



Loudoun County, Virginia

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NEWS RELEASE

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Loudoun County Administrator Presents Proposed Budget for Fiscal Year 2020

County Administrator Tim Hemstreet has presented a proposed budget for the Loudoun County government to the Board of Supervisors for Fiscal Year 2020 (FY 2020), which begins July 1, 2019. The budget totals \$3.2 billion in appropriations for the county government and Loudoun County Public Schools (LCPS).



Proposed Budget

The proposed budget is based on the Board of Supervisors' guidance to prepare a budget at the equalized real property tax rate, the rate at which the average homeowner's tax bill remains the same year over year. Based on the final assessment portfolio from the Office of the Commissioner of the Revenue, the equalized tax rate is \$1.045, which is 4 cents lower than the current tax rate of \$1.085.

"Prepared at the equalized tax rate of \$1.045, the proposed budget is designed to address the needs of our growing organization and community and to help the Board complete its strategic initiatives," Hemstreet said.

The priorities for the FY 20 proposed budget include employee pay, providing resources to open new facilities, human services safety net programs, public and life safety, and support for the county's capital program and community development agencies. Hemstreet noted that the county continues to add approximately 11,000 residents every year, which brings new and increased demands on county programs and services.

The FY 20 proposed budget includes:

- \$11.3 million in base budget adjustments to continue to provide current services, and includes the operationalization of capital projects into department budgets such as the Sheriff's Office firing range and the new Animal Services facility.
- \$25 million in total for employee compensation, which consists of:
 - \$7.9 million to provide a market-competitive 3 percent pay increase, continuing the county's merit pay program;
 - \$6.1 million for an across-the-board, 2-percent increase to continue to address market competitiveness of all positions; and
 - \$11 million to provide targeted increases for positions identified through the county's classification and compensation study as requiring market adjustments.
- An addition of 193 positions in 23 different departments to maintain current service levels, open new facilities, support the county's Capital Improvement Program and complete the Board's strategic initiatives.

- An increase of \$76.3 million to fully fund the budget request of the Loudoun County Public Schools.

Factors Shaping the Proposed Budget

The proposed FY 2020 budget was developed in a favorable economic climate similar to that of FY 2019; however, Hemstreet said several “unique circumstances” influenced this year’s budget development:

- Revenue from business personal property taxes on computer equipment has consistently grown at a rate of close to 30 percent or more year-over-year for the last three years due to the number of data centers in the county. The FY 2020 budget proposal includes a more targeted approach to this revenue, including the allocation of \$15 million of these previously unbudgeted revenues in the capital projects fund for use on one-time expenditures.
- The proposed FY 20 budget shifts funding for positions dedicated to execution of capital projects from the general fund to the capital projects fund and includes the addition of 10 new Capital Improvement Program (CIP) support positions in the budget, all without using additional local tax funding.
- For the first time in recent memory, the Loudoun County School Board’s adopted budget request meets the Board’s guidance and as a result, is fully funded at the equalized tax rate.

The FY 2020 proposed budget also includes \$2.1 million in local gasoline tax funding for Loudoun County’s operating start-up payment to the Washington Metropolitan Area Transit Authority and to begin operation of the county’s Metro parking garages in preparation for the beginning of Silver Line revenue service.

Capital Improvement Program (CIP)

The Amended FY 2019-2024 Capital Improvement Program (CIP), which includes both county and school projects, totals \$2.5 billion for the six-year planning period. The category with the largest expenditure percentage is transportation projects at 48 percent. Those projects include roads, sidewalks, signals, traffic calming, transit and projects for Loudoun’s incorporated towns. School projects account for 21 percent, or \$521.9 million, of the proposed CIP, which fully incorporates the School Board’s adopted capital plan and accommodates all school projects.

Hemstreet called the CIP “the largest and most complex it’s ever been” and is requesting new staff resources to help improve the execution and delivery of capital projects on time and within budget.

Tax Rates Summary

The proposed budget is balanced at the equalized tax rate of \$1.045. Hemstreet also provided the Board with two additional tax rate scenarios for their consideration: one at one half of one cent higher than the equalized rate and one at two cents lower than the equalized rate.

“The reduction scenario at \$1.025 is not recommended,” Hemstreet said. “This scenario would reduce service levels in key areas, potentially making it more difficult to achieve many of the Board’s strategic initiatives.”

Hemstreet has advertised a real property tax rate of \$1.055, three cents below the current rate. The advertised rate provides the Board with flexibility to fund the county and schools' full budget requests, as well as additional requests if the Board chooses.

The Board of Supervisors will determine the final real property tax rate and related budget policy decisions during March budget work sessions with adoption of the FY 2020 budget expected on April 2, 2019.

Public Participation

There are several ways in which members of the public may participate in the budget process, including Board of Supervisors public hearings, email, voice messages and social media. The Board will hold three public hearings on the proposed FY 2020 budget. The hearings are scheduled for:

- **Wednesday, February 27, 2019, 3:00 p.m.**, Board Room, Loudoun County Government Center, 1 Harrison Street, S.E., Leesburg.
- **Wednesday, February 27, 2019, 6:00 p.m.**, Board Room, Loudoun County Government Center, 1 Harrison Street, S.E., Leesburg.
- **Saturday, March 2, 2019, 9:00 a.m.**, Loudoun County Public Schools Administration Building, 21000 Education Court, Ashburn.

Anyone who wishes to speak at the public hearings may sign up in advance for one speaking slot, beginning Thursday, February 14, 2019, by calling 703-777-0204.

The public hearings at the government center will be available for viewing on Comcast Government TV Channel 23, Open Band Channel 40, and Verizon FiOS Channel 40. They will also be webcast at www.loudoun.gov/webcast.

Members of the public may also:

- Leave a message on the Board of Supervisors' Comment Line at 703-777-0115.
- Send an email to the Board of Supervisors at loudounbudget@loudoun.gov, or write to the Board of Supervisors, P.O. Box 7000, Leesburg, VA 20177.
- Provide comments through the Loudoun County government's [Facebook](#) and [Twitter](#) sites.

For More Information

More information, including the FY 2020 proposed budget, the County Administrator's FY 2020 budget presentation, the schedule for Board of Supervisors budget work sessions and the Board's Finance/Government Operations and Economic Development Committee's Capital Improvement Program work sessions, is posted on the Loudoun County website at www.loudoun.gov/budget.