that was dollars released in alert. In summer of last year to provide dollars to local workforce development areas who needed one-time funding to establish work-based learning. To meet the employer metrics. We have set aside for rapid response activities. This is 1.5 million dollars. These dollars are available. In response to, concerns from the local areas regarding how long it was taking to receive rapid response dollars in the previous methodology. The department has established a new process to make that as quick as possible. At this time, no local area has needed to engage in that process, but as soon as we do, we look for feedback regarding how quickly we can get funds out when local areas have expanded all of their first year dollars they already have allocated to them. Additionally, the state rapid response program operations, these are the funds necessary to run this statewide coordination of rapid response and meet the federal requirements from a state coordinated response. That team works closely with the local areas as soon as a warning is received or issued in order to respond to those dislocated workers. And then lastly, there is a communication and outreach plan. We have engaged a vendor and are in the planning process for how to continue to provide outreach and communication not only 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
  + 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:
  + Flex LTD - 2 Information Sessions in partnership with Maricopa County
  + General Motors - 3 Information Sessions and 2 Hiring Events in partnership with Maricopa County
  + Shaw Industries Group, Inc. - 2 Information Sessions, 1 Hiring Event in partnership with Yuma County
  + Management & Training Corporation (MTC) - 2 Information Sessions state-supported, lead by Pima County
  + TuSimple - 1 Information Session in partnership with Pima County

**Questions/Comments**

Vice Chair John Walters: I noticed the local areas aren't using their funding, is that because they're looking to have it age out or is there a reason why they don't use the funding?

Anna Hunter: I can't answer for the low expenditure of the funds, but I can address that these funds are very prescriptive by federal law regarding how they can be used. They really are meant to provide wrap around support services to dislocated workers. Or to prevent layoff activities. So they are not available for unlimited use. There are opportunities for local areas to use these funds to support employers and to reduce the likelihood of layoffs. I would have to engage in conversations with the locals regarding whether there are challenges spending these dollars. I could probably guess that not knowing if these dollars are consistently available to them. I think that everyone in the meeting today is aware that kind of the how these first year dollars are spent in our system continues to be an opportunity for discussion and so I think it may be difficult to spend these dollars if you don't know that these you couldn't invest in something in the future if you didn't know you were going to receive dollars. In the next fiscal year so I think that really blends to the next conversation on Funding allocations.

Vice Chair John Walters: Just one follow up, make sure I'm clear, but then come, funding year 3, the money is wide open, right? You can move it, the restrictions are removed?  
Anna Hunter: Correct. The dollars that we received from DOL are 3 year dollars. These specific dollars are much more restrictive. The funds do open up for statewide activities in year 3 and the current allocation policy allows us to give those dollars to local areas for your one and 2 and if not spent are reverted back to the state for statewide activities. Activities that the council would like to see done or the governor's office for purposes of executing your strategic vision for the workforce.

Chairman Gaspers: About the other opportunities, can you help us understand what the timelines of that looks like and the constraints on the calendar related to the balance for the 10 million on the Alert 24-001?

Anna Hunter: The alert, 24-001, these dollars are in their third year and they are a culmination of challenges of spending the dollars during the pandemic, but these dollars must be spent by June 30th, 2024. The proposals by the local areas are innovative and they are able to get started as quickly as possible so I was very impressed by the submitted proposals, their ideas and so but yes these dollars must be spent by June, 30th 2024. And once again, the department is confident that the balance of the dollars that we did not submit by grants to the local areas. We have allowable expenses for, but there could be an opportunity if there was a project we could quickly expend dollars with we could invest in.

Chairman Gasper: So, and that's for the 5.9 million?  
Anna Hunter: The 5 point is what we have invested in the local areas. It's the balance.

Chairman Gaspers: You mentioned the 6 proposals. What does that? Total. Is that 5.9 or a different number?

Anna Hunter: Yes, correct.

Chairman Gaspers: But there's been requests. Is there a process for those requests under 24-001 to be amended still? Potentially and how long would that take, and then how much time would that leave for them to access before June 30th, 2024?

Anna Hunter: So we would certainly be willing to hear different proposals. Obviously every day counts as we get closer and closer to ensure that the dollars are spent according to appropriate procurement models. But at this time, we have evaluated all of the local areas that have demonstrated an interest. And, reviewed those proposals for allowability and viability.

