

MINUTES OF MEETING
OF THE INDUSTRIAL COMMISSION OF ARIZONA
Held at 800 West Washington Street
Phoenix, Arizona 85007
Thursday, November 20, 2025 – 1:00 p.m.

Present:	Dennis P. Kavanaugh	Chairman
	Joseph M. Hennelly, Jr.	Vice Chair
	D. Alan Everett	Commissioner
	Orion J. Godfrey	Commissioner
	Gaetano J. Testini	Director
	Afshan Peimani	Chief Legal Counsel
	Lisa Padgett	Deputy Director
	Brandt Smith	Deputy Director
	Charles Carpenter	Legislative Affairs Chief/Public Information Officer
	Charles Conner	COOP Program Manager
	Sylvia Simpson	Chief Financial Officer
	Brian Hudson	ADOSH Director
	Cecilia Herrera	ADOSH Deputy Director
	Dibbie Rol	ADOSH Admin
	Bethany Votta	ADOSH Admin
	Janet Artis	Special Fund Manager
	Bonnie Holly	Special Fund Assistant Manager
	Karen Kendall	Special Fund Supervisor
	Andy Campbell	Chief Administrative Law Judge
	Yvonne Borunda	Legal Division
	Kara Dimas	Commission Secretary

Chairman Kavanaugh convened the meeting at 1:05 p.m. In attendance, confirmed by roll call were Mike Jones (Snell and Wilmer); Darin Perkins (Nickle); and Colter Bradshaw (self).

Approval of Minutes of November 13, 2025 Regular Meeting Minutes.

Commissioner Godfrey moved to approve the Minutes of the November 13, 2025 regular session meeting and Commissioner Everett seconded the motion. Chairman Kavanaugh, Vice Chair Hennelly, Commissioner Everett and Commissioner Godfrey voted in favor of the motion. The motion passed.

Discussion and Action regarding the Setting of Assessments under A.R.S. §§ 23-961(G), 23-1065(A), and 23-1065(F) for Calendar Year 2026.

Ms. Simpson discussed the Commission's authority to levy assessments pursuant to A.R.S. §§ 23-961(G), 23-1065(A), and 23-1065(F) and set forth the maximum and current assessment rates. The Commission is authorized under § 23-961(G) to levy an assessment to fund the Administrative Fund. The maximum allowed is 3% and the current Administrative Fund rate for calendar year 2025 is 2.25%. In fiscal year 2025 the total assessment revenue for the Administrative Fund was \$23.2 million. The Commission is authorized under § 23-1065(A) and 23-1065(F) to levy

assessments to fund the obligations of the Special Fund. The maximum assessments allowed are 1% for 1065(A) for general Special Fund liabilities and .5% under 1065(F) for Apportionment for a combined maximum rate of 1.5%. For calendar year 2025 the assessment rate is 0% under both statutes.

Ms. Simpson reviewed the four premium options for calendar year 2026 of 2%, 1%, no change or a decrease of 1% from the current 2.25% in premium projections. She also reviewed the cash balance, operating budget and expenditures. Ms. Simpson noted the current headcount of full-time employees, the additional responsibilities for several of the divisions in the Agency and the request for additional full-time employees to fill vacant positions. She also presented the need for funding of \$25.3 million dollars, the need to increase revenue along with the potential budget sweep of funds from the administrative and special funds. If the Commission wishes to maintain at least \$5 million operating cash in the Administrative Fund Account from Tax revenues on a quarterly basis, which is a goal and not a rule, Ms. Simpson recommended keeping the current CY26 assessment rate at 2.25%. This would provide sufficient funds for an operating cushion, cover the increased additional full-time employees, and assist in potential additional fund sweeps.

Ms. Simpson reviewed the options for 2026 for §§ 23-1065(A) and 1065(F), noting the fund is actuarially sound as of June 30, 2025 with a healthy unrestricted balance. Ms. Simpson noted we no longer have insolvent carriers which reduced our expenses. Ms. Simpson recommended maintaining the 0% rate for both §§ 23-1065(A) and 1065(F) for CY 2026.

Vice Chair Hennelly moved to keep the current assessment rate under § 23-961(G) at 2.25%; under § 23-1065(A) at 0%; and under § 23-1065(F) 0% for CY 2026. Commissioner Everett seconded the motion. Chairman Kavanaugh, Vice Chair Hennelly, Commissioner Everett and Commissioner Godfrey voted in favor of the motion. The motion passed.

Discussion and Action of Arizona Division of Occupational Safety and Health Proposed Citations and Penalties.

Chairman Kavanaugh discussed the purpose of and process for the Commission's consideration of ADOSH citations and proposed penalties.

E & E Companies LLC	Fatality/Catastrophe	
4340 E Pony Track Ln	Years in Business:	5
San Tan Valley, AZ 85140	Empl. Covered by Inspection:	9
Site Location:	9601 W Cardinals Way	
	Glendale, AZ 85305	
Inspection No:	FC-2025-JW184-0163	
Inspection Date:	June 5, 2025	

Mr. Hudson summarized ADOSH's investigation and reviewed the file. ADOSH did not recommend a citation for E & E Companies LLC.

Chairman Kavanaugh checked if the Commissioners had any question and noted he did not have a request to speak.

Mr. Perkins addressed the Commission, he represents the company for this inspection and they asked him to be at the meeting today. Nickle Contracting takes this very seriously and is committed to making sure this does not happen again in the future. They recognize this is a very serious issue and they are taking it as such.

Commissioner Godfrey moved to amend the citation and proposed penalties. He moved to remove the size and history adjustments and accept the gravity-based penalty of \$11,823.00 each without any reductions for a total penalty amount \$35,469.00. Chairman Kavanaugh clarified that the size adjustment could be removed. Vice Chair Hennelly seconded the motion.

Commissioner Godfrey explained his motion, having seen the fatalities come to the Commission over the last two years, every single one is preventable and inexcusable, we do want to prevent anything from happening in the future and does believe removing the adjustment factors is appropriate in this situation.

Chairman Kavanaugh, Vice Chair Hennelly, Commissioner Everett and Commissioner Godfrey voted in favor of the motion. The motion passed.

Mr. Hudson commented that they take these seriously and with the new Trench Alliance it is a good opportunity for companies like this to participate

Presentation and discussion regarding the operations of the Industrial Commission of Arizona's Special Fund Division.

Chairman Kavanaugh stated that the agency will doing a series of presentation by every division on activities they are working on.

Ms. Holly presented the Special Fund Division.

Chairman Kavanaugh and Ms. Holly discussed vocational rehabilitation and if there was a way to accelerate the process and to let the worker know about these opportunities. Also, it was mentioned that the limited number of vocational consultants on the state contract, and if there has been any analysis to have an in-house consultant.

Mr. Testini commented in February there is a conference on vocational rehabilitation on Rhode Island's revamped statute where they could possibly get some ideas.

Chairman Kavanaugh commented on the divisions providing information on what they do and appreciates what the Special Fund does.

Announcements, Scheduling of Future Meetings and Retirement Resolutions.

Ms. Dimas confirmed Commission meeting dates through December 2025.

Public Comment.

There was no public comment.

The meeting was adjourned at 1:47 p.m.

THE INDUSTRIAL COMMISSION OF ARIZONA

By



Brandt Smith, Deputy Director

ATTEST:



Kara Dimas, Commission Secretary