



Innovative Workforce Solutions

**WORKFORCE ARIZONA COUNCIL  
Q2 2025 Full Council Meeting Minutes**

Thursday, May 29th, 2025 | 1:00 pm – 3:00 pm

**Hybrid Meeting**

**In-Person Location:** 1700 W Washington Street Phoenix, AZ 2nd Floor Conference Room

**Zoom:**

<https://us02web.zoom.us/j/89868719530?pwd=rbPoyZchFVeHY8ceM6FDvV2uOIXRA2.1>

Meeting ID: 898 6871 9530

Passcode: 284748

<p><b><u>Council Members Present:</u></b>  Alexander Horvath, Tucson Medical Center  Beverly Wilson, AZ Dept of Education, Title II  Bill Ruiz, Western States Regional Council of Carpenters  Debra Margraf, NECA  Dennis Anthony, Arizona Public Services  Ian O’Grady, Policy Advisor, Governor Hobbs  Jackie Elliott, Central Arizona College  Jeffrey McClure, CEO, Pinal County  Jenna Rowell, Local First Arizona  Jim Corning, Novakinetics Aerosystems  John Walters, Vice Chair, Comparion Insurance Agency  Karla Moran, Salt River Project  Kristen Mackey, Dept of Economic Services, Title IV  Mark Gaspers, Chairman, Boeing  Michael Wisehart, Dept of Economic Security, Titles I &amp; III  Michelle Bolton, Second Vice-Chair, Tenet Healthcare  Regina Romero, Mayor, City of Tucson  Rose Castanares, TSMC  Shawn Hutchinson, Phoenix Electrical</p>	<p><b><u>Council Members Absent:</u></b>  Alisa Wren, Freeport McMoRan  Daniel Witt, Lucid  Danny Seiden, AZ Chamber of Commerce &amp; Industry  Josh DeSpain, IBEW Local 570  Sandra Watson, Arizona Commerce Authority  Thomas Winkel, Arizona Coalition for Military Families</p>
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**1. Call to Order**

Chairman Gaspers welcomes all members of the Workforce Arizona Council and the public to the Q2 2025 Full Council meeting. The meeting is called to order at 1:02pm.

**2. Roll Call**

Deseret Romero, Governance and Compliance Advisor conducted roll call, a quorum was present.

**3. Call to Public**

Chairman Gaspers opens the call to the public. No one spoke. (\*Public comment received via email during the meeting. Due to technical difficulties the individual was unable to verbalize during public comment.

[Email Communication](#))

**MEMBER OF PUBLIC**

**COMMENT**

LaSetta Hogans\*  
LWDB City of Phoenix

Good afternoon Chair, Council Members, and staff,  
On behalf of the ARIZONA@WORK City of Phoenix Business and Workforce Development Board and local area, I want to acknowledge and thank the Council and staff for their continued efforts to refine a data-driven allocation methodology.

In particular, we appreciate that preliminary estimates were provided much earlier in the calendar year than ever before. This proactive communication significantly improved our ability to forecast, plan, and engage our workforce providers earlier in the process.

While we commend this progress and recognize that Arizona's economic performance has improved, which may influence funding levels under USDOL's formulas, we remain concerned about the sustained decline in WIOA Title I allocations to urban areas, particularly Phoenix. As Arizona's most populous city and the workforce anchor within Maricopa County, the state's largest local area by population and labor force, Phoenix continues to experience high demand for workforce services across a diverse and growing community.

Phoenix continues to serve a significant share of Arizona's most vulnerable populations, including youth living in poverty, long-term unemployed adults, and individuals navigating structural barriers to employment. With WIOA funding, we have implemented innovative, high-impact programs that benefit both job seekers and employers. These include the launch of our Mobile Career Unit, initially supported by Bloomberg Philanthropies, which now brings career services and hiring events directly into historically underserved neighborhoods. We became the first local workforce board in the nation to sponsor a registered apprenticeship program in semiconductor manufacturing and have developed strong partnerships with employers like TSMC to build equitable talent pipelines into this critical industry. WIOA-funded staff also played an instrumental role in implementing cross-sector initiatives that expand access to education and training, even where direct WIOA service funding was not used. Continued reductions in WIOA allocations place real limits on our ability to sustain and scale these efforts, efforts that are vital to our community's economic mobility, equity, and long-term competitiveness.

We respectfully ask the Council to:

- Continue refining the discretionary weighting methodology to ensure it reflects the demographic intensity and economic realities of Arizona's urban centers.
- Maintain transparency on year-over-year changes in methodology application, a practice we are glad to see already in motion, as it allows Local Workforce Development Areas to plan and adapt responsibly.
- Ensure recaptured funds and statewide initiatives prioritize scalable, high-performing local areas like Phoenix, where the need is high and the infrastructure is ready.

We also encourage the Council to engage directly with local boards on the design and intent of statewide initiatives funded through recapture, particularly those launched under PY23/FY24. Collaborative planning and shared accountability will ensure these efforts are both innovative and responsive to local workforce needs. Thank you again for your leadership and for considering this feedback.

#### **4. Success Story**

Council Member Shawn Hutchinson shared an apprenticeship focused success story. ([Full Success Story](#))

#### **5. Consent Agenda**

##### **a. March 13, 2025 Full Council Meeting Minutes**

- b. 2025 LWDB Recertification
- c. LWDB Membership Vacancy Waiver Request (Yavapai County)
- d. LWDB Job Center Certification (Pima County - New Center)

**MOTION:** Chair Gaspers called for a motion to approve the Consent Agenda. Alex Horvath made a motion; Dennis Anthony seconded the motion.

