



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 2023 Adopted	FY 2024 Proposed
Personnel		
Compensation Increases	\$17,600,000	\$25,500,000
EMPACT Awards	2,686,000	2,736,000
Personnel Vacancy Savings	(29,000,000)	(29,000,000)
Annual and Sick Leave Payouts	2,000,000	2,500,000
LOSAP	1,293,262	1,381,937
OPEB Contribution	2,500,000	3,000,000
Retiree Healthcare Benefits – Group C	1,900,000	0
Compression Adjustments	4,525,500	0
Hiring Incentive Program	0	1,500,000
Total – Personnel	\$3,504,762	\$7,617,937
Operating and Maintenance		
Interest Expense	\$280,923	\$280,923
Unallocated Balance	66,347	1,252,941
Payment to Nonprofits	4,999,305	5,493,169
Payment to Regional and Intergovernmental Organizations	8,456,826	9,277,973
Payment to Economic Development Authority (EDA)	1,650,000	1,650,000
Payment to Loudoun County Public Schools		
Operating	1,067,759,336	1,136,827,376
Capital Improvement Program	16,850,000	2,864,923
Capital Asset Preservation Program	27,904,300	43,216,000
Resource Requests – One-Time Operating Expenditures	830,345	161,555
American Rescue Plan Act – Second Allocation	36,662,455	0
Total – Operating and Maintenance	\$1,165,459,837	\$1,201,182,861
Capital Outlay		
Resource Requests – One-Time Capital Expenditures	\$2,383,168	\$393,661
Computer Software and Hardware Replacement	2,300,000	0
Total – Capital Outlay	\$4,683,168	\$393,661
Other Uses of Funds		
Legal and Other Contingencies	\$3,200,000	\$3,543,715
Transfer to Children’s Services Act Fund	3,685,000	3,690,067
Transfer to Legal Resources Center Fund	83,448	83,448

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	FY 2023 Adopted	FY 2024 Proposed
Transfer to Transportation District Fund	34,470,365	25,900,000
Transfer to Capital Projects Fund	105,508,208	92,604,356
Transfer to Capital Asset Preservation Program Fund	16,865,860	19,767,825
Transfer to Major Equipment Replacement Fund	4,000,000	5,500,000
Transfer to Debt Service Fund	199,019,863	215,024,368
Transfer to Self-Insurance Fund	5,455,700	5,455,700
Transfer to Affordable Housing Fund ¹	2,200,000	6,469,000
Total – Other Uses of Funds	\$374,488,445	\$378,038,479
Total – Non-Departmental Expenditures²	\$1,548,136,212	\$1,587,074,937

Compensation Increases. The FY 2024 Proposed Budget includes funding for merit pay increases including a 6 percent merit increase for eligible regular employees in the general workforce, and a one-step merit increase for eligible uniformed public safety employees in Fire and Rescue and the Sheriff’s Office. Funding is also included for salary scale increases for the public safety grade and step plans, which provides an additional pay increase by increasing the value of each grade and step. The FY 2024 Proposed Budget includes a 3 percent increase to the Fire and Rescue pay plan and a 6 percent increase to the Sheriff pay plan. The FY 2024 Proposed Budget also includes a 4 percent adjustment to the range minimum and maximum of each grade in the general workforce open range pay plan, which does not impact employee salaries unless they would fall below the adjusted range minimum. The salary scale adjustments are budgeted to take effect at the beginning of the fiscal year and the merit and step increases are budgeted to begin with the second pay period in September 2023 (paid out with the first paycheck in October). 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). A summary of recent compensation increases is provided in the tables below.

Summary of Compensation Increases – General Workforce Pay Plan

Fiscal Year	Merit Increase	Salary Range Adjustment ³
FY 2021 Adopted	3.5%	None
FY 2022 Adopted	3%	None
FY 2023 Adopted	5%	4%
FY 2024 Proposed	6%	4%

¹ Beginning with the FY 2023 Proposed Budget, an amount equivalent to one-half cent of the real property tax rate is dedicated to affordable housing programs.

² Sums may not equal due to rounding.

³ Salary range adjustments for the general workforce open range pay plan do not impact employee salaries unless an employee’s salary would fall below the adjusted range minimum.