Chairman Gaspers: So, if there is a new submittal, how long does that process take?

Anna Hunter: We turned around the responses to the submitted proposals in less than 2 weeks.

Chairman Gaspers: Then they would have until June 30th, 2024, for the new awarded amount?

Anna Hunter: So they have to spend these specific dollars by June, 30, 2024. These are innovative projects, that they have engaged in the alert 23-0022, those are first year funds, the more limited funds that each local workforce development area received. And they have 2 program years to spend those dollars before they're reverted back to state.

Chairman Gaspers: So the of the 10 million that's not expended under 24-001 reverts to back to the state or DOL?

Anna Hunter: So if not spent by June, 30, 24, they would revert to DOL, but the Department of Economic Security is confident that we have enough allowable expenses that no dollars will be reverted back to DOL. But there is a balance of dollars that if there were initially council initiatives or governor initiatives that we could get done and expend.

Beverly Wilson (in chat): Do these funds have to expended or encumbered?

Anna Hunter: The dollars must be expended. They must be spent by June, the 2024.

Karla Moran: So 6 proposals that were already submitted and ask for additional funds or do we have to resubmit per new project?  
Anna Hunter: I think that we could consider, in open communication and dialogue, kind of how, how to do that. I think we we are very interested in getting these dollars out in our communities. And if there are initiatives that are allowable and viable, meaning that they're initiatives that are allowable and viable.

Vice Chair John Walters: We have a little over 11 million dollars in requests or proposals. So is there a pecking orders like first come first serve or how do we decide who gets the money?

Anna Hunter: So we evaluated each proposal and we utilized those were the 2 biggest things that we looked at is are the activities in the proposal allowable under the law. If they were allowable, is it viable that they will be able to spend those dollars by June 30th, 2024. In the alert, we encouraged them to invest in youth, encourage them invest in work-based learning but the dollars did not have to be limited to some of the high-level recommendations that are based on the council strategic initiatives that you would like to see happening. They were just suggestions to meet the strategic initiatives. So we awarded the proposals most significantly on allowability.

Vice Chair John Walters: 10 million dollars in my mind over roughly 6 months if I went back to the January alert seems pretty quick. What's the normal time from when we would identify that we had a 10 million dollar opportunity that we would have normally known that in October, or did it just pop up last second for some unknown reason?

Anna Hunter: There were challenges spending these dollars up until this point and but they became third year dollars in July. We were aware that we had this kind of large pot of money that needed to be spent on allowable statewide activities in July. We went through a DOL monitoring and kind of covered that in the last council meeting. The, findings from the DOL visit. And one of the findings that we have since closed was regarding the state's use of rapid response dollars. And so we held onto these funds with concerns that DOL may have required the state to pay them back. We were released from that finding, DOL was comfortable with how the state had managed the funds. But it wasn't prudent to potentially release those dollars to local areas for innovative statewide activities than to potentially have to pull those dollars back to pay them back to DOL.

Once again. DOL has closed that finding and believes the state acted absolutely appropriately with these dollars. But because of the monitoring and the concern from DOL. We held on to the dollars until we were released from that finding. Soon as possible we released the opportunities for the local areas.

Vice Chair John Walters: Would we be better served then to have moved more of this money sooner into the local areas or make this part of our budget going forward?

Anna Hunter: Since 2020 when the decision was made to hold the rapid response dollars that the statewide level, and then of course the pandemic, none of us could have predicted the state certainly we were out of compliance with the DOL finding for not having statewide coordination of rapid response activities so we have certainly taken the time to set that up and meet those requirements, but it's a fair question. I, I can't necessarily say if the money would have been spent, if the money had been allocated to local areas earlier or if we would have been in this situation. But I am confident we won't be in this situation moving forward. So we shouldn't see these last minute large dollar short time period to expend the funds moving forward.

Vice Chair John Walters: It feels so I'm not saying I'm valid in my statement, but it feels like we may have swung the pendulum too far one way. I think during the pandemic we did some different things, I get that. But going forward, I'm wondering if we swung it too far.

That's just where my mind is, definitely would like to figure out some ways to validate if we did we swing too far one way? We need to find more that middle ground. That's where my head's at. But that's all I have.

