



Innovative Workforce Solutions

**WORKFORCE ARIZONA COUNCIL**  
**Q2 2026 Full Council Meeting Minutes**  
Thursday, May 14th, 2026 | 1:00 pm – 3:00 pm

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**Members Present:**

Alexander Horvath, Tucson Medical Center  
Beverly Wilson, AZ Dept of Education, Title II  
Bill Ruiz, Western States Regional Council of Carpenters  
Chet Samuelson, BOK Financial  
Debra Margraf, NECA  
Dennis Anthony, State Apprenticeship Council  
Ian O'Grady, Policy Advisor, Governor Hobbs  
Jackie Elliott, Central Arizona College  
Jenna Rowell, Local First Arizona  
John Walters, Trucordia  
Josh DeSpain, IBEW Local 570  
Karla Moran, SRP  
Kristen Mackey, Dept of Economic Services, Title IV (joined at 1:08pm)  
Mark Gaspers, Chairman, Boeing  
Michael Cruz, Lucid Motors  
Michael Wisehart, Director, Dept of Economic Security, Titles I & III  
Michelle Bolton, Vice-Chair, Banner Health  
Regina Romero, Mayor of Tucson  
Scott Holman, Amkor Technology  
Shawn Hutchinson, Phoenix Electrical  
Skylie Estep, Second Vice-Chair, South32  
Zenji Reynolds, Southwest Shoulder Elbow and Hand Center (joined at 1:18pm)

**Members Absent:**

Danny Seiden, AZ Chamber of Commerce & Industry  
Jeffrey McClure, Supervisor, Pinal County  
Jim Corning, Novakinetics Aerosystems  
Justin Wilmeth, Arizona House of Representatives  
Sandra Watson, Arizona Commerce Authority  
Shawn Hutchinson, Phoenix Electrical  
Skylie Estep, Second Vice-Chair, South32  
Thomas Winkel, Arizona Coalition for Military Families

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**1. Welcome & Call to Order**

Chairman Gaspers welcomed all members of the Workforce Arizona Council and the public to the Q2 2026 Full Council meeting. The meeting is called to order at 1:04pm.

**2. Roll Call**

Giselle Retana, Workforce Council Administrative Coordinator conducted roll call, a quorum was present.

**3. Chair Selection Announcement**

OEO Director Mary Foote, recognized and thanked Chair Mark Gaspers for his service to the Council and expressed appreciation that he will continue serving as a member of the Council moving forward. Ian O'Grady, representing the Governor's Office, presented Chair Gaspers with an official commendation from Governor Katie Hobbs honoring his distinguished service as Chair of the Council and his contributions to Arizona's workforce system. To sum up their remarks, Director Foote presented Chair Gaspers with a plaque in recognition of his leadership and contributions to the Council while council members shared remarks acknowledging Chair Gaspers' collaborative leadership, mentorship, and commitment to workforce development. Chair Gaspers expressed gratitude to the Council, state staff, and workforce

partners. He encouraged continued collaboration among industry leaders, local workforce boards, and state partners, emphasizing the importance of maintaining strong communication and remaining focused on creating opportunities for Arizonans despite challenges and resource constraints.

Ian O’Grady announced Governor Katie Hobbs’ selection of John Walters as the new Chair of the Council and was recognized for his service on the Council since 2018. Chairman Walters thanked Governor Hobbs, the Governor’s Office, and Chair Gaspers for their trust and leadership. He acknowledged Chair Gaspers’ servant leadership and encouraged continued engagement with him as an ongoing member of the Council.

**Mr. John Walters assumed the role of Council Chair for the remainder of the meeting.**

**4. Call to the Public**

Chairman Walters opened the call to the public. Joel Millman, Executive Director, LWDB Pinal County, commented on the following:

Yes, thank you, Mr. Chair, and, I just wanted to say, you know, accolades keep coming, but, congratulations to, incoming, or new chair, Walters, so we look forward to working with you on behalf of Arizona at Work Pinal County, and I’d be remiss if I did not thank, past-chair Gaspers for all his support he’s given to Arizona at Work Pinal County, and the work that Boeing does to employ a lot of Pinal County residents. And it was recognized, just real quick, that by the Arizona Association for Economic Development presented Economic Development Distinguished by Excellence Awards this past spring conference, and the Boeing Company was the winner of the “Best of Arizona” Award this year for corporations, so congratulations, not only on your achievements as the Chair of this Council, but also on the Boeing Corporation and that award. So thanks again to both of you, and we look forward to a productive 2026. Thank you.

