LEGAL ISSUES
RELATING TO COUNTY GOVERNMENT

WORKFORCE DEVELOPMENT

Federal Dollars, Local Responsibility

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Local workforce initiatives funded through the federal Workforce Innovation and Opportunity Act (WIOA) connect Wisconsin residents with employment, training, and career services while helping employers find and develop skilled workers. Every Wisconsin county participates in one of the state's 11 local workforce development areas, where WIOA dollars support services for adults, dislocated workers, and youth and help address regional labor market needs. Although these initiatives operate through a federal-state-local structure and are delivered through local workforce development boards and service providers, they remain matters of local governmental responsibility.[1]

This article explains the governance structure — the roles of the U.S. Department of Labor (DOL), the Wisconsin Department of Workforce Development (DWD), the Local Elected Official (LEO) Consortium, the local Workforce Development Board (WDB), and the fiscal agent — and why county board chairs, their designees, and county boards must pay close attention. The WIOA gives local elected officials more than an advisory role. Their responsibilities carry legal and financial consequences when monitoring identifies weaknesses, administrative relationships change, insurance coverage is uncertain, or costs are disallowed. County officials should understand the structure before one of those events forces the issue.

The WIOA chain of responsibility

Congress enacted the WIOA to coordinate employment, education, training, and support services and to connect job seekers with employers. At the federal level, the DOL, principally through its Employment and Training Administration, administers and oversees the WIOA Title I workforce programs.[2]

At the state level, the DWD is Wisconsin's federally designated workforce agency. It implements federal requirements, allocates Adult, Dislocated Worker, and Youth funds to the local workforce development areas, issues state policies and guidance, reviews governance documents, monitors local compliance, and communicates federal and state expectations to the local system.[3]

At the local-government level is the LEO Consortium. (The DWD policy manual uses the term "CEO Consortium" because federal law refers to the "chief elected official.") In a multi-county workforce development area, the consortium comprises the chief elected officials of the participating counties and operates under a written consortium agreement, which identifies the lead official and should define the members' respective responsibilities, including financial liability.[4]

In most counties, the county's representative is the county board chair, the chair's authorized designee, or (if there is one) the elected county executive. Local agreements vary, so each county should confirm who has been formally designated, what authority that person has, and how vacancies or changes in office are handled. Wisconsin consortium agreements commonly recognize representation by a county's chief elected official or an authorized elected designee.[5]

The WDB is a separate body. Its members are appointed by the chief elected official or officials under federal and state membership criteria, and a majority must represent the local business community. In partnership with local elected officials, the WDB sets local workforce policy, develops the local plan, conducts labor-market analysis, convenes workforce partners, selects and monitors service providers, oversees the one-stop delivery system, and develops and monitors the local budget.[6]

The distinction is important. The DOL and DWD provide federal and state oversight. The LEO Consortium represents the participating counties and retains the grant-recipient and governance responsibilities assigned to local elected officials. The WDB supplies the strategic, programmatic and employer-focused leadership required by the WIOA. A fiscal agent may perform accounting and funds-management functions, but it is a delegate within this structure, not a substitute for the LEO Consortium or the WDB.

County responsibility, not just influence

The WIOA does more than give local elected officials a voice. It provides that the chief elected official serves as the local grant recipient and is liable for misuse of grant funds allocated to the local area, unless the official reaches an agreement with the governor to assume that role and liability. Federal regulations further require a written agreement allocating liability among the individual jurisdictions when an area includes more than one unit of local government.[7]

For a multi-county area, those responsibilities are exercised through the LEO Consortium and its governing agreements. The consortium appoints the WDB members, participates in local planning and policy, designates or approves key administrative arrangements, and must receive enough information to exercise meaningful oversight. The county board chair or designee who attends consortium meetings is not merely serving as a liaison to the local workforce development board. That person is participating in a governance body whose decisions may affect the county's legal and financial exposure.