Beverly Wilson: I appreciate how difficult it has been for all of us to expend dollars during COVID,it was just a really challenging time. Is there a process To have DOL provide a waiver to us, based on the information you shared. We were waiting for their review to find out if we were actually expending the dollars in the way they were intended. And now that they've released us, and provided that assurance and guidance. Can we go back to them and ask for an extension for these particular dollars?

Anna Hunter: Certainly as we were having those conversations with DOL regarding the monitoring. They were not interested in seeing these dollars come back to the federal government they want these dollars go back out in the community and we explained to them our plan for issuing the alert and an opportunity for grants to the local areas and they were supportive of how we had planned to do that. Historically, there is never been an allowance. The dollars are 3 year dollars, but the intent to be spend in that time period.

1. **Funding Allocations, Stacey Faulkner**

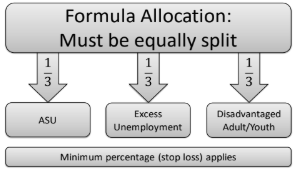
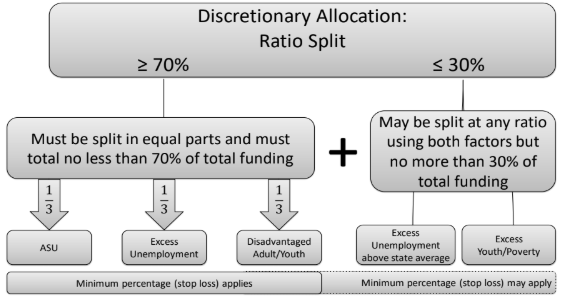
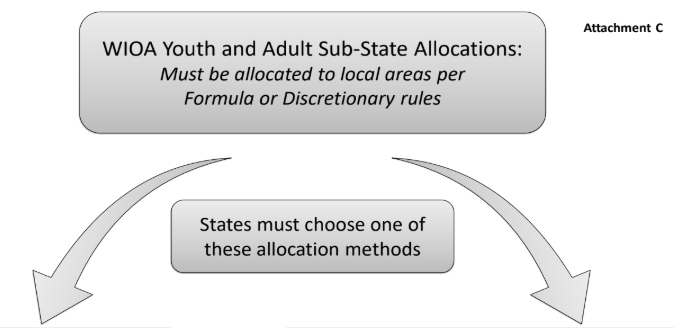
A reminder to the executive team in the full council about the upcoming vote on funding allocations and a reminder on that process. The governor actually appoints the council to make the decision on the allocation formulas statewide and how those will be dispersed. Across the 12 local boards. For all 3. Populations, adults, dislocated worker and youth. The team here at OEO does receive the estimates and the final guidance that gives us the amounts that are awarded to Arizona.

Factors for Consideration

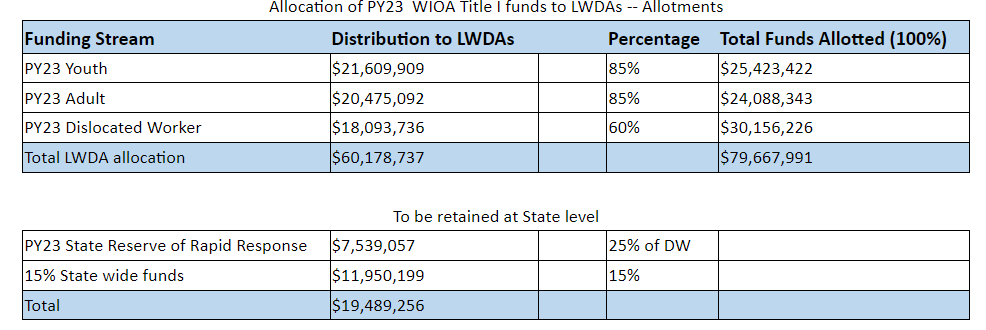
* + Greatest benefit while causing the least harm to all areas
  + Allocation based on size of labor pool & # of unemployed individuals
  + Negative impacts to specific local area(s)
  + Amount of reverted funds in prior years
  + Rapid Response allocation

The allocation that Arizona receives is based on the size of our labor pool and the number of unemployed individuals here in Arizona. We always want to make sure that we are reviewing negative impacts to specific local areas, specifically in the rural communities because they do get a lesser allocation annually than then the the larger local areas. We do also wanna take into consideration the amount of reverted funds in prior years. To make sure that we are selecting the right data factors for the allocations and then of course the rapid response allocation so our policy states that not only do we select the allocations for adults, youth and dislocated workers, we as a council are responsible for determining whether the rapid response allocation will be withheld at the state level or reallocated to the local boards.

