



THE UNITED STATES  
CONFERENCE OF MAYORS

# **WORKFORCE SYSTEM CONSOLIDATION:**

## **WHAT LOCAL STAKEHOLDERS NEED TO KNOW**

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# INTRODUCTION

As some states consider restructuring their workforce systems, questions may arise about the underlying policy and legal requirements regarding consolidating local workforce areas or organizing service delivery at a single statewide level.

Proponents of these types of consolidation efforts often cite potential administrative efficiencies, reduced overhead costs, and simplified statewide coordination as rationales for combining local workforce areas. These arguments frequently mirror criticisms that local workforce development boards lack authority over partner programs, cannot broker effective service integration, are not equipped for sophisticated financial management and compliance and create unnecessary administrative complexity through cost-sharing negotiations required by current law.

These critiques fundamentally misdiagnose the problem. They conflate statutory limitations inherent to the Workforce Innovation and Opportunity Act's (WIOA) current architecture with failures of local governance. Local boards' limited authority over partner programs is a statutory design feature, not a governance failure.

Most of the administrative costs in the public workforce system are driven by state and federal requirements. Congress deliberately created a federated system where states control most WIOA programs while locals administer and implement those authorized under Title I—balancing state coordination with regional expertise and employer leadership that makes workforce systems responsive to community needs. Eliminating local workforce development infrastructure would do little to address costs generated at higher governance levels. At the same time, siloed state information systems too often block data sharing, even among agencies within the same state, compounding these challenges further.

Consolidation proposals that eliminate local governance do not solve these sorts of integration challenges. Rather, they simply relocate them to state agencies and their employees who are even further removed from the employers, job seekers, and communities that they are tasked with serving.

At the same time, consolidation would shift direct service delivery responsibilities to state agencies

that are structured for coordination and oversight, not frontline operations. This would necessitate substantial training needs as well as building entirely new regional infrastructure, employer networks, and community partnerships for functions they have never performed.

The purported benefits of consolidation into centralized state-level systems frequently overlook critical trade-offs—the loss of local labor market responsiveness, reduced engagement with regional employers and community stakeholders, and the elimination of governance structures that reflect distinct economic and demographic realities within states.

Research on workforce system consolidation has not demonstrated consistent improvements in participant outcomes. For example, a DOL-funded WIOA implementation study found that effective local workforce planning depends critically on local leadership, regional employer engagement, and community partnerships<sup>[1]</sup>. These are the same capacities that single state consolidation efforts would centralize away from the communities being served.

Federal law allows for flexibility in structuring or otherwise augmenting local workforce areas. Yet, federal workforce law, its implementing regulations, and even recent Trump Administration DOL precedent establishes clear requirements around process, consultation, and local stakeholder engagement. This resource outlines the relevant Workforce Innovation and Opportunity Act (WIOA) provisions and related regulations relevant to these efforts and offers guidance to local workforce stakeholders as they navigate discussions about potential workforce system restructuring in their states.

# PART 1: THE REQUIREMENTS OF WIOA

WIOA reflects Congress's intent to create a public workforce development system built on a robust partnership between state and local leaders. States set strategic direction while local Workforce Development Boards (WDB)—led and overseen by a majority of local employer representatives—build the employer networks and service delivery infrastructure tailored to their communities to translate this strategy into meaningful career advancement opportunities.

To achieve this, WIOA allocates 85% of Title I formula funds to local areas. Sections 107 ([29 USC 3122](#)) and 108 ([29 USC 3123](#)) of WIOA further provide specific authority to local WDBs and chief elected officials to develop budgets, determine local needs, craft local plans, direct payments to providers, and provide program oversight.

This structure acknowledges that locally governed, business-led WDBs are best positioned to understand regional labor markets and related skill needs, and that workforce development is most effective when developed closest to the jobseekers and employers WIOA is designed to serve.

## Understanding the Process

When designating or redesignating local areas—including proposed efforts to consolidate these areas or designate the state as a single workforce area—states must follow the procedures outlined in [20 CFR § 679.200-290](#).

