

ARIZONA
— DEPARTMENT OF —
ECONOMIC SECURITY

Katie Hobbs
Governor

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Director

May 21, 2025

To: Local Workforce Development Areas (LWDAs)
From: Lynn Larson
DES Deputy Assistant Director
Division of Employment and Rehabilitation Services (DERS)
Subject: PY22/FY23 - One-Time Funding Allocation

The following ALERT is attached:

<u>ALERT</u>	<u>FUND SOURCE/TYPE</u>
ALERT PY22/FY23-5A	One-Time Funding Allocation

The ALERTS are subject to change as additional information is received by DERS pertaining to the funding sources identified.

ALERTS are available on the Division website using the link:
<https://des.az.gov/WIOATitle1FundsAllocation>

For any questions regarding this ALERT, please contact wioaprogram@azdes.gov.

CC: Anna Hunter, Tom Colombo, David Almaraz, Jacy Wilmes, Tarry Haynie, Jennifer Kelley, Matthew Smith, Regina Weiler, Ali Gamero-Hernandez, Shawn Hyde, Nancy Meeden

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**Division of Employment and Rehabilitation Services ALERT
PY22/FY23-5A - One-Time Funding Allocation**

ADES conducted a fiscal monitoring of Northeastern Arizona (NEAZ) in January 2025 where limited internal controls of existing contractual and fiscal commitments were identified, partially due to transitions in staffing. NEAZ has taken steps to strengthen their internal fiscal and contractual controls however, NEAZ has exceeded its PY24/FY25 allocation by \$302,000 and is working with ADES to address their budget shortfall and to minimize the impact of services.

NEAZ provided the following breakdown of their shortfall and has requested one-time funding from ADES:

- \$60,000 – For the Job center and rent associated with Gila County
- \$30,000 – April through June funding for costs associated with the One Stop Operator
- \$162,000 -- April through June funding for Title I Adult Program
- \$50,000 – April through June funding for the Local Workforce Development Board

One-time funds in the amount of \$302,000 is allocated to NEAZ to minimize service interruption to adults in communities served by NEAZ, meet contractual obligations, and maintain core program infrastructure and operations. The one-time funds support employment and training programs as evaluated for allowability in accordance with [20 CFR § 682.110](#) and [20 CFR § 683.110](#). Granting this allocation will reduce ADES' overall flexibility to respond to needs across the state.

NEAZ has indicated to ADES that they have implemented corrective actions to restore financial stability. To safeguard against future funding shortfalls and to ensure full accountability, NEAZ must submit a Corrective Action Plan (CAP) within 30 days of this ALERT. NEAZ's CAP must:

1. Detail the specific cause(s) of the funding shortfall;
2. Describe in detail the actions to date to address the causes; and
3. Outline the remaining actions needed to fully resolve the situation and prevent recurrence.

This funding is being provided in accordance with the WIOA Title I Adult, Dislocated Worker, and Youth Programs Intergovernmental Agreement (IGA# DI23-002388) between ADES and NEAZ. Failure to submit a CAP as required will result in ADES issuing a formal Demand for Assurance (DFA) to NEAZ. Failure to comply with the requirements of a DFA will result in the immediate suspension of NEAZ's authority to receive payments under the IGA. In addition, ADES may impose other appropriate corrective actions or sanctions as outlined in the IGA to ensure programmatic and fiscal accountability as well as compliance with WIOA requirements. Beginning in July 2025, and throughout the PY25/FY26 performance period, NEAZ will be subject to quarterly financial monitoring by ADES to ensure proper fiscal management of the WIOA funds.

Questions regarding the additional funding should be directed to Wioafiscalreports@azdes.gov.

