Fresno Regional Workforce Development Board

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Blake Konczal, Executive Director

OPERATIONAL DIRECTIVE

FRWDB OD # 03-26 **Date Released: September 18, 2026**

To: All Fresno Regional Workforce Development Board Providers of Services

From: Blake Konczal, Executive Director

Effective Date: January 1, 2026

Subject: Salary and Bonus Limitations

Applicable Program: ALL

I. PURPOSE

This Operational Directive (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.

II. 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 Providers. 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.

III. POLICY AND PROCEDURES

Salary and Bonus Limitation Guidelines

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 salary rate. This limitation applies to the combined salary and bonuses paid to an individual during a calendar year. The salary and bonus limitation is calculated on a full-time equivalent (FTE) basis of 2,080 hours.

The limitation applies specifically to salary and bonuses. Other forms of compensation, such as fringe benefits, insurance premiums, and pension plans provided by a subrecipient, are not included in the salary and bonus limitation calculation.

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The Executive Level II salary rate is subject to annual adjustment. The applicable federal rate for each calendar year is available on the OPM Salaries and Wages webpage. Under the “Executive & Senior Level Employee Pay Tables” heading, select “Rates of Pay for the Executive Schedule.”

Providers must ensure that all salary and bonus compensation charged to DOL ETA-funded programs complies with the applicable Executive Level II salary rate for the calendar year. Failure to comply with the salary and bonus limitation may result in the costs being determined unallowable or disallowed.

If an individual is compensated for two or more positions within the same subrecipient, the total salary and bonuses paid to that individual from DOL ETA funds must not exceed the applicable salary and bonus limitation.

Example: An individual who is both an employee and a consultant for the same subrecipient may not receive salary and bonus compensation from DOL ETA funds that, when combined, exceeds the applicable salary and bonus limitation.

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

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 is outlined in TEGL 10-24.

3. Application of the Salary and Bonus Limitation

Multiple Funding Sources – DOL ETA

If an individual's salary and bonuses are paid from multiple DOL ETA funding sources, the amount charged to each program must not exceed the proportional Executive Level II rate applicable to that funding source for the calendar year.

For additional guidance on allocating salary and bonus compensation across multiple DOL ETA funding sources, refer to TEGL 10-24.

Multiple Funding Sources – DOL ETA & Non-DOL ETA

When a Provider receives both DOL ETA and non-DOL ETA funds, the salary and bonus limitation applies only to the portion of compensation funded with DOL ETA appropriations. The ETA-funded portion may not exceed the applicable proportional Executive Level II rate for the calendar year. Any compensation exceeding the applicable ETA limitation must be supported by non-ETA funds.

For additional guidance on applying salary and bonus limitations when compensation is funded through a combination of 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.

IV. INQUIRIES

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

V. 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.
- United States Office of Personnel Management (OPM), Salaries & Wages webpage

VI. REVISION HISTORY

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

Version	Date	Section / Exhibit	Page Number	Revision Description
Initial Release		NA	NA	This OD supersedes OD 05-25. 2025 Salary and Bonus Limitations