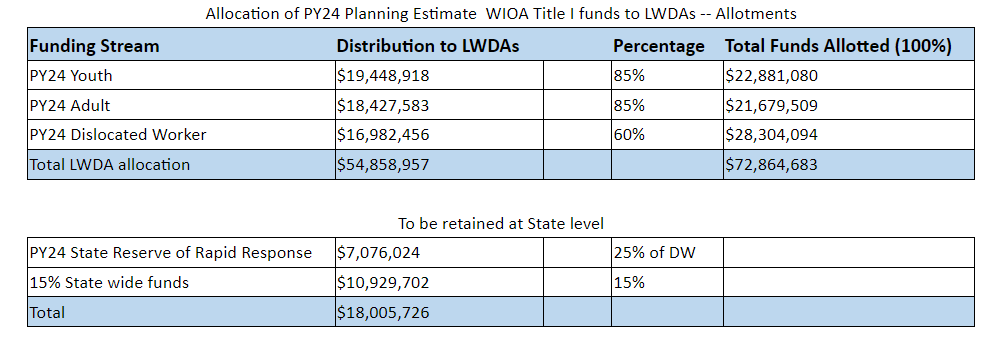
Formula:



An overview to remind you 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 little 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. So we still will select, you know, the formula allocation to be split 3 ways. But then we will also determine if we want to spend the remainder. Of that allocation on excess unemployment above state average or excess youth poverty.

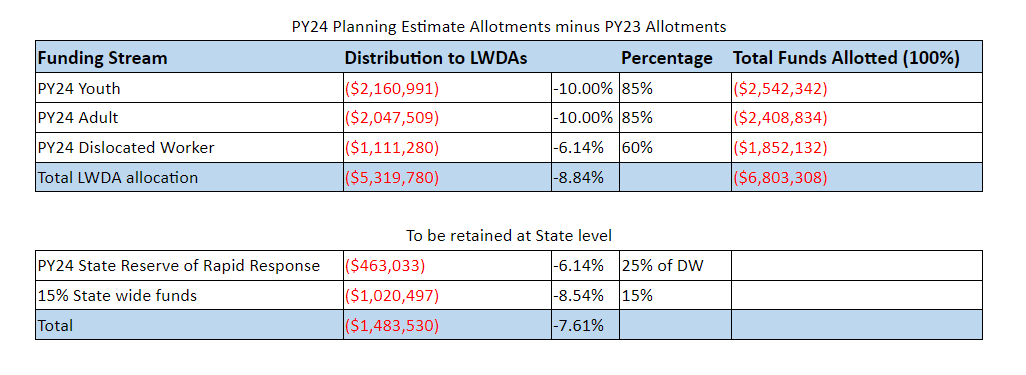
PY23 Allocations  
****The program, your 23 allocations as a state, we got roughly 79 million. This is just a breakdown of what was distributed for each of the different funding strings and then about 19 million of that 79 million was the governor state set aside and the rapid response allocation.

PY24 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 this week it does show that in that planning estimate 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 adult 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:**

Will James: So on this slide the percentage 85 85 60% 25% of DW 15%. What's the historical background on those allocations? How do we get to those?

Stacey Faulkner: The demographics of the local area. So population, unemployment, so those factors that we talked about in the previous slides. All of that data is compiled by local area and that's how they come up with the amounts per board that would be allocated.

Angie Rodgers: In thinking about these slides related to the resources that locals have to spend in relation to the previous slides around what they're actually spending dollars on. How, what balance are we trying to strike? For the locals to have access to as many dollars as they possibly can to obviously employ individuals and help with training, and at the same time ensure that we don't revert one single penny back to the federal government. So I don't know if anybody has thoughts on that.

