



Executive Summary FY 2025 Proposed Budget

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February 14, 2024

Madam Chair and Members of the Board of Supervisors:

I am pleased to submit to you and the residents of Loudoun County a proposed budget for Fiscal Year (FY) 2025 that is based on the Board of Supervisors' (Board) budget guidance, which was to prepare the budget based upon the current real property tax rate of \$0.875, which approximates the revenue that would provide sufficient expenditure authority to fund employee compensation, base budget adjustments, the opening of new capital facilities, Board priority new resource requests, and departmental new resource requests and sufficient year-over-year funding for Loudoun County Public Schools (LCPS). The Board's guidance also considered that the budget proposal be balanced with a personal property tax rate of \$4.10 per \$100 of assessed value for Tax Year (TY) 2025, which is the second half of the 2025 fiscal year. Finally, the Board directed that a reduction scenario be included in the Proposed Budget with expenditures funded with the revenue available at the homeowner's equalized real property tax rate.

The FY 2025 Proposed Budget is balanced at the real property tax rate of \$0.875 per \$100 of assessed value, which is the current tax rate. This scenario is prepared at the homeowner's equalized rate of \$0.84. One penny of the real property tax rate is valued at \$14.8 million.

The FY 2025 budget development process benefitted from important policy discussions by the Board and its Finance/Government Operations and Economic Development Committee. This budget proposal is reflective of the Board's guidance and input throughout the development process. The staff and I look forward to discussing the organization's needs and assisting you in defining what resources are appropriate to carry out your vision for the community, its government, and the School Division in the first year of your term.

Building the Budget

Revenues generated by the data center industry continue to contribute to Loudoun's positive fiscal outlook for this next budget year. The revenue picture for the FY 2025 Proposed Budget was influenced by the continued complexity of forecasting revenue generated by data centers. During FY 2023, the Board established a tax policy to bring balance to the relationship between real property tax revenue and personal property tax revenue. That is, over the long-term, real property tax revenue should approach 60% of total General Fund local taxes and not fall below the FY 2022 floor of 51.5%.

In addition to lowering the personal property tax rate, in October 2023 the Board amended the Fiscal Policy to establish a Revenue Stabilization Fund, which is intended to mitigate revenue shortfalls within a fiscal year directly attributable to real and business tangible personal property tax revenue generated from the data center industry. The Board contributed \$15 million of FY 2023 year-end fund balance to the Revenue Stabilization Fund, and the FY 2025 Proposed Budget assumes a \$40 million contribution of Local Tax Funding (LTF) for purposes of filling the Revenue Stabilization Fund. The Revenue



Stabilization Fund will be sized to 10 percent of real and personal property tax revenue generated by the data center industry with an estimated target of \$80 to \$100 million over the coming years.

Overall, real property tax revenues have increased substantially over the FY 2024 budget. In consultation with the Commissioner of the Revenue, staff has prepared the FY 2025 Proposed Budget without the contingencies regarding real property values of retail data centers, related to the uncertain impact of House Bill 791. Commercial real property appreciated 23%, and residential real property appreciated 5%, as compared to TY 2023 values of 20% and 8% respectively.

Personal property tax revenue has also increased over the previous year. This is attributable to continued strong performance in business tangible personal property taxes on computer equipment, which increased 19.1% compared to FY 2024. Other substantial revenues, such as personal property tax on vehicles and sales tax, have increased by small amounts. Overall data center revenue growth accounts for over two-thirds of total revenue increases compared to FY 2024, which highlights the importance of continuing to fund the recently established Revenue Stabilization Fund.

