Fresno Regional Workforce Development Board

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Blake Konczal, Executive Director

OPERATIONAL DIRECTIVE

FRWDB OD # 05-25 **Date Released: October 14, 2025**

To: All Fresno Regional Workforce Development Board Providers of Services

From: Blake Konczal, Executive Director

Effective Date: January 1, 2025

Subject: 2025 Salary and Bonus Limitations

Applicable Program: ALL

I. REVISION HISTORY

This Operational Directive (OD) supersedes OD 03-23, Salary, and Bonus Limitations.

II. REFERENCES

EDD Workforce Services WSD24-17 the U.S. Department of Labor (DOL), Employment and Training Administration (ETA) Training and Employment Guidance Letter (TEGL) 10-24.

III. PURPOSE

This OD outlines the guidance and procedures related to salary and bonus limitations for individuals compensated with funds appropriated to the DOL ETA. It incorporates key provisions from TEGL 10-24, Salary and Bonus Limitation Imposed by Appropriations Language. The following information is intended to aid in understanding and applying the federal salary and bonus limitations. Providers are encouraged to consult TEGL 10-24 for the most current and comprehensive guidance.

IV. BACKGROUND

In 2006, Public Law 109-234 Section 7013 established limitations on salary and bonus compensation for individuals paid with funds appropriated to the DOL ETA and distributed to recipients and subrecipients. The law caps salaries and bonuses paid to an individual with DOL ETA funds at the federal Executive Level II rate. Since its enactment, this provision has been included in all subsequent combined appropriations acts, ensuring the continued application of these limits.

V. POLICY AND PROCEDURES

Salary and Bonus Limitation Guidelines

Effective January 1, 2025, the annual salary and bonus limit for Executive Level II positions is $225,700. A salary table providing the Executive Level II rates can be found on the Federal Office of Personnel Management website: https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/.

All providers must ensure that all compensation charged to DOL ETA-funded program follows the established limitation. Failure to follow the salary and bonus limitation may result in disallowed cost.

1. Federal Limitation

The salary and bonuses paid to an individual with funds appropriated through the DOL ETA, whether as a direct or indirect cost, may not exceed the Executive Level II rate.

This limitation:

- Applies to the combined salary and bonuses paid to an individual during any calendar year.
- Is calculated on a full-time equivalent (FTE) basis of 2,080 hours.
- Applies specifically to salary and bonuses.

Other forms of compensation, such as fringe benefits, insurance premiums, and pension plans paid by a subrecipient are not included in the salary and bonus limitations calculation.

Note: Limitation on daily consultant fees must continue to be followed.

If an individual is paid for two or more positions within the same subrecipient, the total income earned, and any bonuses received must not exceed the salary and bonus limitation.

Example: An individual who is both an employee and a consultant for the same subrecipient cannot earn more than the established salary and bonus limit.

2. Exceptions

The salary and bonus limitation does not apply to the following:

- H-1B Awards
- Disaster Unemployment
- Contractors/Vendors

Detailed information on these exceptions are outlined in TEGL 10-24.

3. Application of the Salary and Bonus Limitation

a. Multiple Funding Sources – DOL ETA

If an individual's salary and bonus are paid from multiple ETA funding sources, the part received from each program cannot exceed the proportional Executive Level II rate applicable for that calendar year.

For more guidance on allocating salaries and bonuses across multiple DOL ETA funding sources, refer to TEGL 10-24.

b. Multiple Funding Sources – DOL ETA & Non-DOL ETA

When a provider receives both DOL ETA and non-DOL ETA funds, the limit applies only to the part funded by ETA appropriations. The ETA-funded part cannot exceed the proportional Executive Level II rate for that calendar year.

For further guidance on applying salary and bonus limitations across combined DOL ETA and non-DOL ETA funding sources, refer to TEGL 10-24.

4. Calculating the Salary and Bonus Limitation

To ensure compliance with federal funding restrictions, providers must apply the Executive Level II salary and bonus limitation proportionally, based on an individual's actual time spent on DOL ETA-funded activities. If an individual's salary is supported by multiple funding sources, only the portion allocated to ETA programs is subject to the limitation, and any excess amount must be covered by non-ETA funds.

For detailed calculation methods and application scenarios, including examples of how to allocate salaries across multiple funding streams, refer to TEGL 10-24.

VI. INQUIRIES

If you have any questions regarding this OD, please contact the appropriate FRWDB Program Manager for Adult/Dislocated Worker or Youth services.