**5. Consent Agenda, Vote**

- a. **March 12, 2026 Full Council Meeting Minutes**
- b. **LWDB Job Center Certification (New Center)**
  - i. Yavapai County
- c. **April 16, 2026 Special Full Council Meeting Minutes**

**MOTION:** Chairman Walters called for a motion to approve the Consent Agenda. Council Member, Dennis Anthony made a motion; Council Member, Mark Gaspers, seconded the motion.

**ALL IN FAVOR:** Alex Horvath, Alisa Wren, Beverly Wilson, Bill Ruiz, Chet Samuelson, Debra Margraf, Dennis Anthony, Ian O’Grady, Jackie Elliott, Jenna Rowell, John Walters, Josh DeSpain, Karla Moran, Kristen Mackey, Mark Gaspers, Michael Cruz, Director Michael Wisehart, Michelle Bolton, Mayor Regina Romero, Rose Castanares, Scott Holman and Zenji Reynolds

**OPPOSED:** None

**ABSTAINED:** None

**MOTION PASSES**

**6. Governance and Compliance**

- a. **LWDB Membership Vacancy Waiver Request, Vote**
  - i. Coconino County Workforce Development Board

Patrick Brown, the Workforce Council Administrator provided an overview on Coconino County’s Local Workforce Development Board membership vacancy waiver request. Following significant governance changes in June 2025, including the removal of the local board chair and executive director, the Coconino County Workforce Development Board currently has four vacancies exceeding the required timeframe, including three business representative seats and one workforce representative seat. Since then, the board has appointed a new chair and hired a new executive director in April, with efforts underway to fill the vacancies in coordination with the Board of Supervisors. Coconino County anticipates filling all four positions by June 7, 2026. Workforce Council staff indicated they will follow up to confirm compliance and recommended approval of the waiver request given the recent leadership transition and progress toward resolving the vacancies.

**MOTION:** Chairman Walters called for a motion to approve the Coconino County Workforce Development Board Membership Waiver Request to the Full Council. Council Member Jenna Rowell made a motion; Council Member and Vice Chair Michelle Bolton seconded the motion.

**ALL IN FAVOR:** Alex Horvath, Alisa Wren, Beverly Wilson, Bill Ruiz, Chet Samuelson, Debra Margraf, Dennis Anthony, Ian O'Grady, Jackie Elliott, Jenna Rowell, John Walters, Josh DeSpain, Karla Moran, Kristen Mackey, Mark Gaspers, Michael Cruz, Director Michael Wisehart, Michelle Bolton, Mayor Regina Romero, Rose Castanares, Scott Holman and Zenji Reynolds

**OPPOSED:** None

**ABSTAINED:** None

**MOTION PASSES**

**b. 2025 LWDB Recertifications, Vote**

Patrick Brown, the Workforce Council Administrator provided an overview of the 2025 LWDB Recertification for Council's consideration.

i. Coconino County Workforce Development Board

Patrick noted significant progress in resolving previously identified governance and compliance concerns. The board approved updated bylaws, a shared governance agreement, and its recertification package, while also extending its Title I-B service provider contract and appointing a new executive director, Eilise Fisher. Additionally, it was reported that the Coconino County Board of Supervisors approved the governance documents and that signed copies had been submitted to Council staff. He also noted ongoing efforts to fill four remaining board vacancies and bring the board into full compliance. Council staff recommended recertification based on the progress made, while continuing to monitor the board composition plan and remaining appointments.

During discussion, council members questioned whether recertification should proceed before all vacancies were filled and discussed adding conditions to ensure accountability. It was suggested WAC revisit the CCWDB board composition at the next meeting on August 13, 2026.

**MOTION:** Chairman Walters called for a motion to approve the 2025 LWDB Recertification of Coconino County Workforce Development Board contingent upon the board vacancies being filled by no later than August 12, 2026 by the Full Council. Council Member Debra Margraf made a motion; Council Member Dennis Anthony seconded the motion.