**ALL IN FAVOR:** Alexander Horvath, Beverly Wilson, Bill Ruiz, Debra Margraf, Dennis Anthony, Ian O’Grady, Jackie Elliott, Jeffrey McClure, Jenna Rowell, Jim Corning, John Walters, Karla Moran, Kristen Mackey, Mark Gaspers, Michael Wisehart, Michelle Bolton, Regina Romero, Rose Castanares, Shawn Hutchinson

**OPPOSED:** None

**ABSTAINED:** None

**MOTION PASSES**

## 6. OEO Updates

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

### Welcome New Council Staff

- Janice Garza, Workforce Council Policy Manager
- Giselle Retana, Workforce Arizona Council Administrative Coordinator

### Director Update

#### BuildItAZ

Announcement: 80% to goal of doubling - 8,700 apprentices by 2026

- \$2.5M invested in 9 Awardees covering whole state
- \$3M additional funding - Capacity grants & new RAP creation will be released this summer.
- Outreach campaign to attract more construction apprentices

### Grans & Funding Requests Submitted

- Southwest Border Regional Commission (SBRC) (EID) Grant: *ReadyTechGo scholarships (Maricopa, Pima, Pinal, Santa Cruz)*
- Congressional directive spending (CDS) - *BuilditAZ & ReadyTechGo expansion - Yavapai, Mohave & Coconino*
- WDQI US DOL Grant - State longitudinal data systems

### OEO Hiring

- Sector Workforce Strategies & Grant Administrator

### Arizona Employment Report Highlights

- The Arizona seasonally adjusted (SA) unemployment rate remained unchanged at 4.1% in April 2025 from March 2025, while the U.S. rate remained unchanged at 4.2%
- Arizona not-seasonally adjusted (NSA) nonfarm employment increased by 20,900 jobs (0.6%) month-over-month
- Arizona NSA nonfarm employment increased by 18,100 jobs (0.6%), year-over-year
- Month-over-month, Arizona’s SA labor force increased by 2,409 individuals, or 0.1%
- Year-over-year, the SA labor force increased by 51,777 individuals, or 1.4%

### 2025 Arizona Workforce Summit

## Sustaining Growth in a Shifting Landscape

Arizona's Workforce Post-Pandemic

June 17-18, 2025 | Mesa Convention Center

Chair Gaspers thanked Mr. Contreras for the OEO Updates. It was noted that Council staff would send the Council details to the upcoming 2025 Arizona Workforce Summit.

### 7. PY 25 Final Funding Allocations, Janice Garza (10 minutes)

#### a. Funding Allocation Policy for WIOA Title IB Adult, Dislocated Worker and Youth Programs

Janice Garza, Workforce Council Policy Manager provided a brief refresher on the Council's new Funding Allocation Policy. Below are the highlights of Ms. Garza's presentation.

## Funding Allocation Policy - WIOA Title IB Adult, Dislocated Worker & Youth Programs

### History

#### ● Policy Key Points

- Effective Date: March 13, 2025
- Funding allocation formula factors will remain in effect for three years beginning PY25/FY26. A review and approval of the funding allocation formula will occur every two years thereafter. The Workforce Arizona Council reserves the right to review its voted-upon methodology annually.

#### ● Implementation

- TEGL issued May 20, 2025
- Council and DES notify Local Areas of funding allocations.
- DES issues Notice Of Award expected in July, 2025

#### b. PY25 Funding Allocations

Manny Estrella, OEO Regulatory Economist provided an overview of the PY25 Title IB Funding Allocations. Below are the highlights of Mr. Esstrada's presentation.

## DOL Funding Allocation Methodology

- U.S. Department of Labor (DOL) Methodology:
  - States' funding is based on unemployment levels and disadvantaged population levels.
    - States with higher unemployment receive more funding.
- DOL total allocations for Arizona for PY25 (July 1 2025 - June 30 2026)
  - **\$65,630,154**
    - **10%** decrease in funding statewide from PY24
- Arizona's economy has improved (e.g., lower unemployment) compared to other states, and has therefore received a smaller share of funding
  - Statewide unemployment decreased by approximately 3,000

## Year-Over-Year Unemployment Change

State	Unemployment change	Rank
Pennsylvania	-13,326	1
Mississippi	-6,234	2
Connecicut	-4,566	3
<b>Arizona</b>	<b>-3,043</b>	<b>4</b>
Tennessee	-2,314	5

- Arizona’s share of national unemployment decreased to 2.1% in FY 24 from 2.3% in FY 23.
  - This decrease in unemployment share ranks 4th among all states

### Planning Estimates vs. Actual Allocations

- Adult
  - Planning Estimates: \$19,519,800
  - Actual Allocation: \$19,520,972
- Youth
  - Planning Estimates: \$20,785,827
  - Actual Allocation: \$20,629,527
- Dislocated Worker (DW)
  - Planning Estimates: \$25,484,180
  - Actual Allocation: \$25,479,655

Unemployment data and Exhausted Claimants data (DW only) were updated in the time frame between Planning Estimates and Actual Allocations.

