



Innovative Workforce Solutions

**WORKFORCE ARIZONA COUNCIL
Executive Committee**

Thursday, May 23 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 Members Present:

- Chairman Mark Gaspers, Boeing
- Vice Chair John Walters, Comparion Insurance Agency
- 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
- Willard James, Centene
- Larry Hofer, Cox Communications

Executive Committee Members Not Present:

Karla Moran, SRP

1. Call to Order

The meeting is called to order at 1:01pm

2. Roll Call

Kennedy Riley, Deputy Workforce Administrator conducted roll call, a quorum was present.

3. Call to the Public

N/A

4. Approval of minutes from Q1 February 15, 2024 Executive Committee meeting

MOTION: Second Vice Chair Audrey Bohanan moves to approve the minutes from the Q1 2024 Executive Committee meeting on February 15, 2024.

SECOND: Kristin Mackey seconds the motion.

ALL IN FAVOR: The motion passes unanimously.

OPPOSED: None

ABSTAINED: None

MOTION PASSES

5. Welcome & CEO Updates

Carlos Contreras, CEO provided updates on the following agenda items.

a. BuildItAZ

Provided the following overview of the BuildItAZ.

BuildItAZ's Five Areas of Focus

• Capacity Grants

• Outreach Campaign

<ul style="list-style-type: none"> • Workforce Arizona Council Representation • Grants Office 	<ul style="list-style-type: none"> • Policy Changes
BuildItAZ Grant Application	
Grant Application	Results
<ul style="list-style-type: none"> • Open: March 7th • Closed: March 21st • Original Amount: \$500,000 • 13 Applications Received 	<ul style="list-style-type: none"> • Funding Increase: \$650,000 • Grantees: <ul style="list-style-type: none"> ○ Arizona Building Trades & Council ○ Phoenix Electrical Joint Apprenticeship & Training Program ○ Rummel Construction ○ The Laborers Training & Retraining Trust of Arizona ○ Tucson Electrical Joint Apprenticeship & Training Program

b. Workforce Grants Office

Carlos Contreras, CEO provided an overview of the Workforce Grants Office active grant activities.

Workforce Grants Office	
BuildItAZ Announcement Created Workforce Grants	
<ul style="list-style-type: none"> • Set aside \$750,000 in funding • Goal #1: Secure additional workforce dollars for Arizona in support of AZWC priorities 	<ul style="list-style-type: none"> • Goal #2: Convene/organize and encourage stakeholder collaboration to submit stronger applications • Services offered: Grant synopsis, grant writing, OEO data & letters of support coordination
Grants Submitted	
<ul style="list-style-type: none"> • Powering Climate & Infrastructure Careers Challenge - Green Jobs planning: \$800K <ul style="list-style-type: none"> ○ OEO and Office of Resiliency application made it to second round + Interview ○ Decision expected before end of May 	<ul style="list-style-type: none"> • State of Arizona Apprenticeship Hub: \$6M - Expand and Grow apprenticeships <ul style="list-style-type: none"> ○ Over 40 Letters of Commitment including Governor Hobbs and Chairman Gaspers ○ Target industries: construction, semiconductor, avionics, healthcare, cybersecurity and early childhood education ○ Four community colleges systems, six local workforce boards & five state agencies ○ Decision expected late May to June

c. 2024 Annual Arizona Workforce Summit

Carlos Contreras, CEO provided an overview of the 2024 Annual Arizona Workforce Summit.

2024 Annual Arizona Workforce Summit	
<ul style="list-style-type: none"> • June 10-11, 2024 • High Country Conference Center 	<ul style="list-style-type: none"> • Flagstaff, Arizona • Registration Open

d. April 2024 Employment Report

Carlos Contreras, CEO provided an overview of the April 2024 Employment Report.

April 2024 Employment Report	
<ul style="list-style-type: none"> • Month-over-month, Arizona NSA nonfarm employment increased by 12,900 jobs • Year-over-year, Arizona NSA nonfarm employment increased by 2.0% and U.S. NSA nonfarm employment increased by 1.8% <ul style="list-style-type: none"> ○ Seven of the eleven major sectors recorded job gains ○ Six of the seven Arizona metro areas gained jobs 	<ul style="list-style-type: none"> • The Arizona SA unemployment rate decreased to 3.6% in April 2024 • The Arizona SA labor force increased by 2,972 individuals month-over-month

Vice Chair John Walters thanked Mr. Contreras for the CEO Updates. No questions were presented.