**ALL IN FAVOR:** Alex Horvath, Alisa Wren, Beverly Wilson, Bill Ruiz, Chet Samuelson, Debra Margraf, Dennis Anthony, Ian O'Grady, Jackie Elliott, Jenna Rowell, John Walters, Josh DeSpain, Karla Moran, Kristen Mackey, Mark Gaspers, Michael Cruz, Director Michael Wisehart, Michelle Bolton, Mayor Regina Romero, Rose Castanares, Scott Holman and Zenji Reynolds

**OPPOSED:** None

**ABSTAINED:** None

**MOTION PASSES**

ii. Arizona Tribal Workforce Development Board

Patrick explained that under WIOA requirements and Council policy, technical assistance must be provided to boards experiencing compliance challenges. He noted that ATWDB was placed on a compliance technical assistance plan in June 2025 and has since resolved most outstanding issues, including filling board vacancies, approving bylaws, and completing shared governance agreements. The remaining compliance items include finalizing a local workforce plan and securing a one-stop operator. Patrick reported that the local plan was released for public comment on April 21, 2026, with approval anticipated later in the year and submission to the Council expected at the September 2026 meeting. He also explained that ATWDB's competitive procurement process for a one-stop operator was unsuccessful, leading staff to recommend pursuing a U.S. Department of Labor waiver that would allow tribal nations to implement locally responsive service delivery strategies rather than a traditional one-stop model. ATWDB approved pursuing the waiver in April 2026 and is coordinating acknowledgements from its 13 tribal nation members before releasing the

waiver for public comment and submission to the Department of Labor. Based on the progress made, staff recommended conditional recertification of ATWDB, contingent upon approval of the local plan, approval of the one-stop system waiver, and implementation of an alternative service delivery framework, with final review to occur during the 2027 recertification process.

During discussion, council members asked about anticipated federal timelines and accountability measures associated with the waiver. Staff indicated that federal review is generally expected within approximately 90 days and that both Council staff and the Department of Labor would evaluate the waiver to ensure sufficient accountability and compliance monitoring. DES staff also noted that the Department of Labor has encouraged states to pursue WIOA waivers and is actively engaging with states during the review process. Council members acknowledged that the anticipated federal timeline would likely push final review and follow-up into the November Council meeting timeframe.

**MOTION:** Chairman Walters called for a motion to conditionally recertify the Arizona Tribal Workforce Development Board, contingent upon Local Plan approval and approval/implementation of a federal One-Stop system waiver, as presented to the Full Council for final consideration. Council Member Mayor Romero made a motion; Council Member Debra Margraf seconded the motion.

**ALL IN FAVOR:** Alex Horvath, Alisa Wren, Beverly Wilson, Bill Ruiz, Chet Samuelson, Debra Margraf, Dennis Anthony, Ian O'Grady, Jackie Elliott, Jenna Rowell, John Walters, Josh DeSpain, Karla Moran, Kristen Mackey, Mark Gaspers, Michael Cruz, Director Michael Wisehart, Michelle Bolton, Mayor Regina Romero, Rose Castanares, Scott Holman and Zenji Reynolds

**OPPOSED:** None

**ABSTAINED:** None

**MOTION PASSES**

### c. Local Plan Modification Updates

Jeremy Smith, Governance & Compliance Advisor presented an overview of the upcoming local workforce plan modification process following submission of the modified state workforce plan to the U.S. Department of Labor. He explained that guidance for aligning local plans with the updated state plan has been drafted and is currently under review by title partners, with final guidance expected to be distributed to local areas on May 18, 2026. Council staff and the Office of Economic Opportunity Labor Market Information Team will provide technical assistance through scheduled planning calls in June and additional support as needed. Local workforce development areas are required to submit modified plans by October 30, 2026, after which feedback on revisions will be provided within 30 days. Final plans, including public comment and partner feedback and approved by local boards and chief elected officials, are due January 29, 2027. Workforce Arizona Council approval is anticipated during the first quarter of 2027, with approved local plans taking effect April 1, 2027. Staff also noted that local areas may submit plans earlier than the deadline and that some plans could potentially be presented for Council approval as early as the November 2026 meeting to allow for earlier implementation.