### PY25 Funding Allocations: Adult

Local Workforce Development Area	PY 24 Allocation	PY 25 Allocation	Over-the-Year Change	Over-the-Year Percent Change
North Eastern Arizona (Apache/Navajo/Gila)	\$330,949	\$296,932	-\$34,016	-10.3%
South Eastern Arizona (Cochise/Graham/Greenlee)	\$400,630	\$359,793	-\$40,837	-10.2%
Coconino County	\$262,129	\$233,886	-\$28,243	-10.8%
Maricopa County	\$3,793,096	\$3,533,180	-\$259,917	-6.9%
Mohave/La Paz	\$637,526	\$577,950	-\$59,576	-9.3%
Navajo Nation	\$994,442	\$865,658	-\$128,783	-13.0%
City of Phoenix	\$3,189,348	\$2,613,160	-\$576,188	-18.1%
Pima County	\$2,249,228	\$1,921,543	-\$327,685	-14.6%
Pinal County	\$804,927	\$782,905	-\$22,023	-2.7%
Santa Cruz County	\$374,794	\$292,066	-\$82,729	-22.1%
Arizona Tribal Workforce	\$1,311,072	\$1,163,739	-\$147,334	-11.2%
Yavapai County	\$438,211	\$411,855	-\$26,357	-6.0%
Yuma County	\$3,649,015	\$3,540,161	-\$108,853	-3.0%
Distribution 85%	\$18,435,367	\$16,592,826	-\$1,842,541	-10.0%
<b>Total Funds</b>	<b>\$21,688,667</b>	<b>\$19,520,972</b>	<b>-\$2,167,695</b>	<b>-10.0%</b>

PY 24 Allocation: Discretionary Formula, 100% weight on excess poverty

PY 25 Allocation: Discretionary Formula, 100% weight on excess poverty

PY 25 Allocations listed in TEGL 11-24, May 20, 2025

### PY25 Funding Allocations: Youth

Local Workforce Development Area	PY 24 Allocation	PY 25 Allocation	Over-the-Year Change	Over-the-Year Percent Change
North Eastern Arizona (Apache/Navajo/Gila)	\$350,343	\$307,033	-\$43,310	-12.4%
South Eastern Arizona (Cochise/Graham/Greenlee)	\$412,629	\$337,054	-\$75,575	-18.3%
Coconino County	\$455,383	\$416,111	-\$39,273	-8.6%
Maricopa County	\$4,091,816	\$3,751,240	-\$340,576	-8.3%
Mohave/La Paz	\$573,224	\$484,473	-\$88,751	-15.5%
Navajo Nation	\$1,076,742	\$929,814	-\$146,928	-13.6%
City of Phoenix	\$3,354,762	\$2,761,109	-\$593,653	-17.7%
Pima County	\$2,345,255	\$2,113,708	-\$231,547	-9.9%
Pinal County	\$716,034	\$636,477	-\$79,558	-11.1%
Santa Cruz County	\$432,564	\$344,404	-\$88,161	-20.4%
Arizona Tribal Workforce	\$1,381,558	\$1,230,759	-\$150,799	-10.9%
Yavapai County	\$381,087	\$359,075	-\$22,012	-5.8%
Yuma County	\$3,887,785	\$3,863,843	-\$23,942	-0.6%
Distribution 85%	\$19,459,183	\$17,535,098	-\$1,924,085	-9.9%
Total Funds	\$22,893,156	\$20,629,527	-\$2,263,629	-9.9%

PY 24 Allocation: Discretionary Formula, 100% weight on excess poverty

PY 25 Allocation: Discretionary Formula, 100% weight on excess poverty

PY 25 Allocations listed in TEGL 11-24, May 20, 2025

### PY25 Funding Allocations: Dislocated Worker

Local Workforce Development Area	PY 24 Allocation	PY 25 Allocation	Over-the-Year Change	Over-the-Year Percent Change
North Eastern Arizona (Apache/Navajo/Gila)	\$197,336	\$168,845	-\$28,492	-14.4%
South Eastern Arizona (Cochise/Graham/Greenlee)	\$654,992	\$552,140	-\$102,852	-15.7%
Coconino County	\$251,895	\$209,379	-\$42,516	-16.9%
Maricopa County	\$5,125,049	\$5,044,793	-\$80,256	-1.6%
Mohave/La Paz	\$475,131	\$405,683	-\$69,448	-14.6%
Navajo Nation	\$424,579	\$342,308	-\$82,270	-19.4%
City of Phoenix	\$3,263,208	\$3,125,587	-\$137,621	-4.2%
Pima County	\$2,342,201	\$1,965,588	-\$376,613	-16.1%
Pinal County	\$806,957	\$704,501	-\$102,456	-12.7%
Santa Cruz County	\$224,596	\$184,048	-\$40,548	-18.1%
Arizona Tribal Workforce	\$776,438	\$628,950	-\$147,488	-19.0%
Yavapai County	\$393,842	\$358,645	-\$35,197	-8.9%
Yuma County	\$2,053,228	\$1,597,326	-\$455,903	-22.2%
Distribution 60%	\$16,989,453	\$15,287,793	-\$1,701,660	-10.0%
Total Funds	\$28,315,755	\$25,479,655	-\$2,836,100	-10.0%

PY 24 Allocation: 80% weight on unemployment concentration, 5% weight on long-term unemployment, 10% weight on declining industry