For instance, to designate or redesignate a local area [a state's Governor must](#)<sup>[2]</sup>:

- Consult with the State Workforce Development Board;
- Consult with the chief elected officials and affected local WDBs; and
- Develop a process to solicit public comment on these proposals which must provide adequate time and opportunity for impacted stakeholders, including the public, to provide feedback.

In addition, depending on when a local workforce area was established<sup>[2]</sup>, there are additional criteria that a state and Governor must consider and adhere to designate or redesignate a local workforce area.

Governors must consider several factors when designating local areas including but not limited to<sup>[3]</sup>:

- Alignment with local labor markets and regional economic development efforts;
- The availability of federal and non-federal resources along with related education and workforce infrastructure;
- The local area's performance against WIOA accountability measures and negotiated performance targets with the state; and
- Whether the local area maintained fiscal integrity in the most recent program year.

### **The Consultation Process: What is Required**

Consultation is not optional. It is a legal requirement and a substantive process that is explicitly defined under federal WIOA regulations. [20 CFR § 675.300](#) defines "consultation" in this context as<sup>[4]</sup>:

*"The process by which State and/or local stakeholders convene to discuss changes to the public workforce system and constitutes a robust conversation in which all parties are given an opportunity to share their thoughts and opinions."*

Current law and regulation require a *robust* conversation and transparent public engagement process—not merely perfunctory notification and subsequent implementation by the state.

States must engage in good faith dialogue where affected parties have meaningful opportunity to provide input before decisions are made. A state that announces a consolidation plan without first conducting this consultation has not met its federal obligations.

Local workforce stakeholders and their partners should not wait passively for states to initiate this process. When redesignation discussions emerge or if they appear likely, local stakeholders should mobilize proactively, including by:

- Documenting local area performance outcomes;
- Cataloging and gathering employer and community partnerships; and
- Preparing to articulate the unique value proposition their local area brings to the wider state workforce system.

Active engagement in the consultation process is both a legal right afforded to local WIOA stakeholders and a strategic imperative. Boards that are prepared with data and strong local support will be far better positioned to shape the outcome of any local area redesignation effort.

### **The Appeals Process**

If these efforts are unsuccessful and a Governor denies a request for a local area designation, federal regulations outline a formal appeals process. Under [20 CFR § 679.290](#), a local area may first appeal the decision to the State Workforce Development Board in accordance with procedures established in the State WIOA Plan. If that appeal is not resolved in a timely manner—or if the State WDB upholds the designation denial—the local area may then request review by the U.S. Secretary of Labor. This federal backstop is intended to ensure that the U.S. Department of Labor (DOL) serves as a neutral referee when these processes fail to protect legitimate local interests related to WIOA governance.

*"When Congress enacted WIOA, it was designed as a state-local partnership for a reason: local boards bring the regional expertise and employer leadership that statewide systems simply cannot replicate."*

*--Andrew Bercich, CEO,  
National Association of  
Workforce Boards*

## PART 2: WHY LOCAL DELIVERY MATTERS

**Local service delivery is the foundation of WIOA's design.** Strong workforce systems are built on meaningful state–local partnerships. States provide strategic direction, while local WDBs—led by a majority of employer representatives and local elected officials—translate that strategy into real career advancement opportunities tailored to the distinct needs of their region

**Local boards understand regional labor markets.** Local WDBs build employer networks and service–delivery systems rooted in a deep understanding of their regional labor markets and local contexts. Fundamentally, local employers know the skills they need to compete and grow. They rely on local boards to connect them with workers, support training for individuals who need skill development, and create pipelines of future talent.

**Employers trust local partners.** This partnership works because both employers and local workforce stakeholders are closely attuned to the evolving conditions of their distinct labor markets

**Local elected officials ensure accountability.** Local elected officials also play a critical role through direct accountability to their communities. Economic vitality depends on a skilled workforce that can attract and retain businesses along with the career opportunities they also bring. Officials at the local level who understand these needs must maintain a meaningful role in shaping workforce strategies that support shared economic prosperity.