During discussion, Council Member Jenna Rowell asked whether local boards had concerns regarding the timeline, and staff responded that the only questions received related to whether earlier submissions would be permitted, which staff confirmed would be accepted.

### 7. Coconino County Local Workforce Development Board Inquiry Report, Vote

Patrick Brown presented a summary regarding a governance inquiry regarding the Coconino County Local Workforce Development Board, conducted by Council staff with support from the Office of Economic Opportunity and the Arizona Attorney General's Office. The review focused on board governance structure, roles and responsibilities between the Chief Elected Official and the local board, recertification delays, and issues related to documentation, transparency, and procedural consistency, rather than program performance. The inquiry identified several concerns, including the inability to fully verify the removal process of the local board chair, reliance on an unapproved shared governance agreement, failure to formally adopt 2023 bylaws, governance ambiguity regarding executive director actions, and unclear delineation of roles among governing entities, which collectively posed risks to transparency, accountability, and compliance. Since the inquiry began in October 2025, Coconino County has taken corrective actions

during the recertification process, resulting in resolution of key governance issues such as formal approval of bylaws, adoption of governance documents, and clarification of roles and responsibilities, allowing staff to recommend recertification. Staff further recommended that the Council formally accept the inquiry report into the record, acknowledge both the original findings and the corrective actions taken, and notify Coconino County accordingly to close the loop on the matter while preserving the governance record and reinforcing expectations for ongoing compliance.

**MOTION:** Chairman Walters called for a motion to approve the recommendations of the report and subsequently notify the Coconino County Workforce Development Board as presented to the Full Council for final consideration. Council Member Mark Gaspers made a motion; Council Member Chet Samuelson, seconded the motion.

**ALL IN FAVOR:** Alex Horvath, Alisa Wren, Beverly Wilson, Bill Ruiz, Chet Samuelson, Debra Margraf, Dennis Anthony, Ian O'Grady, Jackie Elliott, Jenna Rowell, John Walters, Josh DeSpain, Karla Moran, Kristen Mackey, Mark Gaspers, Michael Cruz, Director Michael Wisheart, Michelle Bolton, Mayor Regina Romero, Rose Castanares, Scott Holman and Zenji Reynolds

**OPPOSED:** None

**ABSTAINED:** None

**MOTION PASSES**

## **8. Governor's Set-Aside Funding Update**

Ian O'Grady, Senior Policy Advisor & Erin Hart, Director, Office of Strategic Initiatives & Policy Advisor, Higher Education & Early Education provided an update on the Governor's WIOA set-aside funding explaining that recent flexibility in available funds allowed the Governor's Office, in coordination with the Workforce Cabinet, to prioritize new one-year initiatives aligned with emerging workforce needs. The proposed investments include an AI readiness pilot program, expansion of a semiconductor talent pipeline with support for education and apprenticeship pathways, the Reentry 2030 initiative supporting workforce reintegration for justice-involved individuals, Workforce Pell implementation support, and an education pathways effort to better connect students, families, and counselors with in-demand careers.

Council members discussed concerns about collaboration with existing state agencies to avoid duplication, distribution methods and transparency in funding decisions, rural and geographic equity in access to funds, and how performance outcomes will be measured. Staff clarified that the Governor retains discretion over these set-aside funds, though input from Council members and agencies helps shape priorities, and that agencies will define scopes of work and key performance indicators (KPIs) through intergovernmental agreements (ISA's). The discussion emphasized the intent to ensure statewide reach, leverage federal funding opportunities, and establish measurable outcomes for future reporting and evaluation.

## **9. Workgroup Updates**

### **a. Training Effectiveness**

Council Member Kristen Mackey provided an update from the Training Effectiveness Workgroup, highlighting ongoing efforts to increase awareness and utilization of High Impact Training (HIT) programs. The workgroup reviewed enrollment and HIT data and confirmed that while enrollment remains below established goals, recent data cleanup efforts have improved confidence in the accuracy and integrity of the information. Discussions identified several contributing factors affecting participation, including limited availability of HIT programs in certain regions, delayed outcomes from newer programs, and awareness gaps among frontline workforce staff and career advisors regarding available tools and opportunities. The workgroup emphasized the importance of both short-term enrollment growth strategies and long-term system development efforts, including expanded education, communication, and technical support for workforce stakeholders. Kristen also shared plans for the upcoming Arizona Workforce Summit, where high-performing HIT program providers will be recognized and breakout sessions will focus on workforce trends, data analysis, and system discussions to further promote awareness and stakeholder engagement. Additionally, the workgroup is seeking a co-chair and continues to collaborate with OEO staff on future workforce strategies and planning priorities.