PY 25 Allocation: 35% weight on unemployment concentration, 15% weight on long-term unemployment, 15% weight on declining industry

PY 25 Allocations listed in TEGL 11-24, May 20, 2025

### PY25 Funding Allocations: Rapid Response

- Total Rapid Response funding (25% of Dislocated Worker funding): \$6,369,914
  - Department of Economic Security (15%): \$3,821,948
  - LWDA's (10%): \$2,547,966
    - Each local area receives \$195,997

### PY25 Funding Allocations: Total

Local Workforce Development Area	PY 24 Allocation	PY 25 Allocation	Over-the-Year Change	Over-the-Year Percent Change
North Eastern Arizona (Apache/Navajo/Gila)	\$878,628	\$772,810	-\$105,818	-12.0%
South Eastern Arizona (Cochise/Graham/Gree	\$1,468,251	\$1,248,986	-\$219,265	-14.9%
Coconino County	\$969,407	\$859,375	-\$110,031	-11.4%
Maricopa County	\$13,009,962	\$12,329,213	-\$680,749	-5.2%
Mohave/LaPaz	\$1,685,881	\$1,468,106	-\$217,774	-12.9%
Navajo Nation	\$2,495,762	\$2,137,780	-\$357,982	-14.3%
City of Phoenix	\$9,807,318	\$8,499,855	-\$1,307,463	-13.3%
Pima County	\$6,936,685	\$6,000,839	-\$935,846	-13.5%
Pinal County	\$2,327,918	\$2,123,882	-\$204,036	-8.8%
Santa Cruz County	\$1,031,955	\$820,517	-\$211,437	-20.5%
Arizona Tribal Workforce	\$3,469,068	\$3,023,447	-\$445,621	-12.8%
Yavapai County	\$1,213,141	\$1,129,575	-\$83,566	-6.9%
Yuma County	\$9,590,028	\$9,001,330	-\$588,698	-6.1%
Total Distribution to Local Areas	\$54,884,003	\$49,415,717	-\$5,333,712	-9.7%
Total Funds	\$72,897,578	\$65,630,154	-\$7,107,771	-9.8%

PY 25 Allocations listed in TEGL 11-24, May 20, 2025

Local Workforce Development Area	PY 25 Allocation with Rapid Response Funding
North Eastern Arizona (Apache/Navajo/Gila)	\$968,807
South Eastern Arizona (Cochise/Graham/Greenlee)	\$1,444,984
Coconino County	\$1,055,373
Maricopa County	\$12,525,210
Mohave/LaPaz	\$1,664,104
Navajo Nation	\$2,333,778
City of Phoenix	\$8,695,853
Pima County	\$6,196,837
Pinal County	\$2,319,879
Santa Cruz County	\$1,016,515
Arizona Tribal Workforce	\$3,219,445
Yavapai County	\$1,325,572
Yuma County	\$9,197,328

Chairman Gaspers thanked Ms. Garza and Mr. Estrella for their presentation.

## 8. National Governors Association Update

Mr. Jack Proter and Ms. Malena Dailey with the National Governor's Association provided a detailed National Governor's Association update. Below are the highlights of Mr. Porter's future policy review.

### a. Federal Update

#### Federal Updates

- Reconciliation Package's Status & Notable Provisions
- Workforce Innovation and Opportunity Act (WIOA) Reauthorization
- Recent Executive Orders

#### Governors Reshaping Workforce Development: Turning WIOA Challenges into Workforce Solutions ([Full Report](#))

#### Methodology

State descriptors	Categories	No. of states interviewed (total = 34)
Political distribution	Republican Governors	16
	Democratic Governors	18
	Republican-led Legislature	17
	Democratic-led Legislature	15
	Split Legislature	2
Population size	Over 7 million	13
	3 million–7 million	12
	Under 3 million	9
Regional distribution	Northeast	4
	South	11
	Midwest	7
	West	12

- 34 states interviewed between April and December 2024
  - Interviewees consisted of Governor’s advisors and workforce system administrators at state Departments of Labor and Commerce
- 17 states participated in surveys
- Data was analyzed in coordination with partners at the Harvard Project on Workforce to identify key themes and trends

### Key Findings ([Full Report](#))

1. States are **shifting organizational structures** to improve workforce governance.
2. States are adopting **stakeholder-driven approaches to WIOA planning**.
3. States are investing in workforce services to **attract and retain businesses**.
4. **WIOA funding challenges** are prompting states to seek alternative solutions.
5. States are expanding **training programs and supportive services** to engage new workers.

### NGA Technical Assistance in Arizona ([Referenced Memo](#))

#### Eligible Training Provider List (ETPL) Governance

- NGA memo provides an overview and examples of innovative processes and procedures governing eligibility and maintenance for the eligible training provider list through a comprehensive scan of state board ETPL policies

#### Registered apprenticeship

- NGA memo outlines best practices for developing and scaling nursing apprenticeship programs as well as industry-agnostic policy opportunities to consider based on an inquiry to NGA’s state network

#### Sector Partnerships

- NGA memo provides research on best practices to develop, fund and scale sector partnerships

### Eligible Training Provider List Governance ([Memo](#))

- States are required to host and maintain a public list of training providers approved for federal funding under the Workforce Innovation and Opportunity Act
- Trends Across State Workforce Board Policies:
  - Eligibility Criteria and Performance Metrics
  - State versus Local Governance Structures
  - ETPL Format and Platforms

- Arizona High Impact Training Dashboard

### Policy Opportunities: Eligible Training Provider List

1. **Establish a definition** for “quality” training programs
2. Align ETPL criteria with **labor market data**
3. Set clear expectations for delivering programs to **individuals with barriers to employment**
4. Develop a proactive process for including **Registered Apprenticeship programs**
5. Establish ETPL **performance metrics** that support quality outcomes for participants
6. Clearly **define the roles** of the state workforce development board, local workforce development boards, and the state workforce agency in ETPL governance
7. Designate an **ETPL Coordinator or Office** within the workforce agency.
8. Use the ETPL to display **additional data** related to program quality and outcomes for participants.

