



Non-Departmental Expenditures

The Non-Departmental expenditure budget is a constructed category within the General Fund that contains funding to pay for expenditures not attributed to specific agencies or departments. This category also includes County-maintained reserves that are subsequently allocated to departments during the fiscal year.

	FY 2021 Adopted	FY 2022 Proposed
Personnel		
Merit and Step Increase	\$9,300,000	\$9,417,071
EMPACT Awards	2,925,431	3,088,889
Personnel Vacancy Savings	(22,191,000)	(22,191,000)
Annual and Sick Leave Payouts	1,500,000	1,500,000
LOSAP	1,632,317	1,309,168
Retiree Healthcare Benefits – Group C	0	\$500,000
Classification and Compensation Investment ¹	0	\$2,500,000
OPEB Contribution	5,500,000	\$5,500,000
Total – Personnel	(\$1,333,252)	\$1,624,128
Operating and Maintenance		
Interest Expense	\$280,000	\$280,000
Unallocated Balance	3,333,420	0
Payment to Nonprofits	\$2,191,440	\$2,915,886
Payment to Regional and Intergovernmental Organizations	8,180,325	7,940,705
Payment to Economic Development Authority (EDA)	1,650,000	1,650,000
Operating Reserve ²	60,000,000	0
Payment to Loudoun County Public Schools		
Operating	885,714,899	1,042,696,771
Capital Improvement Program	24,420,000	14,364,000
Capital Asset Preservation Program	24,261,000	24,543,000
Resource Requests – One-Time Operating Expenditures	664,762	687,679
Total – Operating and Maintenance	\$1,010,695,846	\$1,095,078,041
Capital Outlay		
Resource Requests – One-Time Capital Expenditures	\$1,413,683	\$1,554,820
Computer Software and Hardware Replacement	1,400,000	2,300,000
Total – Capital Outlay	\$2,813,683	\$3,854,820

¹ Funds for the third phase of implementation of the classification and compensation study were distributed in departmental personnel budgets in the FY 2021 Adopted Budget. Total expenditures distributed in the FY 2021 Adopted Budget were \$25 million.

² To address a potential revenue shortfall in FY 2021 due to the Covid-19 pandemic, a reserve totaling \$100 million was established by the Board during the adoption of the FY 2021 budget. Of the amount reserved, \$60 million was held in reserve for the school division and \$40 million was held for the County government within departmental budgets.

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	FY 2021 Adopted	FY 2022 Proposed
Other Uses of Funds		
Legal and Other Contingencies	\$2,344,778	\$2,344,778
Transfer to Children's Services Act Fund	3,185,000	3,685,000
Transfer to Legal Resources Center Fund	71,645	75,867
Transfer to Transportation District Fund	18,637,573	23,716,000
Transfer to Capital Projects Fund	65,490,196	113,473,598
Transfer to Capital Asset Preservation Program Fund	11,395,000	11,620,000
Transfer to Major Equipment Replacement Fund	2,000,000	4,000,000
Transfer to Debt Service Fund	198,414,096	187,784,810
Transfer to Self-Insurance Fund	5,455,700	5,455,700
Total – Other Uses of Funds	\$306,993,987	\$362,604,328
Total – Non-Departmental Expenditures³	\$1,319,170,265	\$1,463,161,317

Merit Increase. The FY 2022 Proposed Budget includes funding for a step increase for public safety employees and a 3 percent merit increase for eligible regular employees. The merit increase is budgeted to begin with the first paycheck in October 2021. The Board of Supervisors' (Board) approved compensation philosophy is to deliver pay (average salaries) within a range of 95 to 105 percent of the average mid-point of Loudoun's four local comparator jurisdictions (the City of Alexandria and the Counties of Arlington, Fairfax, and Prince William).

EMPACT Awards. County policies include provisions to permit individual and team bonus awards in recognition of outstanding achievement. These provisions are important tools for supporting an organization that recognizes and rewards excellent performance.

Personnel Vacancy Savings. The County budgets anticipated savings resulting from employee turnover in the Non-Departmental budget at a rate of 4.6 percent of salaries and related fringe benefits. This amount is evaluated annually and adjusted as needed to reflect actual savings, which occur through expenditure balances in departments' personnel budgets.

Annual and Sick Leave Payouts. Payout of annual and sick leave balances upon employees' departures from employment is included in the Non-Departmental budget and allocated to departments' personnel budgets as needed throughout the year.

LOSAP, or Length of Service Award Program, is a benefit for volunteer firefighters that was previously budgeted in Loudoun County Fire and Rescue's departmental budget. This budget is included in the Non-Departmental budget to comply with GASB #73.

Retiree Health Insurance and OPEB Contribution. Expenditures for the retiree health insurance plan and the County's contribution to the Other Post-Employment Benefits (OPEB) Fund are included in this category. Beginning in FY 2021, retiree health benefit expenses were transitioned to the County OPEB Trust Fund as discussed in Volume 2, Section 13 - Other Funds. This reflects the County's full funding approach, allowing sufficient funds to use the Fund to pay full benefits.

Retiree Healthcare Benefits – Group C. In 2012, the Board amended retiree healthcare benefits. These changes were effective January 2013 and established groups A, B, C, and D. Assignment to each group was made based on tenure/hire date and employee age. This amendment was to better position the County to control current and future financial obligations central to post retirement benefits. Prior to this decision, post-retirement health benefits allowed the retiree to continue enrollment in County-sponsored healthcare plans; the retirees' financial commitment included the 'employee' portion of the premium.

³ Sums may not equal due to rounding.



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Concerns were raised by staff assigned to Group C that the new retiree healthcare program did not account for an employee's service with the County prior to January 1, 2013. A staff working group is currently evaluating options to further address these issues and \$500,000 of funding is included in the FY 2022 Proposed Budget for the implementation of a solution.