During discussion, council members highlighted the value of the HIT dashboard as a resource for career advisors and workforce staff to connect job seekers with training programs that demonstrate strong employment outcomes.

**b. Continuous Improvement**

Chair John Walters provided an update on the Continuous Improvement Workgroup, highlighting two primary areas of focus. First, the group identified gaps in existing policies related to workforce funding, particularly regarding how returned or redistributed funds should be allocated at the state level. In collaboration with DES, OEO, and Council staff, the workgroup has developed a policy currently in its final stages that will provide the Council with greater oversight and transparency in funding distribution, ensuring alignment with statewide workforce priorities and the Governor's initiatives. Second, the workgroup is developing a measurable performance framework focused on operational efficiency, program effectiveness, and cross-agency coordination to better evaluate outcomes and reduce duplication across the workforce system. The goal is to create meaningful performance metrics and reporting tools that help Council members clearly understand system effectiveness and identify areas needing improvement. Chair Walters also noted that the workgroup is seeking additional members to support ongoing efforts related to policy development, funding oversight, and continuous system improvement.

**10. Workforce Pell**

Erin Hart shared an overview of Workforce Pell, a new federal program authorized under recent legislation that expands traditional Pell Grants to allow short-term workforce training programs, with significant state-level discretion for governors to define eligible programs and institutions in coordination with workforce boards. She explained that eligible programs must meet strict federal criteria, including 8–15 week duration, alignment with in-demand occupations, credential attainment, accreditation requirements, and minimum performance thresholds such as 70% completion and 70% job placement rates, along with earnings gains requirements that will become more rigorous over time and require strong longitudinal data systems. Arizona is preparing for implementation in coordination with the Office of Economic Opportunity and a statewide working group that includes education, workforce, and industry partners, with support from the Governor's set-aside funding to assist implementation efforts. The state is developing an initial eligibility framework and inviting institutions to submit letters of interest ahead of the anticipated federal rollout, expected as early as July 1.

Council members discussed data-sharing challenges, potential administrative burden on institutions, accessibility considerations for individuals with disabilities, and concerns about system complexity and uptake. Staff emphasized that Workforce Pell is intended as an additional tool to complement existing funding sources like WIOA and ETPL, with the Council playing a key advisory role in shaping eligibility criteria, approving in-demand job alignment, and supporting ongoing policy development and continuous improvement.

**11. PY 26/FY27 Final Funding Allocations**

Manny Estrella, Regulatory Economist shared that the Council received an overview of Arizona's WIOA funding allocations for Program Year 2026, highlighting that the state will receive just over \$60 million in federal workforce funding, an overall decrease of 8.4% from the previous year due largely to Arizona's comparatively strong economic conditions and lower unemployment levels relative to other states. Manny explained that the allocation formulas being used were previously approved by the Council as part of a multi-year funding strategy and will remain in place through next year. Adult program funding will decrease by approximately \$1.6 million statewide, with local reductions ranging from 4.5% in Pima County and the Arizona Tribal Workforce area to 19.4% in Yavapai County. Youth program funding will decline by about \$1.3 million overall, though Northeast and Southeast Arizona will see slight increases, while Yavapai County again experiences the largest reduction. Manny also reviewed dislocated worker funding and rapid response allocations, explaining that the Governor reduced the rapid response reserve from 25% to 15%, allowing every local workforce area to receive an increase in dislocated worker funding despite an overall statewide decrease in the program. The rapid response reserve totals just under \$3.5 million, with 60% retained by the state and the remaining 40% distributed evenly across local areas. Council leadership

emphasized that the funding reductions reflect Arizona's economic success, while also encouraging future discussion about whether the current allocation formulas continue to meet statewide workforce needs effectively.

