Santa Cruz County Workforce Development Board
Meeting Minutes

Date: July 8, 2026

Time: 12:00 AM – Approximately 1:28 PM

Location: Santa Cruz County Provisional Community College District (2021 N Grand Ave, Nogales, AZ 85621)

Board Members Present	Board Members Absent	Staff and Guests Present
Sanchez, Dina	Acosta, Blanca	Davis, Luis Carlos
Brennan, Richard		Patricia, Azcue
Galaz, Desiree	Balderas, Juan	Croft Dr Vaugn
Lucero, Greg	Bermudez, Roy	WorkED consultants
Quick, Ana	Bustamante, Luis	Christine Nelson
Sandoval, Fernando	Skylie, Estep	Bustamante, Zaida
Parra PH. D Marcela	Kinder, Maria Elizabeth	
Guerrero, Karina	King, Karen	
Azcue, Patricia	McAlpin, Tom	
Olivia Ainza-Kramer	Osete, Pedro	
Mize, James	Othon, Guillermo	
Nelson, Christine	Padilla, Luis	
	Chavez Mauricio, CMPI	

A. Call to Order / Roll Call

- Roll call was taken at the start of the meeting; quorum was not yet confirmed.
- Because quorum had not been established, the Board moved agenda items not requiring a vote to the front of the agenda, including adoption of the prior meeting's minutes (Item F), which was tabled until quorum was reached.

B. Public Comment on Agenda Items

- No public comments.

C. Budget Report – Finance Department

Presenter: Finance Department Staff

- Update reflects spending through May 2026.
- Board reviewed year-to-date figures across the Adult, Dislocated Worker, Administration, and Rapid Response funding categories (exact dollar figures were difficult to verify from the recording and should be confirmed against the written budget report).
- Overall funds are on track to be expended by the fiscal year-end deadline.

Discussion

- The Board asked about the outlook for future funding; staff noted continued uncertainty at the federal/state level, with no confirmed decision yet on potential cuts.
- Local Workforce Development Areas typically receive their allocation notices in August or September, so a clearer picture is expected by the next report.
- Any potential funding reduction would not affect the current program year (funding through June 30, 2027, is already approved); impacts, if any, would be felt starting FY2028.
- A Board member asked about NAWB (National Association of Workforce Boards) advocacy efforts and whether there was a letter of support being circulated to lobby Congress against funding reductions; staff agreed to follow up with additional information.

D. Negotiated Levels of Expected Performance – Program Years 26 & 27

- Staff reported that, per a March communication from the state administrator, the local area met all 20 performance metrics evaluated (including second-quarter employment after exit, median earnings, credential attainment, and measurable skill gains), exceeding expected levels in every category.
- Staff recommended adopting the state-suggested performance levels for Program Years 26 and 27, noting the recommended changes are minor (roughly half a percentage point to one percentage point from current levels).
- Staff noted the levels, while modest increases, are appropriate given ongoing funding uncertainty, and expressed confidence the team can continue to meet or exceed them.
- No objections were raised by the Board.

E. One-Stop Operator Report

- Report was largely already covered in the packet; presenter noted only minor corrections needed.
- Santa Cruz County's civilian labor force participation rate is 57% for residents ages 16–64.
- The unemployment rate stood at 5.8% as of spring 2026, an improvement from 6.8% in January 2026.
- The local economy remains driven by health care, retail trade, and public administration; median household income is approximately $55,000, compared to the state median of $79,000.
- About 16.2% of county residents live in poverty; the largest employment groups are office/administrative support (~2,906 workers), sales (~2,028 workers), and management (~1,973 workers).

- The MOU/Infrastructure Funding Agreement (IFA) between the local board and one-stop partners is in final review, with signatures expected by end of July.

Discussion

- Weekly business services meetings (held via Zoom on Wednesday mornings) continue to focus mainly on job fairs and outreach activity; the Board asked for more discussion in those meetings about longer-term shifts in the labor market, such as automation, apprenticeships, and transportation/logistics trends.
- Apprenticeship programs continue to receive strong state and federal emphasis.
- A Board member noted this spring's unemployment rate was unexpectedly lower than January's, contrary to typical seasonal patterns; staff attributed this partly to reduced produce industry hiring this year, as growers scaled back planting (notably tomatoes) due to tariff-related uncertainty, with an expectation that hiring will rebound as planting resumes.
- Board members also discussed a longer-term decline in cross-border produce trade through the county (roughly half of the volume seen a decade ago, as more trade shifts through California), as well as recent Sunday closures at the port of entry, attributed to water issues and security conditions in Mexico.

F. One-Stop Center / Vendor Report

- The center was recertified following its governance monitoring review by the Office of Economic Opportunity, confirming compliance with federal and state requirements.
- Two Equal Opportunity compliance audits (Nogales and Sonoita sites) were completed successfully; one site required a minor ADA/accessibility correction, which was made immediately and formally closed out by the state.
- The MOU/Infrastructure Funding Agreement is still being finalized by the state finance team ahead of signatures from all data administrators.
- Staff has conducted outreach visits to the local Humane Society (three visits to date) to connect potentially dislocated workers with services; one participant has already become a certified veterinary technician through the program.