FY 2025 Proposed Budget

The FY 2025 Proposed Budget is balanced at a real property tax rate of \$0.875 per \$100 of assessed value and a personal property tax rate of \$4.15 per \$100 of assessed value for TY 2024 and \$4.10 for TY 2025, consistent with the Board's budget guidance. New LTF available totals \$294.2 million. New LTF is dedicated to fulfilling the County Government's and School Division's debt and capital budget obligations (\$35.3 million increase from FY 2024) and to housing (\$0.9 million increase from FY 2024), to the Revenue Stabilization Fund (\$40 million) and, for FY 2025, to the LCPS base (\$16.3 million). The amount available to split between the County Government and the School Division is \$201.6 million, with the County receiving 40% and LCPS receiving 60%. For the County Government, \$80.7 million is available for increases in compensation and base budget and for new resources. For the School Division, \$121 million is available for those same expenditure categories.

The FY 2025 – FY 2030 Proposed Capital Improvement Program (CIP) continues to fund infrastructure priorities of the Board. The six-year plan totals \$3.5 billion, with Transportation projects representing the largest portion of the CIP at \$1.4 billion, followed by County Government projects at \$1.1 billion, and School projects at \$995.5 million. New projects include planning funds for the Eastern Loudoun Community Arts Center, planning funds for the Cascades Library and Cascades Senior Center Complex, critical public safety-related information technology projects, and a Purcellville Fire Station addition. Funding continues for the Board's priority recurring programs including County Renovations, Linear Parks and Trails, Sidewalks and Trails, and the Intersection Improvement Program. New School projects include an Eastern Transportation Facility and a School Replacement Program. The Proposed CIP accommodates the School Board's adopted CIP except in the amount of funding directed to the School Division's Capital Renewal and Alteration Projects program in FY 2026 through FY 2030.

On February 6, 2024, the School Board adopted its FY 2025 Budget, which includes a request to the Board to increase the LTF transfer by \$131 million. Based on the 40%/60% split of net new LTF, the FY 2025 Proposed Budget includes a transfer of \$121 million, which is \$10 million lower than the School Board's request. The School Board's budget plans for 1.1% growth in enrollment in FY 2025, with resources included to open new schools during the upcoming school year. State revenues are expected to increase by \$25 million. Employee compensation and benefits continue to be the largest category of expenditures for the School Division; planned compensation increases are similar to those recommended for County



general workforce employees. Finally, the budget includes funds to support ongoing or expanded initiatives such as the next phase of dual language immersion program, expansion of middle school intramural sports to all middle schools, resources to launch the Health and Medical Science Academy, full expansion of a full-day STEP program, implementation of a Virtual Distance Learning elementary program, and additional supports for special education services.

The FY 2025 Proposed Budget for the County Government was developed by addressing compensation and base budget operating increases prior to adding new resources. For compensation, the Proposed Budget includes a 7% merit increase for the general workforce and a 5% pay scale adjustment. Funding is also included for a one-step pay increase for both the Fire-Rescue and Sheriff pay plans. The Fire-Rescue pay plan and Sheriff pay plan scale adjustments have been budgeted at 9.4%, with various stipend and specialty pay enhancements for Fire-Rescue consistent with negotiations with the International Association of Fire Fighters, for an average pay increase of 12.4%.

In summary, the FY 2024 Proposed Budget includes:

- \$15.7 million in base budget adjustments to continue to provide current services, including increases in contracts and ongoing maintenance agreements, especially technology-related contracts, lease and utility increases and inflationary impacts;
- An increase of \$41 million in total for employee compensation, including a 7% merit increase and 5% adjustment to pay scales for the general workforce, a one-step increase and 9.4% scale adjustment for the Fire-Rescue pay plan, and a one-step increase and 9.4% scale adjustment for the Sheriff pay plan;
- Over 100 new positions to open and operate new capital facilities, including the Ashburn Recreation Center and the Leesburg South and Lovettsville Fire Rescue Stations;
- Positions necessary to execute the Board's priorities of the creation of a Purchase of Development Rights program and collective bargaining;
- Important investments in positions to improve administrative and internal operations and data analysis, which will grow departments' abilities to make data-informed decisions;
- Positions to address increases in service demands for customer facing operations; and
- A year-over-year increase of \$121 million in the local transfer to LCPS.