## 12. Agency Updates:

### a. OEO: Director Mary Foote

Mary Foote, OEO Director provided an update on the following:

#### i. General Updates

A couple of initiatives underway through the Office of Economic Opportunity, highlighting major efforts focused on workforce development, rural healthcare, advanced manufacturing, and emerging technology opportunities. OEO is advancing the Rural Health Transformation Program, which will provide funding over the next five years to colleges, universities, and providers to expand workforce development programs aimed at increasing the number of healthcare workers in rural Arizona communities.

The agency is also actively engaging with federal partners and the White House to strengthen Arizona's statewide talent strategies, improve connections across the education-to-workforce continuum, and position the state competitively for new federal funding opportunities, particularly those involving artificial intelligence.

Director Foote also discussed the continued expansion of Ready Tech Go, a statewide workforce initiative that prepares Arizonans for careers in advanced manufacturing, semiconductors, robotics, aerospace, battery storage, electric vehicles, and related industries through short-term, stackable credential programs. The initiative is expanding into more rural communities through partnerships with Mojave, Yavapai, and Coconino Community Colleges, while industry partners including TSMC, Lucid Motors, LG Energy Solution, Nestlé Purina, and Raytheon are helping align training with employer demand and create direct hiring pathways for graduates. OEO plans to launch a statewide multimedia enrollment campaign this fall to increase participation in Ready Tech Go programs by 25%, and Director Foote encouraged Council members and partners to help promote the initiative and expand awareness statewide.

#### ii. Welcome: New Workforce Arizona Council Staff

Introduced and welcomed Jeremy Smith, the new Governance and Compliance Advisor to the team.

#### iii. 2026 Arizona Workforce Summit Update

An update was provided on the 2026 Arizona Workforce Summit, which will take place June 9-10 at the Mesa Convention Center. Additionally, noted that the Summit agenda is being finalized and will feature a strong lineup of both national and local presenters focused on workforce development topics and statewide collaboration. Special appreciation was given to the event's sponsors and partners, including media sponsor Phoenix Business Journal, luncheon sponsor South32, and additional major sponsors such as Amkor and Salt River Project. Recognition was also given to Pinal County Economic Development for hosting the Summit's social reception, along with partners including Tucson Medical Center, LECET Southwest, and Academy On-Demand. It was announced that sponsorship opportunities for the event have officially sold out, reflecting strong statewide support and engagement for the Summit.

#### iv. Latest AZ Employment Report

Doug Walls, Labor Market Information Director, presented an overview of Arizona's employment trends for the first quarter of 2026, noting that the state economy has experienced a noticeable cooling compared to the stronger conditions seen at the

end of 2025. Arizona lost nearly 11,000 jobs in March when the state would typically expect a gain of around 10,000 jobs for that time of year, reflecting a broader slowdown occurring nationally and across many other states. The unemployment rate increased to 4.7%, continuing a steady upward trend from the historic low of 3.3% reached in early 2024, while labor force participation also declined for the fourth consecutive month after nearly four years of consistent growth. Despite these concerns, healthcare and social assistance remain Arizona's fastest-growing sectors, continuing to create opportunities for workers across a range of education and skill levels. Growth also continues in industrial and commercial construction and in mining-related industries, while residential construction, retail, leisure, hospitality, restaurants, and hotels have weakened due to higher borrowing costs and consumer spending pressures tied to national economic conditions. Government employment also declined, particularly in education and federal positions. Doug emphasized that Arizona's current unemployment rate is still consistent with pre-pandemic levels, but the combination of slowing employment growth and declining labor force participation warrants close monitoring. All seven Arizona metro areas reported year-over-year employment losses, with the largest declines occurring in the Sierra Vista-Douglas and Yuma regions, and updated April employment figures are expected to provide additional insight into whether these trends continue or begin to stabilize.

