



Innovative Workforce Solutions

WORKFORCE ARIZONA COUNCIL Q1 Executive Committee Meeting

Thursday, February 12th, 2026 | 1:00 pm – 3:00 pm

Virtual Meeting:

<https://us02web.zoom.us/j/82228161039?pwd=RxabjwrHX1sod6sMmXUd5k0roNgMDr.1>

Meeting ID: 822 2816 1039 **Passcode:** 520469

1. Call to Order

Chair Mark Gaspers welcomed Executive Committee members and the public to the Executive Committee meeting. Reminding those attending that only members of the Executive Committee are permitted to vote and to be respectful and remember to mute your microphones.

2. Roll Call

Giselle Retana conducted a roll call, a quorum was present.

Attending: Chair Mark Gaspers, Vice-Chair John Walters, Second Vice-Chair Michelle Bolton, Director Michael Wisehart, Kristen Mackey, Karla Moran, Alex Horvath, Beverly Wilson (Absent: Jenna Rowell)

3. Call to the Public

Chair Gaspers opened the call to the public. No members of the public spoke.

4. Approval of Minutes

a. Q3 August 14th, 2025 Executive Committee Meeting

b. Q4 November 12th, 2025 Executive Committee Meeting

MOTION: Chair Gaspers called for a motion to approve the minutes for the Q3 August 14th, 2025 Executive Committee Meeting and the Q4 November 12th, 2025 Executive Committee Meeting. Vice-Chair John Walters made a motion; Second Vice-Chair Michelle Bolton seconded the motion.

All in Favor Vote Held:

In Favor: Chair Mark Gaspers, Vice-Chair John Walters, Second Vice-Chair Michelle Bolton, Kristen Mackey, Karla Moran, Alex Horvath, Director Michael Wisehart, Beverly Wilson (Absent: Jenna Rowell)

Opposed: None

Motion Passed

5. 2025 Recertification Updates

a. Coconino County

b. Northeastern Arizona

c. Arizona Tribal Workforce Development Board

The presentation focused on the status of pending Local Workforce Development Board recertifications, focusing on three areas: Coconino County, Northeastern Arizona, and the Arizona Tribal Workforce Development Boards. For Northeastern Arizona, recertification had been temporarily paused due to a potential redesignation request by Gila County, but the board is proceeding with recertification while scheduling further discussions, targeting an April Council agenda for action. In Coconino County, progress continues on shared governance agreements, bylaws, board appointments, and director recruitment, with recertification now shifted to a realistic Q2 timeline pending final approvals and the Attorney General's review of a related compliance inquiry. The Arizona Tribal Workforce Area reported notable progress, particularly toward finalizing a streamlined intergovernmental agreement focused on fiscal agent responsibilities, alongside completed Job Center certification and executed governance agreements; Workforce Council staff will continue technical assistance and provide updated certification status at the next Full Council meeting.

6. State Plan Modification Update, Vote

Chair Gaspers noted that this agenda item was no longer up for a vote, but rather a recommendation. No action was taken besides discussion as follows:

Patrick Brown, the Workforce Council Administrator, presented an update on the Arizona WIOA State Plan modification process, including timelines, governance roles, and key milestones. Following recent guidance from the U.S. Department of Labor, staff are moving forward with the required two-year modification, currently due March 3, 2026, while awaiting a decision on a requested extension to April 30. The Governor's Office has submitted and secured acceptance of the official designee to submit the plan, and weekly coordination is underway among OEO, Workforce Council staff, and WIOA title partners to develop sections, performance targets, and public comment processes under a compressed timeline. A full draft is targeted for completion by February 21, followed by public comment and Council consideration. Given the tight schedule, staff recommended reserving February 27 for a special Workforce Arizona Full Council session to review and approve the plan if the extension is not granted, ensuring the state remains compliant with federal requirements.