6. Policy, Governance and Compliance

a. Eligible Training Provider List (ETPL) Policy

Kennedy Riley provided an overview of the ETPL Policy and a highlight of the following policy updates for Executive Council’s consideration.

Eligible Training Provider List (ETPL) Policy	
History & Overview	
<ul style="list-style-type: none"> • The Eligible Training Provider List (ETPL) supplies information on training providers, the programs they provide, and the quality of their training programs to program participants. To maximize consumer choice and assure that all population groups are served, a comprehensive process must ensure that a significant number of qualified Eligible Training Providers (ETPs) are available to participants. Only approved programs listed on the State's ETPL are authorized for referral and enrollment of a WIOA participant. 	<ul style="list-style-type: none"> • Overview of ETPL Policy components: <ul style="list-style-type: none"> ○ Licensing and Business Requirements ○ Initial Eligibility for Training Providers ○ Continued Eligibility for Training Providers ○ Training Provider Responsibilities ○ Training Provider Registration Process ○ State Responsibilities ○ Local Workforce Development Board Responsibilities ○ Monitoring ○ Removal of Program and Training Providers

	<ul style="list-style-type: none"> ○ Appeals
ETPL Policy Review Process and Updates	
<ul style="list-style-type: none"> ● ETPL workgroup finalized policy - thank you to all participants! <ul style="list-style-type: none"> ○ Workgroup consisted of ETPL coordinators, DES, policy, training providers, and other systemwide stakeholders. ● Major changes to the policy include but not limited to: <ul style="list-style-type: none"> ○ Defining roles/responsibilities of the Council, State agency, LWDBs, and training providers ○ Clarifying language ○ Added detailed information on training programs eligible for the ETPL found in TEGL 8-19 ○ Added to training provider responsibilities: ○ Training providers may provide general information about WIOA but may not guarantee eligibility or assure enrollment. ○ Added requirements for the training provider: ○ They cannot charge more to WIOA participants than what is advertised to the general public. 	<ul style="list-style-type: none"> ○ They must show that the program is made available to and used by the general public. ○ Added the language that training providers may be removed if no WIOA participant has used this provider from the last two years of their renewal date. ○ Important language added for local areas that do not have as many training provider options. ● Policy was posted for public comment (2 weeks) and received 20 additional comments that were reviewed and revised in the policy <ul style="list-style-type: none"> ○ Grammatical errors ○ Cited repayment (policy for repayment is dependent on LWDB policy) ○ Added timeframe to submit appeals process of 45 days for eligibility of a provider ○ Updated flowchart for legibility which explains the process of how a provider is added to the ETPL.

Question/Comment	Response
John Walters: Do LWDBs have a repayment policy?	Kennedy Riley: I am unsure of how many local areas have the policy. We will follow up with all LWDBs to ensure they do.

MOTION: Will James moves to approve the presented Eligible Training Provider List (ETPL) Policy.

SECOND: John Walters seconds the motion.

ALL IN FAVOR: The motion passes 8-0.

OPPOSED: None

ABSTAINED: None

MOTION PASSES

b. Yuma LWDB Vacancy Waiver

Kennedy Riley provided an overview of the Yuma LWDB Vacancy Waiver and a highlight of the following request for a vacancy waiver for Executive Council’s consideration.

Yuma County's LWDB Vacancy Waiver	
<ul style="list-style-type: none"> ● Requesting vacancy waiver for 2 business seats ● LWDB has had issues with filling the seats due to ineligible candidates (no optimum policy making authority), conflict of interest, and lack of experience relevant to the organizational needs of the board. ● Yuma County Board of Supervisors (CEOs) are working closely with the LWDB to recruit for the vacancies and connecting with local area agencies to assist in finding suitable candidates. 	<ul style="list-style-type: none"> ● LWDB expects to fill the vacancy within 90 days; if they cannot fill the seats the LWDB will need to submit another waiver.