### Developing and Scaling Nursing Apprenticeships ([Memo](#))

- Apprenticeship is supported through federal funding streams including annual appropriations through the Higher Education Act and Workforce Innovation and Opportunity Act, as well as additional grants through USDOL
- **Best Practices to Develop Nursing Apprenticeships**
  - Identify regulatory barriers and requirements for desired occupation
  - Work with employers to create clear pathways to full time employment
  - Coordinate with academic institutions and local partners
- Alabama Student Nurse Apprentices

### Policy Opportunities: Apprenticeship

1. Consider offering **tax credits or financial support** to encourage employers to engage in the registered apprenticeship system
2. Where allowable, consider using **WIOA and other federal funding** to support training, placement in apprenticeships and supportive services
3. Consider designating **local staff** to coordinate with employers and create talent pipelines in the region
4. Consider encouraging academic institutions to recognize **apprenticeships for credit towards postsecondary credentials** and degrees
5. Consider **aligning education systems and the CTE system** with apprenticeship opportunities to create occupational pathways, including youth apprenticeship
6. Consider **modernizing existing regulations** to remove barriers to work-based learning opportunities
7. Consider creating **educational tools for employers** to raise awareness of the value of apprenticeship programs.
8. Consider expanding opportunities for apprenticeships to fill open positions in **public sector** agencies

### Sector Partnerships

- Per WIOA, state workforce boards assist the Governor in developing “strategies for meeting the needs of employers, workers, and jobseekers, particularly through industry or sector partnerships related to in-demand industry sectors and occupations”
- **Themes Across State Sector Partnerships**
  - Identification of high-demand or high-growth industries in the state
  - States engage and convene industry, education, workforce development, and community partners in the process
  - Investment in local and regional workforce development solutions can meet unique needs of individual regions
- North Dakota Regional Workforce Impact Program
- Minnesota Drive for Five

## Policy Opportunities: Sector Partnerships

1. Utilize WIOA **Governor's Reserve funds** to seed innovative sector partnerships
2. Identify opportunities to **braid funding to support sector partnerships**
3. Leverage sector partnerships to **validate career pathways, training programs, and credentials**
4. Empower a **diverse range of intermediaries** to convene sector partnerships
5. Provide TA to **local workforce boards** to replicate best practices

Chairman Gaspers thanked Mr. Jack Porter and Ms. Malena Dailey for their presentation.

### 9. Workgroup Updates

Chairman Gaspers provide a brief refresher of the Council's Strategic Priorities for the workgroups.

## Council Strategic Priorities

- Priority 1: Increasing Registered Apprentices
  - 5-year Goal: Increase the number of apprentices in in-demand industries by 20% by June 2029.
- Priority 3: High-Impact Training
  - 5-Year Goal: Increase the percentage of Arizonans enrolled in high-impact training programs that lead to high-quality jobs by at least 60%.
- Priority 4: Continuous Improvement
  - Goal: Efficiently allocate funds to high-impact programs annual and develop dashboards to display programmatic funding across the State.

#### a. Training Effectiveness

Council Member Kristen Mackey provided a brief summary of the Training Effectiveness Workgroup activities. Below are the highlights of Ms. Mackey's presentation.

## #3 - Training Effectiveness Workgroup

- Workgroup goal:
  - FY25: Increase the percentage of Arizonans enrolled in high-impact training programs that lead to high-quality jobs by 5% by June 2025.
  - 5-Year: Increase the percentage of Arizonans enrolled in high-impact training programs that lead to high-quality jobs by 60% by June 2029.
- Key Accomplishments:
  - Stakeholder engagement on both job seeker and local areas ARIZONA@WORK Adult Training Program Performance Rating Dashboards
  - Several feedback sessions and a comment period with LWDB Directors, ETPL Coordinators, Title I Service Providers, and Training Providers resulted in the following areas
    - Improved communication of definitions and methodology
    - Improved formatting for soon to be released dashboards.
- Next Steps:
  - Launch dashboards at Arizona Workforce Summit - June 17-18, 2025
  - ETPL governance best practice research from NGA and explore statewide policy - Workgroup will discuss NGA findings after summer break

#### b. Continuous Improvement

Council Vice-Chair John Walters provided a brief summary of the Continuous Improvement Workgroup activities. Below are the highlights of Vice-Chair Walters presentation.