7. Coconino County Local Workforce Development Board Report Update

Patrick Brown provided a progress update on a compliance inquiry involving the Coconino County Local Workforce Development Board, which was initiated in mid-October 2025 after concerns were raised regarding actions taken by the Coconino County Board of Supervisors in its role as Chief Elected Official. The issues under review include potential interference with local workforce governance, delays in board recertification, and proposed changes to board size and composition that may affect compliance with WIOA and state workforce policy. Council staff have completed a draft report and findings, but the Arizona Attorney General's Office has requested additional time for review, so the findings are expected to be presented at the next Executive Council meeting. In the interim, Council staff will continue providing technical assistance to the local board to support compliance with WIOA Section 107, state governance requirements, and the shared governance agreement, while maintaining program integrity and recertification.

8. Workgroup Updates

Janice Garza, Workforce Policy Manager, provided an update on the Workforce Arizona Council's active workgroups:

a. Continuous Improvement

The update focused on the Continuous Improvement Workgroup's recent meeting on January 22 and its ongoing work on Workforce Arizona Council Policy No. 15, the Strategic Recapture and Reinvestment Policy. While a draft policy was not ready for Executive Committee review at this meeting, the workgroup has been advancing the effort since the second quarter of last year and plans to present a revised policy for Executive Committee review and approval in the second quarter of this year. Vice Chair Walters, serving as the Executive Sponsor, will provide a more detailed progress update at the next Full Council meeting.

i. Eligible Training Provider List (ETPL) Policy, **Vote**

- The Continuous Improvement Workgroup provided an update on revisions to the Workforce Arizona Council Eligible Training Provider List (ETPL) policy, noting that three targeted components were added without changing the policy's original intent. These additions were made in preparation for Workforce Pell and short-term Pell implementation, with the goal of reducing the risk of waste, fraud, or abuse from short-term or "pop-up" training programs and better protecting WIOA participants. Vice Chair Walters emphasized that the updates strengthen the focus on quality over quantity, align with trends around stackable and micro-credentials, and reflect strong stakeholder input, particularly from local areas, including calls

for greater transparency in recaptured funds. Public comments received during the comment period largely addressed broader aspects of the policy that were outside the scope of this revision and will be retained for a full policy review planned for Program Year 2026.

MOTION: Chair Gaspers called for a motion to approve the recommended Eligible Training Provider List Policy updated as presented to the Full Council. Alex Horvath made a motion; Vice-Chair John Walters seconded the motion.

All in Favor Vote Held:

In Favor: Chair Mark Gaspers, Vice-Chair John Walters, Second Vice-Chair Michelle Bolton, Kristen Mackey, Karla Moran, Alex Horvath, Director Michael Wisehart, Beverly Wilson (Absent: Jenna Rowell)

Opposed: None

Motion Passed

b. Training Effectiveness

The Workgroup's recent progress and next steps noted that its last meeting was held on December 16 and that additional engagement activities are underway. Since that meeting, staff delivered two training webinars—one for training providers and one for local workforce development boards—to explain the evaluation methodology used for Title I Adult Training Programs, which underpin the high-impact training dashboards. The updated report now includes data from the past three years, with individualized reports shared with each local area, while the webinars focused on methodology, performance measures, and upcoming enhancements. Participation and feedback have been strong. In response to a survey from local workforce development boards requesting more hands-on support, the workgroup is planning to build support teams and provide targeted technical assistance. The workgroup will continue advancing its Q1 strategy and priorities, and a more detailed status update, including performance metrics and progress toward Council goals, will be presented by Kristen Mackey, the Executive Sponsor at the next Full Council meeting.

c. Increasing Apprentices

It was highlighted that the workgroups' last meeting was held on January 28, 2026, where members reviewed progress on apprenticeship expansion efforts, discussed barriers and promising practices, and examined opportunities for better funding alignment. The workgroup identified next steps to continue supporting local areas and strengthening the statewide apprenticeship strategy. Based on this progress, the Deputy Director recommended beginning preparation of future recommendations to the Full Council, as the original Council goal and the purpose outlined in the workgroup charter have been achieved. Additional details on the specific outcomes, accomplishments, and priorities for the next quarter will be shared by Dennis Anthony, Executive Sponsor at the Full Council meeting.