**Proximity improves service quality.** Effective workforce development also depends on proximity to customers and experience in service delivery. Jobseekers and employers benefit most from systems designed by entities that engage with them directly and understand their needs in real time. Local workforce practitioners and leaders bring decades of experience providing frontline services, supported by trusted relationships with employers, education and training partners, and community organizations.

**States are not structured for frontline service delivery.** While states play a vital role in ensuring systems alignment and related accountability, concentrating operational control at a distance from customers does not inherently improve outcomes. Rather, it can limit the responsiveness and service quality that effective workforce systems require and tends to result in a one size fits all approach that serves nobody well. These challenges are especially acute in historically under resourced regions of states, particularly rural and frontier communities.

*“Mayors know their communities best. When states centralize workforce decisions, they move them farther from the workers and employers who depend on responsive, local solutions.”*

*--Tom Cochran, CEO and Executive Director, U.S. Conference of Mayors*

### **The Risks of Over Centralization**

Eliminating local workforce infrastructure does not streamline the public workforce system. Instead, such efforts undermine the connections that allow workforce programs to serve jobseekers, workers, and employers effectively. State centralization efforts create new and unnecessary challenges, including:

- **Impact on Rural Communities:** A single statewide board risks disenfranchising small businesses, rural communities, and jobseekers who depend on locally responsive services and employer partnerships;
- **Direct Service Delivery:** States are not often well positioned to directly deliver workforce services in ways that local WDBs do through established community relationships and employer networks; and
- **Employer Engagement:** Reducing local governance through consolidation or single state designation efforts diminishes the ability to recruit and maintain local employer partners who are committed to workforce development and may be more willing to make decisions that impact their local communities.

# PART 3: PRESIDENT TRUMP'S 2017 MAINE PRECEDENT

In 2017, the Trump Administration's Department of Labor—under then-Secretary Alex Acosta—was asked to approve the kind of consolidation of a state's local workforce infrastructure that some states are currently considering.

*Significantly, President Trump's DOL denied the request.*

In doing so, DOL outlined legal constraints, contained in the Workforce Innovation and Opportunity Act (WIOA) and related regulations, that prevented the Department from approving this request. These constraints have been explored throughout this resource.

Most notably, these underlying policies and legal requirements have not changed since 2017.

Local workforce stakeholders and WDBs facing consolidation pressure should understand this recent history. It demonstrates that the federal government has already examined these questions and concluded that WIOA does not provide a pathway to unilaterally eliminate local workforce areas and designate a state as a single local area—unless that state was already structured that way under prior iterations of workforce legislation or if local area leaders agree to move in this direction.

## **Request From the Maine Governor**

In July 2017, Maine Governor Paul LePage wrote to Secretary Acosta requesting that Maine be granted single-state local area designation under WIOA<sup>[5]</sup>. At the time, Maine operated three local workforce development areas, each governed by a business-led local board. Governor LePage argued that the existing multi-area structure was outdated, created administrative redundancy, and diverted funding from direct services to participants. These arguments closely parallel the rationales for pursuing consolidation of state-level public workforce systems today.

## **DOL Rejects Maine's Redesignation Proposal**

On August 30, 2017, Byron Zuidema, then Deputy Assistant Secretary for the Employment and Training Administration (ETA), responded to Governor LePage's request in a letter that was direct and unambiguous. The letter stated that WIOA Sec. 189(i)(3)(A)(i) explicitly prohibits the Secretary from waiving any statutory or regulatory requirements relating to the establishment and function of local areas and the allocation of funds to local areas. President Trump's ETA further explained that under 20 CFR 679.270(a), only a Governor of a state

that was already a single-state local area under the Workforce Investment Act (WIA) as of July 1, 2013, may designate the state as a single-state local area under WIOA.

ETA's legal reasoning and conclusion was definitive: *"There are currently no statutory or regulatory procedures for a State with multiple local workforce development areas to become a single-area State."*

### **DOL Again Rejects Maine's Redesignation Proposal**

The Trump Administration's DOL denied Governor LePage's request a second time later that year. After receiving this rejection in August of 2017 Governor LePage escalated his efforts further, writing to then Secretary of Labor Alexander Acosta indicating his desire for Maine to no longer participate in WIOA activities at all<sup>[7]</sup>.