Classification and Compensation Investment. The Board initiated a study of the County's classification and compensation structure and policies in 2017. The first phase of the study identified the County's compensation structure lags the Board's approved competitive market. The FY 2019 Adopted Budget included funding for the first phase of investment in the Board's competitive compensation strategy equivalent to a three percent salary adjustment for regular and temporary employees to address market competitiveness issues. The FY 2020 Adopted Budget included funding for a two percent salary adjustment for regular and temporary employees and \$11,000,000 for individual adjustments for the second phase of investment. The FY 2021 Adopted Budget included a total of \$25,000,000 for additional individual adjustments for the third phase of investment. The FY 2022 Proposed Budget includes \$2.5 million to address employee pay compression, which is the situation in which an organization has small differences in pay between employees regardless of their individual skill level and/or experience with the organization. The most common example of compression is when the pay of one or more employees is very close to the pay of more experienced employees in the same job. As planned in following the November 7, 2019 adoption of the new compensation plan, an analysis of pay compression has been completed and \$2.5 million of funding is included in the FY 2022 Proposed Budget to address this issue.

Interest Expense. The County budgets interest payments on real and personal property tax refunds in the Non-Departmental budget.

Payment to Nonprofits. This category includes funding provided to nonprofit organizations through the County's Human Services Program (including the competitive and CORE provider processes) and nonprofit economic development process. Additionally, pass-through funding associated with the Local Government Challenge Grant is budgeted here; these matching state funds are distributed to those arts-related nonprofits that receive funding through the County's grants programs.

Payment to Regional and Intergovernmental Organizations. The County provides funding to many regional and intergovernmental organizations from which the County receives operational support. Regional organizations include the Metropolitan Washington Council of Governments and the Northern Virginia Regional Park Authority, both of which serve multi-jurisdictional areas. Intergovernmental organizations include other localities in Loudoun County, such as the Town of Leesburg, which receives funds to support School Resource Officers in Leesburg area schools.

Payment to the Economic Development Authority (EDA). Beginning in FY 2021, the County provides funding to the EDA as part of a 15-year incentive to bring the United States Customs and Border Protection technology and research facility to Quantum Park in Ashburn. This economic development incentive was agreed to by the Board at the March 22, 2018 Business Meeting and payments commenced on January 1, 2021.

Payment to Loudoun County Public Schools. In past budget documents, the payment to Loudoun County Public Schools has been categorized as a transfer to another County fund. It is inaccurate to categorize this payment as a transfer, thus, this category of expense has been moved in the FY 2022 Proposed Budget.

Resource Requests One-Time Capital Outlay Costs. Resource requests included in the FY 2022 Proposed Budget include two types of expenditures: departmental and non-departmental. Non-departmental costs include those costs that are coordinated by other departments in support of the requests, including the purchase of technology, furniture, vehicles, and associated office renovations. These non-departmental costs are centrally budgeted.

Computer Software and Hardware Replacement. Scheduled replacement of personal computer hardware, software, printers, and related items is included in the Non-Departmental budget and managed centrally by the Department of Information Technology. The life cycle for office computers allows for replacement of desktop computers after six years of useful life and four years for laptop computers.



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Legal and Other Contingencies. The category represents contingency funding for potential outside legal services. Funding from the Litigation Contingency is allocated to the Office of the County Attorney as needed, subject to Board approval. Additional contingency funds are budgeted and used on an as-needed basis.

Transfer to Children's Services Act Fund. The Children's Services Act is funded through a state pool of monies allocated to each locality, which requires a local match. Annual transfers are made to this fund to provide for the County's match.

Transfer to Legal Resource Center Fund. Revenues for the Legal Resource Center Fund (or Law Library) have not been sufficient to fund planned expenditures for at least five fiscal years. A transfer of local tax funding is budgeted to this fund; in the past, a supplemental budget adjustment of General Fund revenue balanced the revenue shortfall during the fiscal year.

Transfer to Transportation District Fund. The Transportation District Fund (TDF) was created in FY 2013 to segregate transportation and transit-related revenues and expenditures. The County is required to enact a Commercial & Industrial (C&I) Property Tax at \$0.125 per \$100 valuation or dedicate an equivalent level of funding for transportation and transit purposes to be eligible to receive the 30 percent share of Northern Virginia Transportation Authority (NVTVA) revenue, as discussed in Volume Two of this document. It is estimated that a C&I tax levied in the County would yield approximately \$23.3 million in FY 2022. This is a decline from the FY 2021 C&I equivalent and is due to a negative revaluation of commercial and industrial properties during the COVID-19 pandemic. To date, the Board of Supervisors has taken no action to levy a C&I Property Tax. The C&I equivalent for FY 2022 includes appropriations in the amount of \$23,716,000 for transportation and transit purposes. In accordance with the requirements of the statute, this funding is shown within the Transportation District Fund and is transferred from the non-departmental budget in the General Fund.

Transfer to Capital Projects Fund. The transfer represents the allocation of local tax funding sent from the General Fund to the Capital Projects Fund.

Transfer to Capital Asset Preservation Program Fund. The Board established the Capital Asset Preservation Fund as a consistent means of planning and financing major maintenance and repair efforts to County facilities. Annual transfers are made to provide funding for these efforts. This transfer includes funds specifically for the Computer System Replacement Fund.

Transfer to Debt Service Fund. Local tax funding used for the payment of principal and interest of financed capital improvement projects.

Transfer to Major Equipment Replacement Fund. Funding is provided to replace capitalized equipment with a value over \$5,000.

Transfer to Self-Insurance Fund. Risk management and workers' compensation costs are funded by annual transfers to the County's Self-Insurance Fund.