9. WAC Election Procedures

OEO Director Mary Foote outlined the upcoming election procedures for Vice Chair and Second Vice Chair and the selection process for the Chair for the Workforce Arizona Council. These elections align with the Governor's selection of the Chair to ensure leadership continuity, with all new leaders formally assuming their roles at the next full Council meeting. An email requesting Chair recommendations and Vice Chair and Second Vice Chair nominations has been distributed, with submissions due by close of business on March 2, 2026.

Position(s): Vice Chair and Second Vice Chair

Election Procedures

- The Vice Chair and Second Vice Chair serve three-year terms.
- Both officers must be current Council Members representing business or an organization.
- Elections for Vice Chair and Second Vice Chair coincide with the Governor's Chair selection.
- Upon conclusion of the Vice Chair and Second Vice Chair's terms, an election will be held at the first full Council meeting of that year.
- The newly selected Chair and newly elected Vice Chair and Second Vice Chair will assume their respective positions effective at the next full council meeting.
- An email communication was sent out today to submit a recommendation for the Chair selection and a nomination for the Vice Chair and Second Vice Chair.
 - DUE: March 2, 2026, COB.

Position(s): Chair

Election Procedures: Chair Recommendation

- COMMITMENT EXPECTATION
 - Up to 5 days of travel per year
 - Minimum 30 hours annually, including:
 - 4 Full Council meetings
 - 4 Executive Committee meetings
 - Monthly coordination with workforce staff
 - Additional meetings, speaking engagements, or briefings as needed
- LEADERSHIP ROLE
 - Lead state, regional, and local workforce partners
 - Strengthen workforce system capacity and performance
 - Align and improve workforce program outcomes and investments
 - Promote economic growth statewide
- STRATEGIC ALIGNMENT
 - Engage business, education, labor, and economic development partners
 - Support implementation of the State Plan
 - Advance Arizona's workforce vision under WIOA
- FINAL SELECTION
 - Governor selects the WAC Chair from the recommendation list
 - Term: 2026-2029

10. 2026 Workforce Arizona Council Retreat Update

Patrick Brown shared the outlined plans for the 2026 Workforce Arizona Council (WAC) Retreat, which is designed to provide dedicated time for the Council to realign its role as Arizona's statewide workforce policy and strategy body under WIOA. The retreat will be facilitated by Ken Mall, Managing Partner at Innovative Learning Solutions, who brings more than two decades of experience working with employers, labor, government partners, and the Arizona workforce system. The retreat will focus on clarifying the Council's shared identity and purpose, strengthening governance and decision-making, and setting a clear, employer-driven and outcomes-focused strategic direction. Participants can expect a working session that includes reviewing system performance and impact, discussing major industry and workforce trends, identifying a short list of high-impact strategic priorities for the next two years, and clarifying governance and participation expectations. The retreat will conclude with a concrete action plan, defined next steps, and ownership, with the overall goal of strengthening how the Council operates and ensuring members have meaningful opportunities to shape its future work.

11. Agency Updates:

a. OEO: Director Mary Foote

OEO Director Mary Foote shared the following updates:

i. New OEO Staff

Welcomed Katie Belous, who's going to be serving as the Workforce Sector Strategies Administrator and also welcomed Dante Mitchell, who's going to be serving as the Chief Government and Community Affairs Liaison.

ii. 2026 Arizona Workforce Summit Update

It was highlighted that the 2026 Arizona Workforce Summit is scheduled for June 9–10 at the Mesa Convention Center. New elements include a Call for Proposals focused on highly requested interactive breakout sessions and expanded opportunities for partner collaboration. A Champions of the Workforce Awards Luncheon will be added on June 10, with active outreach for sponsors and nominations forthcoming. The goal is to raise \$30,000 to fully fund the luncheon and reception, allowing existing funds to support other summit components. Additional details and links are being shared via the OEO Summit webpage and a follow-up email to council members and stakeholders.

iii. Rural Healthcare Transformation Program (RHTP)