Details of all funded resource requests can be found beginning on page R-8 of this document.

Reduction Option

The Board's guidance included direction to include a reduction scenario aligned with the homeowner's equalized real property tax rate, which is \$0.84. The amount of net new LTF available under this scenario is \$149.8 million, with \$59.9 million available for the County Government and \$89.9 million for the School Division.

There is \$21 million less of LTF available for the County under the Reduction Option. With the amount of LTF available in this scenario, and using our established priorities, resources are available to fund compensation, base budget increases, to open new capital facilities and to address Board priorities. The resources funded in the Proposed Budget are my professional recommendation to the Board to best position the organization to meet your goals for the next fiscal year. Should you desire to consider the



Reduction Option, I have identified those resources that could be removed from the Proposed Budget to lower the real property tax rate in half penny increments, which is summarized beginning on page R-2 of this document.

Public input is a valuable component of the Board's budget process, and you have three scheduled public hearings. Hearings will be on February 28 at 3:00 p.m. and 6:00 p.m. and March 2 at 9:00 a.m. at the Loudoun County Government Center. Options are available for virtual participation by residents.

I look forward to working with you over the next few months on the FY 2025 Budget.

Respectfully submitted,

Tim Hemstreet
County Administrator



Guide to the FY 2025 Proposed Budget

This section provides the reader with an overview of the structure of the budget document, insight into the budget development process, and the economic and organizational factors that influenced the recommendations the County Administrator has put forward for the Board of Supervisors' (Board) consideration.

Concepts

Structure of this Document

Volume I and Volume II of the FY 2025 Proposed Budget provide a comprehensive discussion of the available revenue sources that will fund the County's operating and capital budgets for the fiscal year beginning July 1, 2024, and ending June 30, 2025. The resources are funded with revenue generated by the proposed real property tax rate as well as various federal, state, and local taxes, fees, fines, charges for services, and other miscellaneous sources. The majority of the General Fund's revenues are generated by the real property tax rate.

Budget Development Calendar

The County's budget development includes both an internal process and external (or public) process.

Organizational Overview

Thirty departments contribute to the operations of Loudoun County Government. An organizational chart details reporting relationships between the citizens, elected and appointed officials, and staff.

Performance Measures

Resource request tables include performance measures indicating factors affecting departments' work and resource needs. Those sections, included in the Resource Request section of this document, visually represent the most critical performance measures for a department, particularly those relating to positions presented in the budget. For key measures that relate to resources included in the Proposed Budget, FY 2025 and FY 2026 data reflect the estimated impact of these resources.

Budget Themes

Throughout the budget development process, staff identified broad, countywide themes to group resource needs for the FY 2025 budget. These themes were intended to help decision-makers prioritize resources and understand the differences and commonalities across many diverse departments. The themes also indicate whether local tax funding is required to facilitate decision-making. These themes not only group diverse needs but help readers quickly understand each department's needs at a high level. Themes are identified in summary tables presented in the Resource Requests section of the budget document.



Guide to the FY 2025 Proposed Budget

Structure of this Document

Beyond the Executive Summary, Volume I almost exclusively details revenues and expenditures of the General Fund, which is the County's main operating fund. The sections of Volume I are organized by functional areas of County departments, including specific budget analyses, FTE history, and a summary of actions taken by the Board during budget deliberations, including the new resources added to County department budgets.

Volume I

Local Tax Funding

The concept of *local tax funding* in Loudoun's budget terminology refers to the revenues raised from the following local tax sources: real property taxes, personal property taxes, penalties and interest on property taxes, the County's allocation of Virginia's sales and use tax, consumers utility taxes on electricity and natural gas, the short-term rental tax, and the 2 percent General Fund portion of the transient occupancy tax. Use of prior year fund balance is also categorized as local tax funding. New local tax funding is generally split between the County Government and Loudoun County Public Schools during the budget development process, with 40 percent allocated to the County Government and 60 percent allocated to the Schools' budget. This allocation could change based on decisions made by the Board during budget deliberations.