G. One-Stop Partner Reports

Title II – Adult Education (ESL/GED)

- The prior grant's enrollment goal of 400 registered students was unrealistic; enrollment is continuously refreshed each quarter as students test in and out.
- Current enrollment stands at approximately 190 students (up from 139), after officially dropping students who were no longer attending per the state's attendance policy.
- The new grant agreement target is 203 students; roughly 40 additional registrants are pending upload to the state data system.
- A new construction career pathway (capped at 50 participants) is at full capacity with a waitlist of 32.
- Program completion/success rate improved from about 26.6% to roughly 43%, approaching the state's negotiated target of 45%; the state commented favorably on this improvement during its monitoring visit.
- Retention remains the biggest challenge given adult learners' competing family and work obligations; the program uses a flexible, non-punitive attendance policy and targets an 18–24 month completion window for ESL and GED students.
- An embedded retail-focused Integrated Education and Training (IET) offering underperformed its enrollment goal (12 of a target 40) and will be discontinued in favor of the program's other two IET pathways, which better match community demand.
- 20 students graduated in the most recent cohort.

H. Board Member / Program Roundtable Updates

- Job Corps: Enrollment from Santa Cruz County is rebuilding (currently around 190, working back toward a historical level near 267); recent declines are believed to be tied to admissions/outreach staffing changes, which are being addressed.
- National Farmworker Jobs Program: Presence in Santa Cruz County has increased from two to four days per week; the program is seeking early notice of agriculture-related layoffs to better connect affected workers and their dependents with services.
- Veteran services: The current veteran representative has given two weeks' notice; interim support is being provided through Pima County until a replacement is in place.
- Youth program: The program's budget was cut by approximately 56%, requiring staff reductions; a previously released staff member has been brought back part-time to help rebuild capacity, with further review expected in December.
- Community college / CTE partner: A new automated industrial technology cohort of 10 students will begin this fall, including scholarship support for Eureka High School graduates; a new EMT and medical assistant training program is also planned in partnership with Nogales Fire and Mariposa Community Health Services, though a rural health grant delay has created an approximate $30,000 funding gap that partners are working to close.
- Pima Community College is ending its free dual-enrollment program for local school districts; districts are exploring routing dual enrollment through the local community college instead.
- Pima JTED is proposing a bond issue that would affect local taxpayers; local school district reaction was still being assessed.
- Transportation/logistics sector: A Board member noted growing use of AI tools in daily operations and expects continued workforce development needs in this area.
- Board members expressed appreciation for staff's Humane Society outreach and raised interest in exploring future training opportunities tied to AI and semiconductor industries, given growing regional interest in that sector.

I. WorkEd Consulting – Workforce Strategy Project Update

Presenter: Mason (WorkEd Consulting), engaged by the County to conduct the regional workforce strategy study

- The consultant's project (distinct from other recent regional workforce studies) focuses on five deliverables: (1) a labor market scan and community asset map — completed; (2) a participatory job-seeker and business needs assessment; (3) a small business/entrepreneurship ('side hustle') analysis; (4) community engagement and stakeholder network mapping; and (5) a final workforce strategy and action plan.
- The project is approximately 75% complete; this week included multiple stakeholder interviews (including with the Port Authority), with additional interviews (e.g., the City of Patagonia) scheduled.
- A final report is targeted for August, with a September completion goal as a backstop.

Key themes presented

- AI's likely effects vary by industry, including agriculture (precision agriculture, water efficiency, crop monitoring, and warehousing/forklift automation), transportation and logistics (digital inventory and routing platforms), construction and maintenance (energy-efficient systems), and healthcare.
- The consultant emphasized that AI is likely to augment many jobs rather than eliminate them outright, and may expand freelance/entrepreneurial opportunities for tradespeople and professionals alike.
- A potential 'sector partnership' strategy was discussed for occupations where local industries (e.g., agriculture and mining) compete for the same workers (such as forklift operators) — using entry-level agricultural roles as a training pathway into higher-paying opportunities, backfilled through additional training pipelines.
- Durable, transferable skills — particularly critical thinking, reading comprehension, and adaptability — were flagged as increasingly important as AI tools become more common in the workplace.

- Identified capacity gaps include the need for short-term stackable training options, clearer middle-skill career pathways, stronger digital literacy and AI readiness, and better alignment of funding and support services, including for workers who commute across the border.

Board discussion

- Board members suggested incorporating the perspectives of high school and other young people into the stakeholder interview process.
- Members discussed the importance of teaching ethical AI use to students and community members, noting concerns about over-reliance on AI in schools.
- A member observed that well-structured AI prompts are already improving efficiency in the transportation/logistics industry, particularly around critical reading and question-framing skills.
- Members also discussed frustration with AI-driven customer service systems (e.g., automated phone trees) as a counterpoint to more positive workplace use cases.

J. Adoption of Meeting Minutes

- Quorum having been reached later in the meeting, the Board returned to Item F (tabled earlier) and adopted the minutes of the May 13, 2026 meeting.

K. Adjournment

- The next meeting is scheduled for September 9, 2026.
- The meeting was adjourned at approximately 1:28 PM.