The presentation outlined the state's Rural Health Transformation Program, created in response to Medicaid cuts under HR1 that were expected to disproportionately impact rural areas. In late November 2025, Arizona applied for the program and received \$167 million in year-one funding given our urban to rural population (out of a potential \$200 million) from a five-year federal program, with approximately \$47 million dedicated to workforce development after proportional reductions - our original application was \$57 million for year one. The workforce strategy focuses on expanding rural healthcare training capacity, building career awareness pipelines, offering targeted financial incentives tied to five-year rural service commitments, addressing burnout and retention through wellness and upskilling supports, and establishing a dedicated workforce project within the Office of Economic Opportunity to coordinate with the Workforce Arizona Council. Significant emphasis is placed on partnerships with rural CTEDs and community colleges, data and analytics to benchmark progress, and measurable outcomes such as increased learners, placements, and retention. The state has submitted a revised budget for the grant and has also filed a FOIA request to better understand how the federal grant scoring was determined, particularly given concerns that Arizona's large rural footprint was not fully reflected in the award amount. Approval of the revised budget is anticipated by early March, with contract development occurring through the remainder of the current fiscal year and contract execution expected in the early part of the next fiscal year. Because funds must be encumbered by the start of the next federal fiscal year on October 1, timelines are tight, and required approval processes present some constraints, though the state is moving as quickly as possible. Program implementation and formal measurement of effectiveness are expected to begin at the start of the next calendar year. Investments in data and analytics will be used not only to demonstrate program effectiveness to Centers for Medicare & Medicaid Services, but also to support a broader advocacy effort that clearly shows the return on investment and impact of healthcare workforce funding in rural communities.

In the discussion, it was suggested potential partnership with institutions like ASU Helios for development of data systems and visualization to support accountability, program agility, and long-term advocacy by demonstrating return on investment in rural healthcare workforce development.

iv. Latest AZ Employment Report

Doug Walls, Labor Market Information Director presented on Arizona's latest employment trends through December 2025, highlighting continued but uneven economic growth amid reporting delays caused by last fall's federal shutdown. Overall employment increased year over year, supported by a strong December gain of about 6,500 jobs, with above-average growth in construction, healthcare, and

financial activities, while healthcare remained the leading contributor despite moderating from earlier peaks. Labor force growth was a key theme, with more than 9,500 people entering the labor force in December and nearly 100,000 over the year, signaling continued optimism among jobseekers; notably, the unemployment rate held steady at 4.3%, below the U.S. average and pre-pandemic norms. At the same time, challenges persist, including continued job losses in manufacturing—particularly in semiconductor-related segments—and declines in government employment tied to federal buyouts and education funding pressures. Regionally, growth was strongest in the Phoenix metro area, while Tucson and Flagstaff saw year-over-year declines, underscoring a mixed but generally resilient outlook for the Arizona economy.

Additional discussion clarified that the March 2025 revision is not yet reflected in the current employment figures because it is part of the annual benchmark revision to the monthly CES employment data. This process recalibrates survey-based estimates—drawn from roughly 25–33% of employers—against more complete but less timely data that lag by six to seven months. The final benchmark revisions will be released in April with the January 2026 data, and early expectations are for notable upward revisions to employment levels in the first quarter of 2025, likely offset by slower growth or downward adjustments in the third and fourth quarters, reflecting a pattern similar to prior benchmark revisions for Arizona.

b. DES: DERS Assistant Director, Anna Hunter

DES Assistant Director for the Division of Employment and Rehabilitation Services, Anna Hunter provided the Committee information on the Workforce Innovation and Opportunity Act (WIOA) Waiver Information.

i. Workforce Innovation and Opportunity Act (WIOA) Waiver Information

The information centered on the federal guidance received via the Training and Employment Guidance Letter (TEGL) No. 05-25 issued by the U.S. Department of Labor (DOL) that expands opportunities for states to request waivers under the Workforce Innovation and Opportunity Act (WIOA) to promote flexibility and innovation in service delivery. It was noted that recent guidance from the U.S. Department of Labor outlines how waivers can be requested through the state plan or later modifications, with approval from the Secretary of Labor, while noting certain statutory limits that cannot be waived. Arizona currently has two approved waivers—allowing individual training accounts for in-school youth and reducing the out-of-school youth expenditure requirement—and there is strong interest in extending them. Local workforce boards broadly supported exploring additional waivers, including extending supportive services after exit, increasing flexibility in training contracts, and expanding on-the-job training reimbursements. Overall, the focus was on using the waiver process strategically, informed by local input and practices from other states, to modernize Arizona’s workforce system and better meet participant and employer needs.