Vice Chair John Walters thanked Mr. Contreras for the CEO Updates. Below are the Executive Council's questions and comments.

Question/Comment	Response
Regina Romero: I wanted to clarify that the Council was voting to approve an extension of the board members and not waive the membership.	Kennedy Riley: Correct, the waiver is for the 120 day vacancy as required in WAC policy. The LWDB is still required to fill those seats.
Audrey Bohanan: Do they have candidates that they are actually looking at? Folks that they have going through the process.	Kennedy Riley: Yes, I do believe that they have candidates in mind. If they do not have candidates to fill the seats they will submit another vacancy request.
John Walters: How many times can an LWDB submit a waiver?	Kennedy Riley: Great question, there is no maximum. We try to be as flexible with the LWDBs as possible. We understand that getting board members can be difficult, especially in smaller local areas. There is no limit to the number of times an LWDB can request an extension.

MOTION: Larry Hofer moves to approve the presented Yuma LWDB Vacancy Waiver.

SECOND: Beverly Wilson seconds the motion.

ALL IN FAVOR: The motion passes unanimously.

OPPOSED: None

ABSTAINED: None

MOTION PASSES

Chairman Gaspers arrived and conducted the remainder of the meeting.

c. Nineteen Tribal Nations LWDB Job Center Certification Extension

Kennedy Riley provided an overview of the Nineteen Tribal Nations LWDB Job Center Certification Extension and a highlight of the following Job Center Certification extension request for the Executive Council's consideration.

Nineteen Tribal Nations LWDB Job Center Certification Extension

History & Overview

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|---|---|
| <ul style="list-style-type: none"> ● Effective July 1, NTN voted to become the Arizona Tribal Workforce Development Board. ● Requesting extension for Job Center Certification <ul style="list-style-type: none"> ○ Due to WAC Staff June 4, 2024 ○ Council approval August 15 & 23. | <ul style="list-style-type: none"> ● LWDB has had issues completing this activity as staff were furloughed and just returned back to work. ● NTN is requesting an extension on the certification until June 28, 2024. <ul style="list-style-type: none"> ○ If the NTN is unable to complete the certification by this date, they will be required to submit another extension request to the Council. |
|---|---|

Chairman Gaspers thanked Ms. Riley for her presentation. No questions were presented.

MOTION: Audrey Bohanan moves to approve the presented Nineteen Tribal Nations LWDB Job Center Certification Extension.

SECOND: Vice Chair John Walters seconds the motion.

ALL IN FAVOR: The motion passes unanimously.

OPPOSED: None

ABSTAINED: None

MOTION PASSES

7. Funding Allocations

a. Allocations Briefings

Stacey Faulkner, State Workforce Administrator provided an overview of the Allocations Briefings. Below are the highlights of Ms. Faulkner’s presentation.

Allocations Briefings

History

- **WIOA requires state boards to assist the Governor in** the “development of allocation formulas for the distribution of funds for employment and training activities for adults, and youth workforce investment activities, to local areas.”

Briefings Overview

- | | |
|--|---|
| <ul style="list-style-type: none"> ● Conducted two comprehensive WIOA allocation briefings for workforce system stakeholders. <ul style="list-style-type: none"> ○ Allocations timeline ○ Briefing attendees ○ Session overview ● Goal of the briefings is to provide the Executive Committee and Full Council with information and recommendations on | <ul style="list-style-type: none"> ● <u>TEGL 12-23</u> allotments for PY 24 <ul style="list-style-type: none"> ○ Adult- \$21,688,667, Distribution- \$18,435,367 ○ Youth- \$22,893,156, Distribution- \$19,459,183 ○ DW- \$28,315,755, Distribution- \$16,989,453 (RR \$7,078,939) |
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annual allocations from our workforce system stakeholders.

- Least harm and most benefit amongst 12 Local Workforce Development Areas
- WIOA activities
- Core principles

Stakeholder Comments: Please see meeting materials for this information.