Resource Requests

This standalone section, added in FY 2025, summarizes all operating resource requests included in the Proposed Budget. Requests are summarized within tax rate increments and by functional area with more detail, including service level information and performance data justifying each request.

General Fund Revenue and Trends

This section presents a general description of each source of revenue assigned to the General Fund. Individual revenue sources (e.g., real property tax, sales and use tax) are grouped into five broader categories: General Property Taxes, Local Non-Property Taxes, Other Local Sources of Revenue, Commonwealth Aid, and Federal Aid. The section also presents dollar estimates of FY 2025 revenue for each General Fund revenue source along with corresponding actual values from recent years and the revenue estimates from the adopted budget for the current fiscal year.

The final portion of the section is entitled Forecast Discussion and Analysis. This section presents the economic outlook underlying the FY 2025 revenue estimates as well as additional information on some of the major revenue sources. In particular, additional details are provided on real property tax including an explanation of assessed value (including a summary of assessed property values in the County), equalization and the derivation of the homeowner's equalized tax rate, and a brief analysis of the real property tax paid by the average Loudoun homeowner.

Functional Area Summaries

Each County department is categorized within five *functional areas*: General Government Administration; Public Safety and Judicial Administration; Health and Welfare; Parks, Recreation, and Culture; and Community Development. Department sections begin with a brief description of the department and its component programs. The written narrative analyzes each department's expenditure, revenue, and staffing trends year-over-year.

Financial tables reflect actual revenue and expenditures for completed fiscal years, the adopted budget for the fiscal year in progress (FY 2024), and the total cost of resources included in the FY 2025 Proposed Budget. The FY 2026 Projected column is generally a default calculation escalating personnel budgets by 3 percent and operating and maintenance budgets by 1 percent. In some departments, this column includes projected costs for opening new facilities in the coming fiscal year. The Projected column represents a rough approximation of the costs to continue supporting current resources in the next fiscal year but does not account for the full range of expenditure pressures and resource needs that will impact FY 2026 budget development.



Guide to the FY 2025 Proposed Budget

Volume II

Capital Improvement Program

This section summarizes the Capital Improvement Program (CIP) including the proposed funding plan and anticipated operating impact for each project. The CIP is a six-year capital plan which provides a description for each of the capital projects and is organized into sections including Previously Authorized and Future Projects, County Projects, Transportation Projects, and School Projects. Though the CIP includes planned expenditures for six years, appropriations are only made for the proposed fiscal year.

Debt Service Fund and Other Funds

The other sections within Volume 2 describe various funds administered by the County (in addition to the General Fund) for a number of specific purposes. Debt Service Funds account for the accumulation of resources for the payment of general long-term debt (principal, interest, and other related costs).

Other funds include funds used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specific purposes. Revenues associated with these funds include special improvement taxes, revenues from the state and federal governments, and transfers from other funds.



Guide to the FY 2025 Proposed Budget

Budget Development Calendar

The calendar describes the County's internal budget process, which highlights the monthly activities required of County departments, as well as the external (or public) process, which highlights the role of the Board, its standing committees, and the public in the development process.