#### #4 - Continuous Improvement Workgroup

- Workgroup goal: Efficiently allocate funds and increase transparency.
- Recapture and Reallocation Policy Development
  - Drafted policy starting in December 2024
  - Three rounds of workgroup comments inc.
    - Public Comment closed May 6, 2025
  - CI Workgroup discussed May 13, 2025
  - Policy not moving forward at this time
- Next Steps
  - DES to provide Recapture and Reallocation Overview for PY23/FY24.
- Funding Allocation Policy for WIOA Title IB Adult, Dislocated Worker, and Youth Programs
  - Effective Date: March 13, 2025
  - Funding allocation formula factors will remain in effect for three years beginning PY25/FY26. A review and approval of the funding allocation formula will occur every two years thereafter. The Workforce Arizona Council reserves the right to review its voted-upon methodology annually.
- Implementation
  - TEGL issued May 20, 2025
  - NOA expected in July, 2025
  - DES notifies Local Areas of funding allocations July, 2025

Chairman Gaspers thanked Vice-Chair Walters and Council Member Mackey for their Council Workgroup Updates. No questions were presented.

#### 10. Recapture and Reallocation Briefing for PY23/FY24 Statewide Initiatives

Tarry Haynie, Acting Compliance Team Manger (DES) provided an overview of the Recapture and Reallocation Briefing for PY23/FY24 Statewide Initiatives. Below are the highlights of Mr. Haynie's presentation.

#### Timeline

May Through October 1<sup>st</sup>

- Reverted funds analysis - Conduct analysis on expenditure data for LWDBs to identify which LWDBs are at risk of not fully expending their allocation.
  - The analysis is started in May and runs through the end of the grant cycle until final reports are received by August 15th. The grant runs through June 30<sup>th</sup>, and
  - A final reverted funds amount is determined based on the expenditures of LWDBs after closeout and by October 1st.
- Once the amount of non- expended funds has been determined on a LWDB basis, the recapture process begins.

October 1<sup>st</sup> Through January 1<sup>st</sup>

- The State determines the amount of funds to be reallocated by no later than Oct. 1.
- Identify the funding needed for statewide activities and projects, including Workforce Arizona Council endorsed projects and Governor initiatives (i.e. Registered Apprenticeship, Re-Entry, AJC)
- Council votes on the plan to re-allocate to eligible LWDBs within 60 days of fund recapture.
- DES distributes re-allocated funds to LWDBS no later than Jan. 1
- Recaptured funds must be spent by June 30th of the third year of availability

#### Projected Surplus

- Projections as of 05/21/2025 for PY23/FY24

Program	Youth	Adult	DW	Admin	Total
City/County	\$ 298,067	\$ 25,637	\$ 3,274,613	\$ 304,793	\$ 3,903,110
Tribal	\$ 791,223	\$ 735,445	\$ 327,032	\$ 35,640	\$ 1,889,340
<b>Total</b>	<b>\$ 1,089,290</b>	<b>\$ 761,083</b>	<b>\$ 3,601,645</b>	<b>\$ 340,432</b>	<b>\$ 5,792,450</b>

- These are **preliminary projections** based on a consistent formula applied based on Local Workforce expenditure data.
- These projections can, and will change significantly over the rest of the life of the grant (06/30/25).
- LWDA's will have the opportunity to expend until June 30<sup>th</sup> with final reports being required by August 15<sup>th</sup>.
- Recent years have seen recaptured funds declining, with this year's projections being the first time we have seen an increase in projected recapture since PY19/FY20.

### Statewide Initiatives

To strengthen the workforce development system in Arizona, we support multiple initiatives focused on creating a skilled and adaptable workforce in order to meet the current and future needs of employers and the state's economy.

- Reentry program and Second Chance Centers provide incarcerated and recently-released Arizonans with a variety of employment supports to prepare reentry job seekers for Arizona's workforce through pre- and post-release workforce readiness preparation. (Council Priority #5)
- The WIOA Registered Apprenticeship Program is an industry-driven, high-quality career pathway program that provides participants with a combination of technical classroom instruction and on-the-job learning for a range of positions, from entry-level to management. (Council Priority #1)
- Arizona Job Connection (AJC) is a web-based job-matching and labor market information system that provides job seekers, employers, and training providers with tools that support a wide range of activities. (Council Priority #2 and 4)
- The WIOA State-Wide Rapid Response Program provides prompt layoff transition support and reemployment services to employers and employees affected by workplace layoffs and closures. (Council Priority #4 and 5)
- OEO provides support for staffing and various OEO managed projects, including a Economic, Demographic, and Labor Market Summit and an Annual Workforce Summit.

### Reentry Program and Second Chance Centers

<b>Council Strategic Priority Alignment:</b>	Priority 5: Enhance Services to Priority Populations
<b>Funding Requested:</b>	\$3.2M
<b>Funding Period:</b>	SFY 2026; July 1, 2025 - June 30, 2026
<b>Summary of Planned expenditures:</b>	Headcount is expected to increase from 27 staff to 32 staff members to allow for improved program efficiency and greater number of individuals obtaining employment.
<b>Metrics:</b>	Strategy effectiveness is measured by percentage of individuals served that obtain employment; specifically, the current goal is to maintain 50% success rate employing individuals served through Reentry.
<b>Long-Term Goal(s):</b>	Reentry 2030 initiatives expanding bring potential for Arizona Department of Corrections to increase participation at Second Chance Centers (SCC) - an increase in SCC enrollment would lead to increased participation in Community Reentry, requiring continued planning for service scalability.
<b>Objective(s) for funding period:</b>	Increase headcount to maintain employment placement goals; collaborate with Arizona Department of Corrections to launch a youth program at Lewis Prison.