On September 20, 2017 Secretary Acosta personally responded to this request (see inset ], reaffirming ETA's earlier legal conclusions and outlining the options available to states like Maine regarding potential redesignation of local workforce areas under WIOA. His letter reiterated that DOL lacks the legal authority to approve the request saying, in part, *"We do not currently have legal authority to approve Maine's request to eliminate the existing local workforce development area structure and allow Maine to become a single-area State."*

Secretary Acosta's letter identified two alternatives available to Maine to pursue the stated goal of then Governor LePage. First, Secretary Acosta noted that WIOA and its regulations include procedures for the redesignation of local areas, which the Governor could pursue in conjunction with local leaders. *"In short, under federal law, the State must consult with State and Local Boards and provide the opportunity for public comment, and proposed areas must align with local labor and economic markets and have appropriate Federal and non-Federal resources to adequately deliver WIOA services,"* Acosta wrote<sup>[8]</sup>.

Second, Secretary Acosta pointed to Congressional legislative action as another possible avenue for the Governor to consider. Secretary Acosta noted that *". . . with new legal authority, we could certainly revisit this matter."* Importantly, this acknowledgment reinforces that WIOA, at least as currently structured, did not provide the legal authority to unilaterally approve Maine's request.

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Read Secretary Acosta's letter:

[adobe.ly/4bdX1xv](https://adobe.ly/4bdX1xv)

or scan the QR code.



### **The Law Has Not Changed**

The legal analysis DOL applied during this time was based on statutory text and regulatory requirements that have not been formally changed since 2017. WIOA has not been amended or meaningfully updated since 2017. The regulations governing local area designation also remain the same. This means that any current or perceived federal encouragement of state efforts to eliminate local workforce areas and consolidate into a single statewide structure faces the same legal barriers that DOL itself identified several years ago.

Local boards should also note that the 2017 correspondence confirmed a critical point about redesignation: even where WIOA does permit changes to the configuration of local areas through formalized redesignation procedures, those procedures require meaningful consultation with local area officials. Indeed, Secretary Acosta's letter described redesignation as something that can be carried out "with the approval of local area officials." This is consistent with the consultation and engagement requirements detailed earlier in this resource.

*Small businesses are the lifeblood of local economies and they are often the core employer constituency served by the public workforce system. Local WDBs know these employers by name and provide services they couldn't otherwise access.*

# PART 4: KEY TALKING POINTS FOR LOCAL BOARDS FACING REDESIGNATION OR CONSOLIDATION

**Local boards deliver results.** Locally-governed WDBs are more critical than ever. Having a majority employer-led board that understands employer needs is the fastest way to connect people with jobs that sustain families and provide the dignity that work offers.

**Small businesses depend on local boards.** Small businesses are the lifeblood of local economies and they are often the core employer constituency served by the public workforce system. Local WDBs know these employers by name and provide services they couldn't otherwise access: pre-screening candidates, conducting skill assessments, developing customized training, and helping craft position descriptions—functions too often out of reach of small sized firms and services and supports a distant state-level board cannot begin to replicate.

**The government closest to the people governs best.** Local communities have direct interest in their economic sustainability and are best positioned to design workforce solutions for their regions.

**Consultation is a legal requirement.** Consultation means dialogue, not top-down dictates. Before any restructuring is considered, the voices of local elected leaders, employers of all sizes, and jobseekers must be fully heard. Such engagement produces deeper understanding and solutions that enhance—rather than diminish—the system's responsiveness to local labor market needs.

**There is no credible data to support better outcomes from single state boards.** Any proposal to restructure local workforce areas should demonstrably improve results for employers seeking talent and jobseekers pursuing family-sustaining careers. The onus is on the state to prove that case and it should be the primary metric by which these efforts are judged.