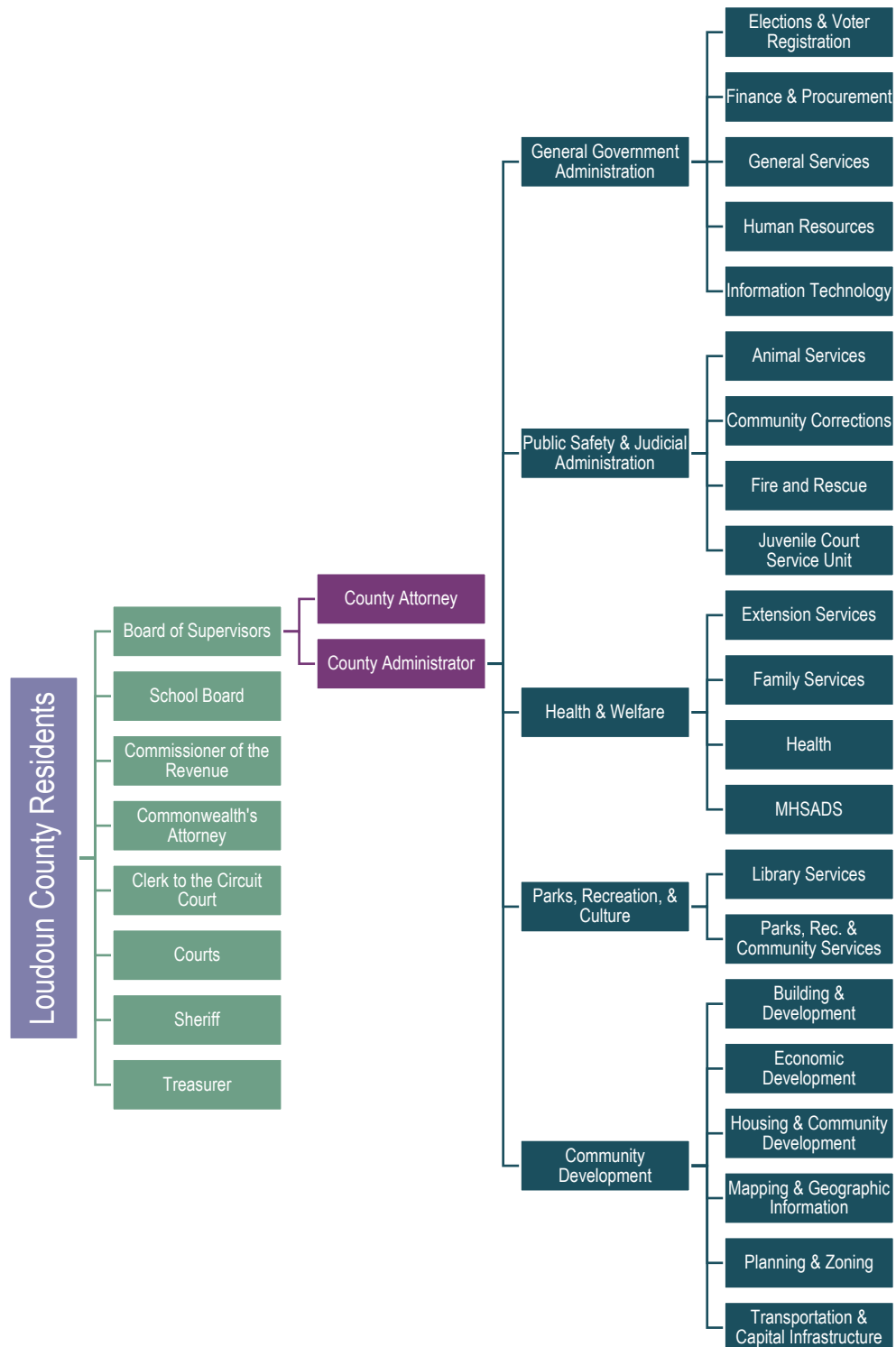
	Internal Process		External (Public) Process
2023	Departments begin evaluating program resource needs using performance data.	July	FGOEDC ¹ receives FY 2025 economic outlook information.
	Departments submit prioritized resource requests for review by Finance and Budget and County Administration.	October/November	FGOEDC is briefed on and provides budget guidance .
	Finance and Budget develops preliminary funding scenarios for County Administrator's consideration.	December	FGOEDC is briefed on and provides budget guidance .
2024	Commissioner of the Revenue finalizes assessment data . Staff finalizes funding scenario(s) and produces budget document.	January	The Board provides budget guidance to the County Administrator.
	Departments prepare for work sessions with Board.	February	County Administrator presents FY 2025 Proposed Budget . FGOEDC begins work sessions on Capital Improvement Program.
	Departments participate in work sessions on the operating and capital budgets.	March	Board holds work sessions to discuss FY 2025 Proposed Budget.
	Managemnt and Budget produces adopted budget and budget story documents.	April	Board adopts FY 2025 Budget.