12. Title Partner Updates

a. Title IB and Title III

Matthew Smith, Business Intelligence Analyst, Finance & Business Operations Administration with DERS shared an update on first-quarter performance for WIOA Titles I and III programs for Program Year 2025, noting that the official PY2024 assessment has not yet been released by the U.S. Department of Labor due to pending statistical adjustments.

Using unadjusted indicator scores as a preview, most performance measures are meeting or exceeding negotiated targets, with the exception of measurable skill gains, which appear lower in Q1 because the measure captures real-time progress and participants have the full program year to achieve gains. Title III performance is strong across indicators, and overall program scores are expected to improve as skill gains are realized later in the year. The update also highlighted solid performance in effectiveness in serving employers, tracking closely with prior-year results. Questions from Council members clarified that higher-than-negotiated earnings outcomes reflect stronger participant wage results, and while cost-per-participant data was not included in this quarterly update, it is tracked in annual reports to help assess return on investment and training effectiveness.

b. Title II

Beverly Wilson, Deputy Associate Superintendent for Adult Education and High School Equivalency Services, presented an overview of Arizona's WIOA Title II Adult Education program, outlining its scope, reach, and outcomes. Title II serves individuals age 16 and older who are no longer enrolled in K-12, providing adult basic education, high school equivalency, English language acquisition, integrated education and training (IET), and pathways to postsecondary education, training, and employment. The state contracts with 21 providers and serves approximately 15,600 students annually, despite a target population nearing one million undereducated adults; limited funding caps enrollment and has resulted in waitlists. With an average cost of \$1,500 per participant, the program is highly cost-effective. Enrollment has steadily rebounded since COVID, supported by a diverse provider network that is especially critical in rural areas. Performance exceeds national benchmarks, including nearly 54% measurable skill gains and strong employment and earnings outcomes, with further improvements anticipated following the implementation of a new data management system.

c. Title IV

Kristin Mackey, Administrator, Rehabilitation Services Administration for DERS provided an update on first-quarter performance and data system improvements for Arizona's WIOA Title IV program. Building on the context set by Title I and III reports, she explained that this quarter represents the first full data snapshot from a newly implemented system, which is being used as a baseline to identify data gaps and guide process improvements. Preliminary outcomes showed employment rates of about 18% in the second quarter after exit and 15% in the fourth quarter after exit, credential attainment at 28%, and measurable skill gains (MSG) initially reported at 4.4%.

Significant challenges were identified with data timeliness and accuracy, particularly around employment outcomes due to lags in unemployment insurance wage data and reliance on manual staff entry. Efforts are underway to explore system integrations and automated data sharing to improve real-time reporting. Additionally, issues with MSG calculations were discovered and corrected through updated system scripts and staff training, resulting in recent improvements (with achievements increasing from 17% to 29%). The program is also pursuing a contract with the National Student Clearinghouse to strengthen credential and education outcome tracking. Overall, the update emphasized data quality improvements, staff training, and system integration as key priorities to strengthen Title IV performance reporting in Arizona.

13. Adjournment

Chair Gaspers provided the following reminders for upcoming meetings and events:

- Friday, February 27, 2026: Special Full Council meeting focused on the WIOA State Plan Modification.
- Thursday, March 12, 2026: Next Full Council Meeting
- Thursday, April 9, 2026: Next Executive Committee Meeting

MOTION: Chair Gaspers called for a motion to adjourn the meeting. Vice-Chair John Walters made a motion; Beverly Wilson seconded the motion.

All in Favor Vote Held:

In Favor: Chair Mark Gaspers, Vice-Chair John Walters, Second Vice-Chair Michelle Bolton, Kristen Mackey, Karla Moran, Alex Horvath, Director Michael Wisehart, Beverly Wilson (Absent: Jenna Rowell)

Opposed: None

Motion Passed

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