Chairman Gaspers thanked Ms. Faulkner for her presentation. No questions were presented.

b. Annual Allocations

i. Adult

Stacey Faulkner, State Workforce Administrator provided an overview of the PY24 Adult Allocations. Below are the highlights of Ms. Faulkner’s combined presentation.

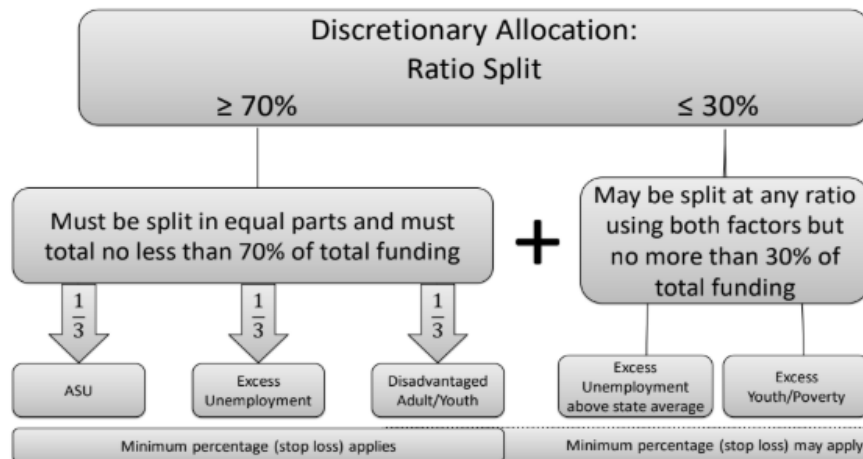
ii. Youth

Stacey Faulkner, State Workforce Administrator provided an overview of the PY24 Youth Allocations. Below are the highlights of Ms. Faulkner’s presentation.

PY 2024 Annual Allocations: Adult and Youth

Recommendation

- Workforce Arizona Council Funding Allocations Policy states that the Council will utilize the Discretionary Allocation method.
 - Adult & Youth: 70/30 split
- Review Adult Allocations
 - Option that provides most benefit and least harm statewide
 - 2b
- Review Youth Allocations
 - Option that provides most benefit and least harm statewide
 - 2b



Chairman Gaspers thanked Ms. Faulkner for her presentation. No questions were presented.

MOTION: Will James moves to approve the presented Option 2b for PY24 Adult and Youth funding allocations .

SECOND: Audrey Bohanan seconds the motion.

ALL IN FAVOR: The motion passes unanimously.

OPPOSED: None

ABSTAINED: None

MOTION PASSES

iii. Dislocated Worker

Stacey Faulkner, State Workforce Administrator provided an overview of the PY24 Dislocated Worker Allocations. Below are the highlights of Ms. Faulkner’s presentation.

PY 2024 Annual Allocations: Dislocated Worker
Recommendation
<ul style="list-style-type: none">● Review <u>Dislocated Worker Allocations</u>● Option that provides most benefit and least harm statewide<ul style="list-style-type: none">○ 1
<p style="text-align: center;">WIOA Dislocated Worker Sub-State Allocations: <i>Must be allocated to local areas per Formula created by the Governor</i></p> <p style="text-align: center;">States must use the following six data factors using the most appropriate data available</p> <pre>graph TD; A[States must use the following six data factors using the most appropriate data available] --> B[Insured unemployment data]; A --> C[Unemployment concentrations]; A --> D[Plant closing and mass layoff data]; A --> E[Declining industries data]; A --> F[Farmer-rancher economic hardship data]; A --> G[Long-term unemployment data];</pre> <p style="text-align: center;">Sum of the weights of the six data factors must add up to 100 percent</p> <p style="text-align: center;">Minimum percentage (stop loss) applies</p> <p style="text-align: center;">Maximum percentage (stop gain) not required but may apply</p> <p style="text-align: center;">Weighting a factor zero is not permitted unless a rationale is presented in an approved State Plan</p>

Chairman Gaspers thanked Ms. Faulkner for her presentation. Below are the Executive Council’s questions and comments.

Question/Comment	Response
John Walters: Did the Local Boards review the provided options? They are supportive of where we are going?	Stacey Faulkner: Yes, the options were provided to the local boards during the briefings and sent to them directly via email.