## Registered Apprenticeship Program

<b>Council Strategic Priority Alignment:</b>	Priority 1: Increasing Registered Apprentices
<b>Funding Requested:</b>	\$350K - \$950k
<b>Funding Period:</b>	SFY 2026; July 1, 2025 - June 30, 2026
<b>Summary of Planned expenditures:</b>	Develop collaborative events to facilitate enrollment in the Registered Apprenticeship program; maintain current staffing levels for efficient and effective service delivery.
<b>Metrics:</b>	Overall enrollment; job placement outcomes as a percentage of overall enrollment
<b>Long-Term Goal(s):</b>	Expand the number of active apprentices to 9,300 while supporting high quality, sustainable programs; develop new non-traditional programs in key industries
<b>Objective(s) for funding period:</b>	Retain high-quality Registered Apprenticeship staff for exceptional service delivery and program management

## Arizona Job Connection (AJC)

<b>Council Strategic Priority Alignment:</b>	Priority 2: Workforce Evaluations; Priority 4: Continuous Improvement
<b>Funding Requested:</b>	\$200K
<b>Funding Period:</b>	SFY 2026; July 1, 2025 - June 30, 2026
<b>Summary of Planned expenditures:</b>	System and hosting costs for the Arizona Job Connection (AJC), which is a web-based job-matching, labor market information, and case management system that provides job seekers, employers, and training providers with tools that support a wide range of activities.
<b>Metrics:</b>	
<b>Long-Term Goal(s):</b>	Maintain compliance with the Single System of Record for all Workforce Program as required by the US Department of Labor.
<b>Objective(s) for funding period:</b>	This provides for the automated system and covers the required function for the Local Workforce Development Areas without impacting their Administrative funds.

## WIOA Statewide Rapid Response Program

<b>Council Strategic Priority Alignment:</b>	Priority 4: Continuous Improvement; Priority 5: Enhance Services to Priority Populations
<b>Funding Requested:</b>	\$750K
<b>Funding Period:</b>	SFY 2026; July 1, 2025 - June 30, 2026
<b>Summary of Planned expenditures:</b>	Staffing and operational costs of the 5 member ADES RR team, plus 2 additional staff to support the two Rapid Response Mobile Resource Units
<b>Metrics:</b>	Utilization of the Rapid Response Mobile Resource Units.
<b>Long-Term Goal(s):</b>	Increase utilization of the Rapid Response Mobile Resource Units, which will be used to conduct statewide Rapid Response and Layoff Aversion activities, especially in areas in high demand for workforce reduction support due to mass layoffs, business closures, natural disasters, or demographic shifts.
<b>Objective(s) for funding period:</b>	Carries out statewide rapid response activities and oversees rapid response activities undertaken by designated entities, which includes the Local Workforce Development Boards (LWDBs). Provides prompt layoff transition support and reemployment services to employers and employees affected by workplace layoffs and closures.

## Office of Economic Opportunity (OEO)

<b>Council Strategic Priority Alignment:</b>	Priority 1: Increasing Registered Apprentices; Priority 2: Workforce Evaluations, Priority 3: High-Impact Training; Priority 4: Continuous Improvement; Priority 5: Enhance Services to Priority Populations; Priority 6: Governance and Compliance.
<b>Funding Requested:</b>	\$1.1M
<b>Funding Period:</b>	SFY 2026; July 1, 2025 - June 30, 2026
<b>Summary of Planned expenditures:</b>	Planned expenditures will cover OEO's staff support for the Workforce Arizona Council, business linkage to the Public Workforce System, and the development of industry-sector partnerships, coordinating with local workforce areas on regional labor market needs. Includes (\$175K) for workforce summit and \$78.5K for council budget.
<b>Metrics:</b>	Industry-recognized credentials in in-demand industries by 20%; Increase the percentage of Arizonans enrolled in high-impact training programs that lead to high-quality jobs by at least 60%; Publish 15 workforce evaluation reports.
<b>Long-Term Goal(s):</b>	Grow the number of individuals earning industry-recognized credentials in in-demand industries by 20%; Increase the percentage of Arizonans enrolled in high-impact training programs that lead to high-quality jobs by at least 60%; Publish 15 workforce evaluation reports.
<b>Objective(s) for funding period:</b>	The objectives are to strategically implement and administer statewide workforce development. This includes supporting the creation and execution of the state workforce plan (with OEO data and staff assistance to the Workforce Arizona Council), continuously improving the workforce system through performance accountability, coordinating the one-stop delivery system, and developing a comprehensive labor market information system. Additionally, the objectives cover administering WIOA Title I activities and deploying Rapid Response services for dislocations and reemployment.

Chairman Gaspers thanked Mr. Haynie for his presentation. Below are the Council's discussion points.

### Discussion Points

- The Council also addressed questions about funding for prison-based workforce development programs.
- Council to consider prioritizing the moderation of the state's workforce data collection and case management system, noting that the Arizona Job Connection currently does not charge local boards for its use.

### 11. Annual PY23, Title III, State Performance Assessment

Anna Hunter, Assistant Director and Matt Smith Strategic Operations Manager (DES) provided an overview of the Annual PY23, Title III, State Performance Assessment. Below are the highlights of Ms. Hunter and Mr. Smith’s presentation.