The full county board also has a legitimate interest in the arrangement. The board may be asked to approve an intergovernmental agreement, authorize its representative, accept potential liability, appropriate county funds, or respond to a repayment demand. It should not learn about the governing documents or the county's potential exposure only after a problem has arisen.

Fiscal agent does not absorb exposure

One of the most common misunderstandings involves the fiscal agent. The LEO Consortium designates a fiscal agent to receive funds, maintain accounting records, prepare reports, make authorized payments, and carry out other funds-management functions. The designation, however, does not transfer statutory liability from the counties. Federal law and regulation expressly provide that designating a fiscal agent does not relieve the chief elected official of liability for misuse of grant funds.[8]

DWD policy requires written governance agreements, including a fiscal agent agreement. That agreement should clearly define authority, reporting duties, records ownership and access, audit cooperation, indemnification, termination, and transition responsibilities. Depending on the arrangement, the fiscal agent may also assist with procurement, contract administration, subrecipient monitoring, or audit functions. Those are substantial responsibilities, but they remain delegated responsibilities.[9]

This is why selection of a fiscal agent should not be treated as a routine administrative detail. Local elected officials should understand the proposed agent's experience, internal controls, staffing depth, succession planning, audit history, financial capacity, and ability to respond to a significant questioned cost or repayment demand. They should also know whether the same organization is serving in multiple roles, such as fiscal agent, board staff, service provider, or one-stop operator, and whether written firewalls and separation-of-duties procedures are in place.

Disallowed costs can be county problem

Federal grant compliance is exacting. Costs may be questioned or disallowed because of inadequate documentation, procurement defects, conflicts of interest, improper cost allocation, unsupported participant expenditures, untimely corrective action, or weak monitoring of subrecipients and contractors. The DWD monitors local areas for fiscal, programmatic, performance, equal-opportunity, and civil-rights compliance. The WDB is responsible for program oversight, provider monitoring, and development and monitoring of the local budget.[10]

That is when vague governance language becomes expensive. If the consortium agreement does not clearly allocate liability for disallowed costs among the participating counties, the member counties may face an internal dispute while responding to the DWD or DOL. The bottom line is that the WIOA places the fiscal liability exposure directly on individual counties if the local WDB cannot repay the disallowed costs with non-grant dollars or other repayment arrangements cannot be made.

Why the structure matters

A regional workforce system can operate successfully for

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Important questions to ask before a transition or dispute

1. Who formally represents the county on the LEO Consortium, and does the county's resolution or consortium agreement clearly establish that person's authority?
2. Who serves as the lead chief elected official for the workforce development area, what authority has the consortium delegated to that person, and how are succession and temporary vacancies addressed?
3. Are the consortium agreement, WDB bylaws, WDB-LEO agreement, and fiscal-agent agreement current, internally consistent, and approved by the entities whose authority or liability they address?
4. Does the consortium agreement expressly allocate financial liability among the participating counties, including responsibility for prior program years, disallowed costs, transition expenses, and obligations that survive withdrawal?
5. Does the WDB have complete and properly appointed membership, and do local elected officials receive timely notice of vacancies, attendance problems, conflicts of interest, or other issues that could affect certification or governance?
6. What financial information reaches the LEO Consortium and participating county boards on a regular basis, including budget-to-actual results, cash position, questioned costs, subrecipient monitoring, audit findings, and corrective-action status?
7. Are DWD monitoring reports, management responses, corrective-action plans, and significant communications promptly provided to every participating county, rather than only to WDB staff or the fiscal agent?
8. What protections exist if the fiscal agent, WDB, service provider, or a member county withdraws or is unable to perform? The answer should address records, contracts, funds, equipment, insurance, indemnification, and unresolved liabilities.

Each county should also be able to answer one direct question without hesitation: If the DWD disallowed a substantial expenditure tomorrow, who would be responsible for writing the check? ☐

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many years under the same agreements and administrative relationships. That history can create confidence, but it can also create complacency. A change in a board director, fiscal agent, service provider, county representative, or consortium lead can expose gaps that were previously masked by stable personal relationships and institutional knowledge.