MOTION: Vice Chair John Walters moves to approve the presented Option 1 PY24 Dislocated Worker funding allocations.

SECOND: Larry Hofer seconds the motion.

ALL IN FAVOR: The motion passes unanimously.

OPPOSED: None

ABSTAINED: None

MOTION PASSES

iv. Rapid Response

Stacey Faulkner, State Workforce Administrator provided a detailed overview of the PY24 Rapid Response Allocations. Below are the highlights of Ms. Faulkner’s presentation.

PY 2024 Annual Allocations: Rapid Response
Recommendation
<ul style="list-style-type: none"> ● Review <u>Rapid Response allocations</u> and options ● Option that provides most benefit and least harm statewide <ul style="list-style-type: none"> ○ Option 1 (withhold 25% at State (DES)) ○ Hybrid Option 2 (10% held at State (DES) and remainder evenly split between all local areas) <ul style="list-style-type: none"> ■ Allows the State to maintain statewide rapid response and allows local areas to develop local area response ■ Allows local areas 2 years to expend funds ○ Hybrid Option 3 (15% held at State (DES) and remainder evenly split between all local areas) <ul style="list-style-type: none"> ■ Allows the State to maintain statewide rapid response and allows local areas to develop local area response ■ Allows local areas 2 years to expend funds

Chairman Gaspers thanked Ms. Faulkner for her presentation. Below are the Executive Council’s questions and comments.

Question/Comment	Response
Audrey Bohanan: Ms. Bohanan asked for clarification that if the local areas that are smaller and more rural have a greater need and that the reduction in dollars will have less of an impact if rapid response is reallocated.	Stacey Faulkner: Ms. Faulkner noted that we heard those comments in the briefings. The understanding that a natural disaster is more likely to occur in a rural area. For example, Flagstaff has fires and floods. By reallocating the rapid response dollars it provides an increase to local areas. The hybrid option 2 recommended is similar to the way that DES is currently releasing the rapid response funds through ALERTS.

<p>Beverly Wilson: What is the past trend data for previous workforce boards with the allocations evenly split? Do some areas use more or less? Did the boards have an issue with this?</p>	<p>Stacey Faulkner: This is the first time for providing an evenly split allocation of rapid response funding to the local boards. In the past the allocation was a percentage based on DW when funds were distributed. The funds have been withheld at the state level over the past several years. We did not receive any negative feedback during the allocation briefings about the evenly distributed split of rapid response funds.</p>
<p>Will James: Can you describe the pushback received during the briefings?</p>	<p>Stacey Faulkner: The only pushback we heard was more so around the level of spending that is currently at the boards. Discussion about how some of the funds are reverted because the boards can't spend them. The boards shared that the reason they can't spend is because they don't have enough time for planning. Funds of only 1 year is not enough time to invest in staff.</p>
<p>Angie Rodgers: Given that the local areas struggle to spend the dollars in the past and see reverted funds, I am concerned about investing more without a plan. Do we have a proposal that incorporates the allocation of funds and plans for them? From the Council and DES perspective, we should have expectations on how they are spent.</p>	<p>Stacey Faulkner: One of the things that we will be digging into during the next Council meeting is how the Council Strategic Plan sets the expectation of how we will act as a workforce system in Arizona, how it aligns with the state plan, and the Governor's priorities for workforce development. Our strategic plan focuses on work-based learning. Providing the LWDBs the funds allows them two years to plan and invest. The Council will have an opportunity to work those key points out in a work group. We can set expectations for the locals and ensure they don't go unspent.</p>
<p>Angie Rodgers: Ms. Rodgers wanted to note that the locals have had 2 years to spend. Ms. Rodgers noted that the local areas have only spent 6% of the funds received so far for rapid response. Ms. Rodgers wants to ensure we have plans. These allocations have no expectations to be spent.</p>	<p>Stacey Faulkner: We will partner closely to support every recommendation from the Council. Are there recommendations from the Executive Committee members that are not in alignment? We are happy to talk through them. I want to clarify the technical assistance received from other states. It is a best practice to prescribe this via policy. Providing local areas an opportunity to serve employers.</p>
<p>Angie Rodgers: Ms. Rodgers stated that she does not disagree with a hybrid option. She noted that there is balance to be found in local area investment, particularly in rural communities while maintaining funding at the State level.</p>	<p>No comments were relayed back.</p>
<p>Kristen Mackey: If the money is to be reverted how do they fund those staff positions?</p>	<p>Stacey Faulkner: Yes, it is my understanding that they are utilizing their administrative funds. They are not using rapid response since that is not a secure funding amount yearly as it is an allowable use of funds.</p>