# PART 5: WHAT LOCAL WORKFORCE STAKEHOLDERS CAN DO

- **Reference the 2017 DOL correspondence in any formal comments, appeals, or communications.** These documents establish that the federal government has already concluded that WIOA does not authorize the unilateral elimination of local workforce areas to create a single-state structure.
- **Request documentation of legal authority.** If your state claims federal support or encouragement for consolidation, request specific documentation of the legal authority being cited. Ask how the state reconciles its proposal with the statutory and regulatory limitations President Trump’s DOL identified in 2017.
- **Document consultation efforts.** Keep records of when and how you were—or were not—consulted on any proposed changes.
- **Ensure continuity of services.** As consolidation discussions or related efforts materialize in your state, local stakeholders should prioritize uninterrupted, high-quality service delivery to jobseekers and employers. This highlights local workforce stakeholders’ commitment to quality workforce development efforts while avoiding any actions that could signal, or be perceived to signal, a disruption to the availability in services your local area.
- **Engage chief elected officials.** Ensure that key stakeholders understand their role in any redesignation process and the legal requirement for their approval and input. Local elected officials are key convenors for local stakeholders and can play a key role in bringing together the workforce ecosystem, including employers.
- **Submit formal comments.** Use public comment periods to create a record of local concerns and alternative approaches.
- **Keep us informed of developments in your state.** We can provide technical assistance, connect you with policy and legal resources, and help coordinate responses across affected local areas.

# THE BOTTOM LINE: LOCAL WORKFORCE BOARDS ARE ESSENTIAL.

Local boards are essential to a responsive, effective workforce system. Any redesignation effort must strengthen—not weaken—the partnership between state and local leaders that WIOA was built to support.

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**Important Note: This resource is not legal advice. We urge you to consult your legal counsel on specific situations and local contexts.**

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**The National Association of Workforce Boards (NAWB)** serves, supports, and represents the nation’s local and state workforce development boards, which coordinate with education and economic development stakeholders to administer regional workforce programs that meet the needs of jobseekers, career-seekers, businesses, and communities. For more information, please contact [nawb@nawb.org](mailto:nawb@nawb.org).

**The United States Conference of Mayors (USCM)** is the official non-partisan organization of cities with populations of 30,000 or more. There are over 1,400 such cities in the country today. Each city is represented in the Conference by its chief elected official, the mayor.

**The National Association of Counties (NACo)** represents the interests of America’s counties, serving as a powerful voice in federal policymaking and a vital part of our nation’s intergovernmental system. With a membership of thousands of county elected and professional officials, NACo brings together leaders from across the country to shape national policies, share best practices and strengthen counties for a stronger America.

1) [https://www.dol.gov/sites/dolgov/files/OASP/evaluation/pdf/ETA\\_WIOAStudy\\_Governance.pdf](https://www.dol.gov/sites/dolgov/files/OASP/evaluation/pdf/ETA_WIOAStudy_Governance.pdf)

2) WIOA regulations stipulate slightly different requirements for local areas designated prior to the enactment of the Workforce Investment Act (WIA) of 1998 and those that were constituted thereafter. See also: 20 CFR [§ 679.240](#) & [§ 679.250](#).

3) The terms “performed successfully” and “sustained fiscal integrity” are key terms defined in WIOA regulation as they pertain to these requirements. See also: [20 CFR § 679.260](#).

4) This regulatory definition and related requirements emanate from current WIOA law; [29 U.S.C § 3121\(b\)\(1\)\(A\)](#).

5) [https://www.dol.gov/sites/dolgov/files/ETA/wioa/pdfs/Maine\\_SAS\\_Response\\_Signed.pdf](https://www.dol.gov/sites/dolgov/files/ETA/wioa/pdfs/Maine_SAS_Response_Signed.pdf)

6) Ibid.

7) <https://www.courthousenews.com/wp-content/uploads/2017/10/Lepage-funds-letter.pdf>

8) The statutory and regulatory requirements are mirrored in this Acosta letter and can be found in WIOA Sec. 106(b) and 20 CFR 679.230–240.