A current, coherent set of agreements is essential because the WIOA responsibilities are divided among entities that must work together, but do not have identical roles.

Oversight is not intrusion

County engagement does not mean micromanaging workforce professionals or substituting county-board judgment for the expertise of the WDB. It means performing the governance work the WIOA assigns to local elected officials: appointing qualified board members, participating in the consortium, receiving meaningful reports, reviewing agreements, responding to monitoring findings, and ensuring that fiscal responsibility is matched with access to information and decision-making.

Wisconsin's workforce development system depends on regional collaboration. Regional structures allow counties to pool expertise, align services with labor markets, and provide programs that no single county may be able to operate as effectively on its own. But collaboration works best when responsibility is transparent. The WDB must have the freedom and expertise to perform its statutory functions, while the LEO Consortium and participating county boards must have the information necessary to protect public funds and ensure accountability.

The most dangerous governance model is one in which the counties are legally responsible but operationally uninformed. The WIOA does not contemplate that result. It places local elected officials in the structure because federal workforce dollars are public dollars and because effective workforce policy must remain connected to the communities it serves. Consistent attention before a problem arises is the best protection for the program, its participants, and the taxpayers of every participating county. ■

Attolles Law, s.c. works on behalf of Wisconsin counties, school districts and other public entities across the state of Wisconsin. Its president & CEO, Andy Phillips, has served as outside general counsel for the Wisconsin Counties Association for more than 20 years.

1. WI DWD, “Contact the Workforce Development Boards” (identifying Wisconsin’s 11 workforce development areas and their participating counties), bit.ly/4xfYNYg (last visited Aug. 3, 2026); 29 U.S.C. §§ 3101 et seq.
2. U.S. DOL, Employment and Training Administration, “Workforce Innovation and Opportunity Act,” bit.ly/3TB7IVX (last visited Aug. 3, 2026); see generally 29 U.S.C. §§ 3101 et seq.
3. WI DWD, “Workforce Innovation and Opportunity Act,” bit.ly/4fShtX8; WIOA Title I-A & I-B Policy & Procedure Manual §§ 1.2, 1.3.1 (describing state implementation, monitoring, and local workforce development areas).
4. 20 C.F.R. § 679.310(e); WI DWD, WIOA Title I-A & I-B Policy & Procedure Manual § 1.4.2, “Role of the Chief Elected Official (CEO)” (effective Dec. 1, 2025). DWD refers to the governing document as the “CEO Consortium Agreement.”
5. See, e.g., 2025–2030 Chief Elected Officials Consortium Agreement Between the Counties of the Wisconsin Bay Workforce Development Area, definitions of “CEO,” “Designee,” and “LEO Board” (modified Nov. 13, 2025); WI DWD, “Contact the Workforce Development Boards,” bit.ly/4wgi4lq (listing county board chairs, county executives, and other local officials serving as chief local elected officials).
6. 29 U.S.C. § 3122(b), (d); 20 C.F.R. §§ 679.310–679.390; WI DWD, WIOA Title I-A & I-B Policy & Procedure Manual §§ 1.4.3, 1.4.8.
7. 29 U.S.C. § 3122(c)(1)(B)(i)(I)–(II); 20 C.F.R. § 683.710(b)(1)–(2).
8. 29 U.S.C. § 3122(d)(12)(B)(i)(II); 20 C.F.R. § 679.420(a).
9. WI DWD, WIOA Title I-A & I-B Policy & Procedure Manual § 1.3.6, “Governance Agreements”; 20 C.F.R. §§ 679.420–679.430.
10. WI DWD WIOA Title I-A & I-B Policy & Procedure Manual §§ 1.2.1, 1.4.3; 29 U.S.C. § 3122(d); 20 C.F.R. § 679.370.