



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 2020 Adopted	FY 2021 Proposed
Personnel		
Merit and Step Increase	\$10,300,000	\$12,225,431
Classification and Compensation Investment ¹	17,100,000	0
Personnel Vacancy Savings	(19,000,000)	(22,191,000)
Annual and Sick Leave Payouts	1,500,000	1,500,000
LOSAP	1,648,403	1,632,317
Retiree Health Insurance ²	4,500,000	0
OPEB Contribution	5,500,000	5,500,000
Total – Personnel	\$21,548,403	(\$1,333,252)
Operating and Maintenance		
Interest Expense	\$280,000	\$280,000
Payment to Nonprofits	2,037,658	2,186,940
Payment to Nonprofits – Local Government Challenge Grant	4,500	4,500
Payment to Regional and Intergovernmental Organizations	7,590,885	7,982,527
Payment to Economic Development Authority (EDA)	0	1,650,000
Payment to Loudoun County Public Schools		
Operating	873,710,739	958,822,945
Capital Improvement Program	14,475,000	24,420,000
Capital Asset Preservation Program	14,277,500	24,261,000
Resource Requests – One-Time Operating Expenditures	568,675	654,035
Universal Call Taking Project Implementation	1,300,000	0
Total – Operating and Maintenance	\$914,244,957	\$1,020,261,947
Capital Outlay		
Resource Requests – One-Time Capital Expenditures	\$2,022,285	\$1,553,900
Computer Software and Hardware Replacement	2,300,000	1,400,000
Total – Capital Outlay	\$4,322,285	\$2,953,900
Other Uses of Funds		
Legal and Other Contingencies	\$2,159,928	\$2,307,681

¹ Funds for the third phase of implementation of the classification and compensation study are distributed in the personnel budgets of each County department and agency. Total expenditures included in the FY 2021 proposed budget is \$25 million.

² Beginning in FY 2021, retiree health benefit expenditures are paid from the County OPEB Trust Fund as discussed in Volume 2 of this document.

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	FY 2020 Adopted	FY 2021 Proposed
Transfer to Children's Services Act Fund	3,685,000	3,185,000
Transfer to Legal Resources Center Fund	66,170	69,229
Transfer to Transportation District Fund	17,395,000	18,637,573
Transfer to Capital Projects Fund	45,788,227	65,291,308
Transfer to Capital Asset Preservation Program Fund	11,629,000	11,395,000
Transfer to Major Equipment Replacement Fund	4,000,000	2,000,000
Transfer to Debt Service Fund	187,773,179	198,411,326
Transfer to Self-Insurance Fund	5,455,700	5,455,700
Total – Other Uses of Funds	\$277,952,204	\$306,752,817
Total – Non-Departmental Expenditures³	\$1,218,067,849	\$1,328,635,412

Merit Increase. The FY 2021 Proposed Budget includes funding for a step increase for public safety employees and a 3.5 percent merit increase for eligible regular employees. The merit increase is budgeted to begin with the first pay check in October 2020. 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).

This category also includes funds for 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.

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 behind 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 3 percent salary adjustment for regular and temporary employees to address market competitiveness issues. The FY 2020 Adopted Budget included funding for a 2 percent salary adjustment for regular and temporary employees and \$11 million for individual adjustments for the second phase of investment. The FY 2021 Proposed Budget includes a total of \$25 million for additional individual adjustments for the third phase of investment. These funds are budgeted in each department and agency budget.

Personnel Vacancy Savings. The County budgets anticipated savings resulting from employee turnover in the Non-Departmental budget at a rate of approximately 4.75 percent of salaries and related fringe benefits. This amount is evaluated annually and adjusted 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 volunteer firefighter benefit that was previously budgeted in Loudoun County Fire and Rescue's General Fund budget. This budget was moved to the Non-Departmental budget of the General Fund to comply with GASB #73. The FY 2021 Proposed Budget includes an overpayment of \$250,000 to address the underfunded liability in this program.

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,

³ Sums may not equal due to rounding.



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retiree health benefit expenses were transitioned to the County OPEB Trust Fund as discussed in Volume 2. This reflects the County's full funding approach, allowing sufficient funds to use the Fund to pay full benefits.

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 will provide funding to the EDA as part of a 15-year incentive to bring the 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 will commence on January 1, 2021 if all obligations are met.

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.

Resource Requests One-Time Capital Outlay Costs. Resource requests included in the 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, and vehicles as well as 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. The reduction in this line item by \$900,000 is due to fewer computers requiring replacement in FY 2021 than in FY 2020 and due to renegotiations of the Microsoft Enterprise Agreement, reducing licensing costs. FY 2022 is anticipated to return to \$2.3 million due to increase numbers of replacements anticipated.

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 annual transfer includes an equivalent of \$0.02 of the real estate property tax as a transfer from the General Fund to the TDF. These funds represent the County's equivalent revenue that would be generated by a Commercial & Industrial Property Tax (a concept referred to as the C&I equivalent), which the County has not enacted. In previous years, the C&I equivalent was reached through aggregation of the \$0.02 of dedicated real property tax revenue and any local gasoline tax revenue collected in the TDF.



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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.