#### PY2023 WIOA State Performance Assessment

##### Overview

- WIOA state performance is assessed annually (WIOA Section 116)
- Measure success or failure to meet the primary indicators of performance
- Assessment results provided via web-based report ([Arizona PY23 State Performance Assessment](#))

##### PY2023 Assessment Summary (Training and Employment Notice 04-24)

- Titles I, III and Title IV
  - 2nd and 4th Quarter after Exit Employment Rates
  - Median Quarterly Earnings, 2nd Quarter after Exit
- Title I and IV only
  - Credential Attainment Rate
- Title III only
  - Overall State Program Score
- Title II: Not assessed

#### Arizona PY2023 State Assessment Results

Individual Indicator		Title I			Title III	Title IV
		Adult	Dislocated Worker	Youth	Wagner - Peyser	Vocational Rehabilitation
Employment Rate 2nd Quarter after Exit	Actual Level	72.7%	78.6%	74.0%	60.3%	53.0%
	Adjusted Level	79.9%	81.2%	82.7%	74.9%	43.7%
	<b>Indicator Score</b>	<b>90.9%</b>	<b>96.7%</b>	<b>89.4%</b>	<b>80.5%</b>	<b>121.2%</b>
Median Quarterly Earnings 2nd Quarter after Exit	Actual Level	\$9,573	\$10,127	\$6,970	\$8,398	\$4,706
	Adjusted Level	\$8,653	\$9,796	\$5,780	\$8,480	\$5,220
	<b>Indicator Score</b>	<b>110.6%</b>	<b>103.3%</b>	<b>120.5%</b>	<b>99.0%</b>	<b>90.1%</b>
Employment Rate 4th Quarter after Exit	Actual Level	69.1%	73.8%	74.4%	59.2%	49.6%
	Adjusted Level	77.2%	79.2%	79.5%	69.5%	43.4%
	<b>Indicator Score</b>	<b>89.5%</b>	<b>93.1%</b>	<b>93.6%</b>	<b>85.2%</b>	<b>114.4%</b>
Credential Attainment Rate	Actual Level	72.6%	70.7%	63.3%	N/A	24.7%
	Adjusted Level	74.3%	67.5%	68.2%		34.4%
	<b>Indicator Score</b>	<b>97.7%</b>	<b>104.7%</b>	<b>92.8%</b>		<b>71.8%</b>
<b>Overall State Program Score</b>		Not assessed	Not assessed	Not assessed	<b>88.2%</b>	Not assessed

#### Title III: Wagner-Payser Employment Service

**Employment Service** provides basic and individualized career services to job seekers and recruitment services to Arizona employers through self-service, facilitated self-help services, and staff-assisted services at job centers. No specific eligibility requirements; services are available at no cost to the public.

**Services Offered to Employers:** Employer information and support services, Workforce recruitment assistance, Access to untapped labor pool, Access to work-based learning, Workforce reduction assistance

**Services Offered to Job Seekers:** job search assistance, resume preparation, interview preparation, one-on-one employment assessments, job referral and placement assistance, labor market information

**Served (PY2023):** 53,000+ participants (includes Reemployment Services and Eligibility Assessment, Jobs for Veterans State Grant, and Reentry)

## Performance Factors

### Statistical Adjustment Model

- Negotiations and Adjustment
  - Adjusted Level = Negotiated Level + Adjustment Factor
  - Adjustment Factor = Post-program model estimate - Pre-program model estimate
- Economic Conditions
  - Pre-program model: Unemployment Rate = 6.6% (Ave. of July 2020 - June 2021)
  - Post-program model: Unemployment Rate = 3.9% (2022 - 2023)

### System Issue

- Automated UI Wage Matching issue identified
- Impacted over 2,000 individuals
- Resolved (April 2025)

### Supplemental Wage Collection

- Manual wage data when automated process unavailable
- Any unsubsidized employment can be counted

## Performance Improvement Plan and Actions

### Quality of Service

- “Better-than-before” jobs
- Business Services and Job Retention
- Development opportunities and career preparation

### Data Quality

- Resolved automated wage matching issue
- Quarterly performance data review
- Supplemental Wage Collection

### Targeted Outreach

- Allocate resources to individual cohorts impacting performance
- Early identification of potential negative outcomes

Chairman Gaspers thanked Ms. Hunter and Mr. Smith for their presentation. Below are the Council’s discussion points.

## Discussion Points

- DES to implement quarterly performance data reviews with program teams for the Wagner-Payser employment services.
- DES to explore ways to increase supplemental wage data collection for more accurate reporting of employment outcomes.
- DES to implement targeted outreach plans using available data tools to allocate resources strategically for the WagnerPayser program.

### 12. Council Member Roundtable

Chairman Gaspers opened the Council Member Roundtable by recognizing the impact of AI and automation in the workforce and suggested that this topic be discussed at a future Council meeting.

### 13. Adjournment

Dennis Anothy motions to adjourn the meeting. John Walters seconds the motion. The meeting is adjourned at 3:00 pm.

*Pursuant to A.R.S. § 38-431.02, notice is hereby given to members of the Workforce Arizona Council and to the general public that the Council will hold a meeting, open to the public, on Thursday May 30th 2024, 1:00 pm in person at 1700 W. Washington Street Phoenix, AZ and 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 Council 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 Council may consider and act upon any agenda item out of order. Members of the Council may appear electronically.*