Chairman Gaspers: Given kind of where we've come from since 2020 when that decision was made and when you look at the the policies that we put in place to give to try our best to give some clarity or predictability to the council's approach to the allocations approach from We always, our options real to our options on the, which we select. For people who are following along, the local area distribution methods. We want to get as much funding as closely possible to the local areas, as we possibly can particularly when it comes to rapid response that, you know, our intent is to recognize their ability on the ground. To understand and predict and be able to respond as quickly as any entity as possible but you know, I’m not sure I have the full picture on your question director, other than to say that I think to me, that's the intent of where to begin with. And then you know, there is some measure for us to understand where we can strategically as a state, help guide and support and have additional goals as a state relative to industry and employment that Cross cutter or local areas. But I still think there is a bias towards being able to be as responsive on the ground as possible now. To your comment on being able to expend each, I think there's a lot of discussion amongst the local areas and with DES and OEO to be had to look at that question of support and ability to to be able to respond and what the constraints are and where those are imposed, whether from within WIOA or in state policy or other aspects that need to be considered. I appreciate just the partnership amongst OEO and DES and the local areas in trying to get that balance right.

Vice Chair John Walters: One things that I personally struggle with on the allocation and doing it well is I know, bang for my dollar, the bigger population basis I could do it, right? So I could probably help the dislocated worker and do a lot more for less expense like City of Phoenix or Maricopa County just because of your population basis. But you can't do that at the expense of the Coconinos to Yuma and some of our other local areas that don't have the population basis. So to figure out where's that right balance and I know just how to people is where's that right balance? How do we get the best bang for our dollar? But also realize some areas may need a little bit higher percentages. Just because of some of their challenges of being rural and some additional components that come into that. And I don't think we talk about that aspect of it very often, when I have someone off conversations that does come up quite a bit.

Angie Rodgers: I think this is helpful. I mean, certainly your comments about, the, the importance and the priorities of the council is helpful in in setting the tone of this again we all agree that to the extent possible that we can get all dollars out to the locals to be able to spend them with the I think we refer to them as handcuffs in that first year. The sooner we can spend them, the better. Not delaying until the last minute and then, you know, in this current situation where we're in a haste to spend dollars. I don't think that's the goal of anyone on this council. I also appreciated the comments that you just made about the challenges faced by rural areas, maybe even tribal areas. Again, the intent has to be not to revert those dollars. I think we see reversions if I look at that data across the board. It is not just a rural problem, it's not just a tribal problem, it is a an urban problem too and anything that we can do to help the locals spend those dollars.

Kristen Mackey: we're in the situation where we have a lot of money just because a lot of it was reverted. But then we have this conversation tha, ‘But we need it’. So it just feels. Like there's a little bit of a disconnect. ‘We need it. We need it in the local area. But now it's been reverted and now it's a 3 year statewide activity time frame.’ Is it still available, but you just have to ask for it differently now. Is that correct?

Chairman Gaspers: Somebody can somebody clarify was that money that was held Was it reverted or was that the money that was going back to 2020 decision to hold at the state?

Anna Hunter: So some of the dollars are rapid response dollars withheld at the state level. And some of the dollars are reverted. So it's a combination.

Will James: I love going back to our wonderful Strategic Plan, and I will read off the mission statement again as a reminder. The mission of the workforce Arizona Council is to develop and support an inclusive and equitable workforce system that connects business education, job secures, the results in a healthy economy in Arizona. I always thought that was a pretty powerful statement that we put in there about being inclusive and equitable. So when we're thinking about this, if you know the decision that's made, whatever helps address that as well as part of our strategic plan.

Angie Rodgers: I welcome any thoughts and suggestions for the remaining dollars that we have until June 30th, 2024. The sooner we get those ideas on the table and our team can bet them for 2 points about viability and allowability. The sooner we can spend these dollars. So if council members have immediate ideas on, council priorities that they'd like to see those resources go to, or if, if, If you have ideas later on and you want to reach out to our team, that would be great.

Chairman Gaspers: I'm also looking forward to that point and the depth of discussion on this both from the perspective of the 24-001 but also our approach going forward with the Full Council. And have, you know, I think a huge range of expertise. I'm looking forward to that wide range of industries being able to comment and making sure we have a good discussion as well as from all the local areas to communicate both in OEO and our council members, before next week's discussion.

Comments in chat:

Shawn Hutchinson : Funding additional apprentices through ITA's?

Will James II : An 'outside of the box' thought are including some of the burgeoning Accelerator programs that have produced some impactful results... Also more thoughts on partnering with local community colleges for certifications with the in-demand industries as mentioned in our strat plan

From Beverly Wilson : @Will James II. I think your suggestion to provide funds to community colleges is a great idea! We have 8 community colleges who are Title II providers that have IET programs in place leading to an IRC.