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Summary of Compensation Increases – Fire and Rescue Pay Plan

Fiscal Year	Step Increase ⁴	Scale Increase	Total Average Pay Increase
FY 2021 Adopted	Yes	None	3%
FY 2022 Adopted	Yes	None	3%
FY 2023 Adopted	Yes	3%	6%
FY 2024 Proposed	Yes	3%	6%

Summary of Compensation Increases – Sheriff Pay Plan

Fiscal Year	Step Increase ⁴	Scale Increase	Total Average Pay Increase
FY 2021 Adopted	Yes	None	3%
FY 2022 Adopted	Yes	None	3%
FY 2023 Adopted	Yes	3%	6%
FY 2024 Proposed	Yes	6%	9%

IMPACT 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. This amount is evaluated annually and adjusted as needed to reflect actual savings, which occur through expenditure balances in departments’ personnel budgets. Personnel vacancy savings are budgeted at a rate of 5.0 percent of salary and related fringe benefits in the FY 2024 Proposed Budget.

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. The allocation for annual and sick leave payouts has increased by \$500,000 to \$2.5 million for the FY 2024 Proposed Budget to reflect the continued growth of the County workforce and increasing leave payout costs.

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 Governmental Accounting Standards Board (GASB) statement #73.

OPEB Contribution. This represents the County’s contribution to the Other Post-Employment Benefits (OPEB) Trust Fund for retiree health insurance benefits. 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 contribution 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

⁴ For most uniformed public safety employees, a step increase represents a 3 percent increase in pay.



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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. Groups C and D were enrolled in a defined contribution retirement health savings plan (RHSP). Due to concerns raised by staff assigned to Group C that the RHSP did not account for existing employees' service with the County prior to January 1, 2013, a recommendation to enhance Group C benefits was presented to and approved by the Board in March 2022.⁵ Funding for enhanced RHSP Group C contributions was included in the FY 2023 Adopted Budget and distributed to department personnel budgets. These benefits are fully funded in department budgets for the FY 2024 Proposed Budget.

Compression Adjustments. The FY 2023 Adopted Budget included funding address employee pay compression, as one of the final deliverables from the second phase of the Classification and Compensation study. Pay compression refers to a situation in which an organization has small differences in pay between employees regardless of their individual skill level and/or experience with the organization. Pay adjustments to address compression were finalized in spring 2022 and funding was distributed to department personnel budgets in FY 2023 based on the actual adjustments made to employee salaries. Revised employee salaries are fully funded in department budgets in the FY 2024 Proposed Budget.

Hiring Incentive Program. In response to challenging recruitment conditions for certain hard-to-fill positions, as well as the implementation of hiring incentive programs by the County's comparator jurisdictions, staff anticipates bringing an item to the Board in February 2023 to solicit feedback on the potential implementation of a County hiring incentive program. Placeholder funding of \$1.5 million has been programmed into the FY 2024 Proposed Budget to support the possible implementation of this type of program, contingent on Board direction.

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.

⁵March 15, 2022 Business Meeting, Item 16h, FGOEDC Report: OPEB Group C Retirement Health Savings Plan



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Payment to Loudoun County Public Schools. The FY 2023 Proposed Budget includes a payment to Loudoun County Public Schools for the local contribution to the school division.

Resource Requests One-Time Capital Outlay Costs. Resource requests included in the FY 2023 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.

American Rescue Plan Act (ARPA) Funds. The County received a second tranche of \$40,162,455 in ARPA funds in the late spring of 2022. Of this funding, \$3,500,000 was appropriated in the Capital Projects Fund for a wastewater modernization project in the Village of Paeonian Springs (see Volume 2, page 9-28), and the remaining amount of \$36,662,455 was appropriated in the General Fund in the FY 2023 Adopted Budget. The expenditure of ARPA funds is ongoing based on Board-directed uses. Funds not expended in FY 2023 will be carried forward to the FY 2024 budget.

Computer Software and Hardware Replacement. Previously, scheduled replacement of personal computer hardware, software, printers, and related items was included in the Non-Departmental budget and managed centrally by the Department of Information Technology. Effective with the FY 2024 Proposed Budget, funding for computer software and hardware replacement has been programmed in the Capital Asset Preservation Program (CAPP) budget. Further details are available in Volume 2, Section 13 – Other Funds.

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. For FY 2024, this amount includes contingency for potential contractual increases identified during the budget process.

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 (NVTA) revenue, as discussed in Volume Two of this document. It is estimated that a C&I tax levied in the County would yield approximately \$29.9 million in FY 2023. This is an increase from the FY 2022 C&I equivalent and is due to a positive revaluation of commercial and industrial properties. To date, the Board of Supervisors has taken no action to levy a C&I Property Tax. The C&I equivalent for FY 2023 includes appropriations in the amount of \$34,470,365 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.



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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. The FY 2023 Proposed Budget includes the budget for organization-wide personal computer (PC) replacement, formerly part of the General Fund. Additional information is available in the *Other Appropriated Funds* section in Volume 2 of this document.

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.