**b. DES: DERS Assistant Director, Anna Hunter**

DES Assistant Director for the Division of Employment and Rehabilitation Services, Anna Hunter provided an update on the following items:

i. Recapture and Reallocation Briefing for PY24/FY25

An update regarding projected recaptured WIOA funds for Program Year 2024 and Fiscal Year 2025. She explained that WIOA funding operates on a three-year cycle, with the first two years allocated directly to local workforce development areas and any unspent funds recaptured during the third year for statewide workforce activities. As of May 1, the state projects approximately \$2.3 million in recaptured funds available for statewide use, including about \$1.1 million from non-tribal workforce development areas and another \$1.1 million from the Arizona Tribal Workforce Board, though final amounts may still change as local areas continue submitting eligible reimbursements before fiscal year closeout. Anna noted that recaptured amounts have steadily declined over recent years, reflecting improved spending and utilization of allocated workforce funds by local areas. She also outlined several major statewide initiatives supported through these recaptured dollars, including reentry services and Second Chance Centers for justice-involved individuals in partnership with the Arizona Department of Corrections Rehabilitation and Reentry, support for the Office of Registered Apprenticeship, and maintenance of the Arizona Job Connection system, which serves as the statewide workforce system of record

ii. Statewide Initiatives Briefing

1. Recaptured Funding - Final and Projected
  - a. Year 1 & Year 2
2. ADES' Statewide Activities, Proposal & Cost

An update on projected recaptured WIOA funds and statewide workforce investments. She explained that WIOA funds operate on a three-year cycle, and unused local workforce dollars from the first two years are recaptured in the third year for statewide initiatives. As of May 1, projections showed approximately \$2.3 million in recaptured funds available for statewide activities, with local areas increasingly utilizing more of their allocations each year, resulting in declining recapture amounts. These statewide funds support several priority initiatives

aligned with Council goals, including reentry employment services, registered apprenticeship expansion, the Arizona Job Connection system, and the Rural Arizona Contractor Pathways Program. Hunter highlighted the reentry program's \$3 million investment for FY27, which supports employment services for justice-involved individuals through partnerships with the Arizona Department of Corrections Rehabilitation and Reentry and community organizations, achieving a 53% gainful employment rate for more than 3,800 participants. She also detailed ongoing investments in the State Office of Registered Apprenticeship, which supported over 3,000 new apprentices and increased Arizona's active apprenticeships to 9,300 individuals. Additional investments maintain the Arizona Job Connection workforce system and continue supporting rural contractor licensing opportunities that promote entrepreneurship and improve access to skilled trades services in rural and tribal communities.

- iii. Workforce Innovation and Opportunity Act (WIOA) Rapid Response Unit  
A brief update on Arizona's rapid response activities, highlighting ongoing monitoring of layoffs and workforce impacts across the state through the Arizona At Work rapid response dashboard. As of Fiscal Year 2026, Arizona had recorded 38 WARN notices affecting nearly 8,000 workers and 19 non-WARN layoff events impacting close to 1,000 additional workers across multiple sectors and industries statewide. The presenter noted that these workforce disruption trends align closely with the broader economic conditions and labor market slowdown previously discussed in Doug Walls' economic outlook presentation, reinforcing the importance of continued rapid response coordination and workforce support efforts.

### **13. Adjournment**

Chairman Walters provided a brief update on upcoming Council logistics and format changes, noting the next full Council meeting is scheduled for September, with a revised structure designed to reduce overlap between Executive Council and full Council sessions. The Executive Council will focus more on technical and operational items, often handled through consent agendas, while the full Council will shift toward higher-level strategic discussions to better leverage member expertise and support statewide workforce priorities.

The Chair emphasized that all members are welcome to attend Executive Council meetings, with voting limited to designated members, and noted the intent to improve efficiency while deepening strategic dialogue. He also reminded members about the upcoming meetings and events:

- The Arizona Workforce Summit 2026 is on June 9-10, 2026 at the Mesa Convention Center.
- The next Full Council meeting will be on September 17, 2026 and noted it will be in person and available via Zoom.

**MOTION:** Chair Walters called for a motion to adjourn the meeting. Council Member Mark Gaspers made a motion; Council Member Mayor Regina Romero seconded the motion.

**ALL IN FAVOR:** Alex Horvath, Alisa Wren, Beverly Wilson, Bill Ruiz, Chet Samuelson, Debra Margraf, Dennis Anthony, Ian O'Grady, Jackie Elliott, Jenna Rowell, John Walters, Josh DeSpain, Karla Moran, Kristen Mackey, Mark Gaspers, Michael Cruz, Director Michael Wisehart, Michelle Bolton, Mayor Regina Romero, Rose Castanares, Scott Holman and Zenji Reynolds

**OPPOSED:** None

**ABSTAINED:** None

**MOTION PASSES**