John Walters: The first year of these funds may not be expended because of the tight parameters but in years 2 and 3 more flexibility?	Stacey Faulkner: That could be a correct assessment. I want to talk about reverted funds. They are not a negative thing, we have always had them. Reverted funds allow statewide initiatives. I want to ensure that they are an opportunity, it is only a bad thing if they go back to the Dept of Labor.
John Walters: Do local areas not have enough time to spend it because they don't have consistency?	Stacey: Chair Gaspers, can I talk about the next slide a bit to answer some of these questions?
Kristin Mackey: It is a double edged sword because the reverted funds means the state has less time to spend the funds too. It puts a heavy burden on the state to continue to use it. If funds are used to support positions, what happens if they need the extra money for a rapid response activity?	Stacey Faulkner: That was the reason for the 10% at DES and the equal split amongst all. It allows ample amounts to fund business service staff and then remaining funding for rapid response activities. I am today just sharing with you what our research, briefings, and allowable activities are to support this.

MOTION: Audrey Bohanan moves to recommend to the Full Council the Hybrid Option 2 PY24 Rapid Response funding allocations

SECOND: Vice Chair John Walters seconds the motion.

ROLL CALL VOTE: 7-1

- Mark Gaspers, Chair: Aye
- John Walters, Vice Chair: Aye
- Audrey Bohanan, Second Vice Chair: Aye
- Will James: Aye
- Beverly Wilson: Aye
- Angie Rodgers: Nay
- Kristen Mackey: Aye
- Larry Hofer: Aye
- Karla Moran: Not present/No vote

ABSTAINED: 0

MOTION PASSES

c. Policy Updates

Ms. Faulkner provided a review of the future policy updates for the funding allocations and reallocation of funds. Below are the highlights of Ms. Faulkner's future policy review.

Policy Updates: Funding Allocations & Recapture and Reallocation of Funds
<ul style="list-style-type: none"> ● Council staff researching best practices in other states to revise and develop new policy: <ul style="list-style-type: none"> ○ Allocation method ○ Rapid Response split ○ DW formula ● Receiving technical assistance from: <ul style="list-style-type: none"> ○ NGA ○ NAWB ○ DOL ● The recapture and reallocations of funds will be a new policy. ● Council staff will work closely with state partners and stakeholders to ensure all necessary information is captured and added.

- Policy will be released for public comment and feedback will be incorporated.
- Policy will be presented to the Council in Q4 to go into effect prior to the PY 25 allocation cycle.

Chairman Gaspers thanked Ms. Faulkner for her presentation. Below are the Executive Council’s questions and comments.

Question/Comment	Response
<p>Angie Rodgers: Ms. Rodgers noted that she is in favor of policy changes but that there were potential concerns on if the funding changes again based on the policy recommendations. Ms. Rodgers wants to ensure that there is more consistency for the local boards on a yearly basis.</p>	<p>Stacey Faulkner: Ms. Faulkner noted the comment and agreed. It was noted that the policy recommendations come from best practices across the nation and that those new recommendations which will be presented on by Q4 are in alignment with the current recommendations presented to the Council.</p>
<p>Kristen Mackey: Ms. Mackey wanted to ensure that when policy is revised that we do not create too many strict guidelines/rules that won’t allow for flexibility.</p>	<p>Stacey Faulkner: Ms. Faulkner agreed and noted that we will follow best practices, obtain technical assistance, and develop a workgroup.</p>

8. Adjournment

Second Vice Chair Audrey Bohanan motions to adjourn the meeting. Vice Chair John Walters seconds the motion. The motion passes. Meeting is adjourned at 2:14 pm.

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.