Angie Rodgers : Thank you Beverly. Can you help me with the IRC acronym?

From Beverly Wilson : Integrated Education and Training Programs, a WIOA Title II requirement

1. **NTN Update, Tom Colombo, DES**

As of February 2, 2024, the following tribes have submitted forms to designate the Office of Economic Opportunity (OEO) as the NTN Fiscal Agent: Cocopah; Hopi; Quechan; Pascua Yaqui; San Carlos Apache; Salt River Pima Maricopa; Yavapai Apache; and Gila River.

The following is a list of the tribes who have not submitted the forms:

Tohono O’odham (set for a vote on Feb. 13); Colorado River; Fort Mojave; Hualapai; and White Mountain Apache. The Department of Economic Security (DES) is following up with representatives of these tribes, to determine if the tribe wishes to remain as part of the NTN.

What’s next for the NTN? The NTN Board and OEO will enter an agreement. DES will execute an agreement with the OEO, to provide the funds to the OEO. The OEO will be responsible for executing agreements with each of the NTN tribes, to provide each tribe their allocated funds. If there are tribes that do not sign the agreement they are unable to receive WIOA funding. They may be merged into the LWDA where the tribe is located. OEO will work with the Governor to begin the process to redesignate Local Workforce Development Areas (LWDAs) per the Workforce Arizona Council Policy #14. The Consortia Agreement, the agreement among the tribal leaders, as the CEOs, and the NTN Board, must be revised. The Shared Governance Agreement, the agreement between tribal leaders and the NTN Board must be revised.

Actions, Continuation of Services- DES issued separate grant agreements for Program Year (PY) 23 adult and youth funding to the 13 tribal nations to continue services.

The Gila River Indian Tribe agreed to receive administrative funds to support the NTN Board staff and activities through December 2023: Since January 1, 2024, the four (4) NTN staff have been furloughed, as there is no entity who has agreed to receive the NTN Board administrative funds. WIOA activities with the 13 tribes have continued. DES has been in frequent contact with the NTN Chair for guidance and assistance. There was a requested of an Action Plan on Fulfilling LWDB Functions without Staff Assistance.

**Questions/Comments:**

Vice Chair John Walters: How's OEO gonna do they have the staff and the functionality or is this gonna be an additional duty placed on somebody?  
Tom Colombo: No, actually in the DOL finding regarding the fiscal agent all the way back to 2019 they identified the DVS was doing the fiscal agent role without charging for it. So we've been very clear with the NTN board that no matter who they were choosing, I think you will remember some from previous updates, we talked with other organizations to assume this function.Their administrative funding will have to pay for this. So, director Contreras, Stacey, they're aware that, they will be getting some of that, NTN board money. For staffing to support this. Stacy, please correct me if I'm wrong, but we're looking at at least a full time staff member and potentially a half time staff member to help support these functions. And that's part of this agreement that would be between OEO and the NTN board, for that amount of money to provide those services and support for them. It's my understanding that they would be hiring an additional staff member to do these functions.  
Chairman Gasperse: Well, I know how much effort has been put in here and by all the members of NTN staff. I appreciate the uniqueness of our structure here and in all the effort by variety of parties to work and find a good solution. I know we're not alone as a state in trying to do right bya supportive structure and so I appreciate everybody working towards the goal and also to the Gila River Indian community for supporting where they were able to. And we will. Of course, as a council we continue to keep an eye on this to make sure we're properly supporting our communities.

Stacey Faulkner: May I just make one revision? Tom did a fantastic job, explaining the staffing here at OEO, but the amount that we asked for, in order to be the NTN fiscal agent, we would actually bring on 2 staff. So I just wanted to make that clarification so everyone understood.

1. **Adjournment**

Vice Chair John Walters motions to adjourn the meeting. Second Vice Chair Audrey Bohanan seconds the motion. The motion passes. Meeting is adjourned at 2:48pm.

*Pursuant to A.R.S. § 38-431.02, notice is hereby given to members of the Workforce Arizona Council Executive Committee and to the general public that the Committee will hold a meeting, open to the public, on Thursday February 15,*  ***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 Street, 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.*