PY22/FY23

	PY YT	PY AD	PY DW	FY AD	FY DW	(Allowable Statewide)
Begin Date	7/1/2024	7/1/2024	7/1/2024	10/1/2024	10/1/2024	10/1/2024
End Date	5/31/2025	5/31/2025	5/31/2025	5/31/2025	5/31/2025	5/31/2025
Due	7/15/2025	7/15/2025	7/15/2025	7/15/2025	7/15/2025	7/15/2025

Navajo County - NEAZ		PY YT	PY AD	PY DW	FY AD	FY DW	One-Time Funding	Total
	Admin	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	ALERT PY22/FY23-5	\$0	\$0	\$0	\$0	\$0	\$186,200	\$186,200
	ALERT PY22/FY23-5A	\$0	\$0	\$0	\$0	\$0	\$302,000	\$302,000
	Total	\$0	\$0	\$0	\$0	\$0	\$488,200	\$488,200

Cochise County - SEAZ		PY YT	PY AD	PY DW	FY AD	FY DW	One-Time Funding	Total
	Admin	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	ALERT PY22/FY23-5	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	ALERT PY22/FY23-5A	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Total	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Coconino County		PY YT	PY AD	PY DW	FY AD	FY DW	One-Time Funding	Total
	Admin	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	ALERT PY22/FY23-5	\$0	\$0	\$0	\$0	\$0	\$159,774	\$159,774
	ALERT PY22/FY23-5A	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Total	\$0	\$0	\$0	\$0	\$0	\$159,774	\$159,774

Maricopa County		PY YT	PY AD	PY DW	FY AD	FY DW	One-Time Funding	Total
	Admin	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	ALERT PY22/FY23-5	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	ALERT PY22/FY23-5A	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Total	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Mohave County - MoPAZ		PY YT	PY AD	PY DW	FY AD	FY DW	One-Time Funding	Total
	Admin	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	ALERT PY22/FY23-5	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	ALERT PY22/FY23-5A	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Total	\$0	\$0	\$0	\$0	\$0	\$0	\$0

City of Phoenix		PY YT	PY AD	PY DW	FY AD	FY DW	One-Time Funding	Total
	Admin	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	ALERT PY22/FY23-5	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	ALERT PY22/FY23-5A	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Total	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Pima County		PY YT	PY AD	PY DW	FY AD	FY DW	One-Time Funding	Total
	Admin	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	ALERT PY22/FY23-5	\$0	\$0	\$0	\$0	\$0	\$740,761	\$740,761
	ALERT PY22/FY23-5A	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Total	\$0	\$0	\$0	\$0	\$0	\$740,761	\$740,761

Pinal County		PY YT	PY AD	PY DW	FY AD	FY DW	One-Time Funding	Total
	Admin	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	ALERT PY22/FY23-5	\$0	\$0	\$0	\$0	\$0	\$317,987	\$317,987
	ALERT PY22/FY23-5A	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Total	\$0	\$0	\$0	\$0	\$0	\$317,987	\$317,987

Santa Cruz County		PY YT	PY AD	PY DW	FY AD	FY DW	One-Time Funding	Total
	Admin	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	ALERT PY22/FY23-5	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	ALERT PY22/FY23-5A	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Total	\$0	\$0	\$0	\$0	\$0	\$0	\$0

OEO - AZ Tribal Workforce		PY YT	PY AD	PY DW	FY AD	FY DW	One-Time Funding	Total
	Admin	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	ALERT PY22/FY23-5	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	ALERT PY22/FY23-5A	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Total	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Yavapai County - NACOG		PY YT	PY AD	PY DW	FY AD	FY DW	One-Time Funding	Total
	Admin	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	ALERT PY22/FY23-5	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	ALERT PY22/FY23-5A	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Total	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Yuma County - YPIC		PY YT	PY AD	PY DW	FY AD	FY DW	One-Time Funding	Total
	Admin	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	ALERT PY22/FY23-5	\$0	\$0	\$0	\$0	\$0	\$192,685	\$192,685
	ALERT PY22/FY23-5A	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Total	\$0	\$0	\$0	\$0	\$0	\$192,685	\$192,685