¹ Finance/Government Operation and Economic Development Committee



Guide to the FY 2025 Proposed Budget

Organizational Overview

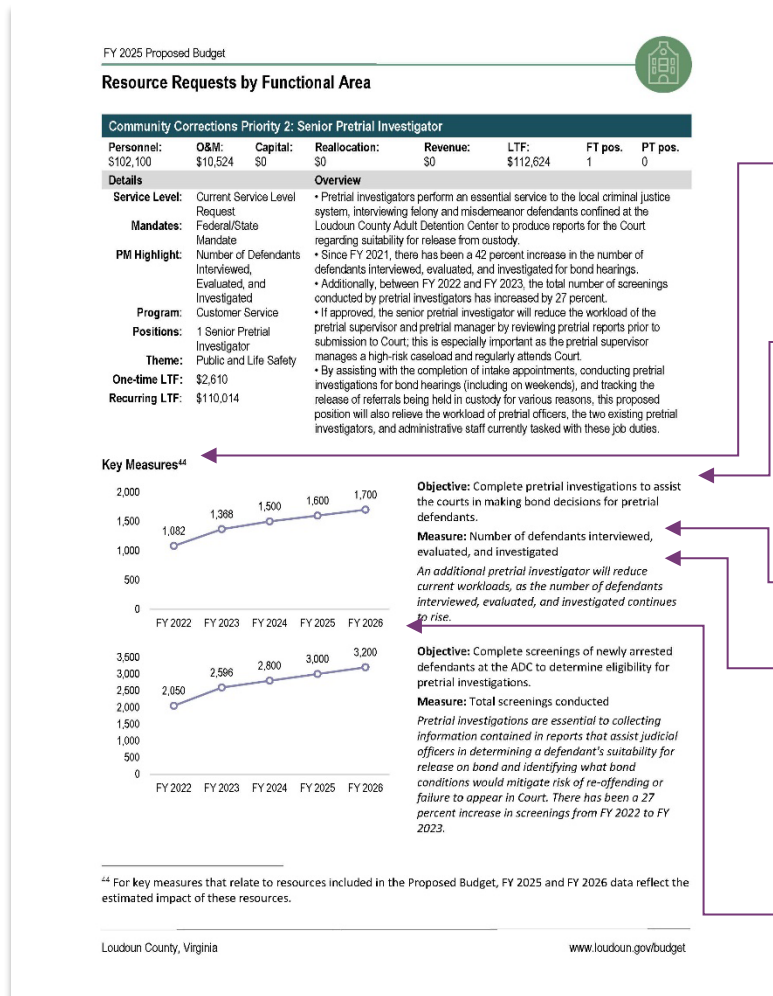




Guide to the FY 2025 Proposed Budget

Performance Measures

The Proposed Budget is designed to provide information in a clear format, notably in displaying performance measures. To fully explain resource needs and factors affecting the department, a Key Measures section visually represents performance measures. Explanations accompany these visuals to provide a clear justification of the department's needs. For key measures that relate to resources included in the Proposed Budget, FY 2025 and FY 2026 data reflect the estimated impact of these resources. The resource request by functional area section of the Proposed Budget presents a summary of the request along with key performance data as outlined below.



Key Measures provide several data points to explain the department's current and future needs along with the internal and external factors affecting these needs.

Objective indicates the outcome to which the measure is tied. Departments strive for these to be specific, measurable, and time-bound. If there is no objective, the measure is a workload measure a department track for resource needs.

Measure defines the data presented in the chart.

Explanation for Resource Needs/Measure in *italics* provides additional contextual information to the measure and objective to explain how and why additional resources are needed or the importance of the measure if unrelated to a resource.

Charts and graphs visually explain the data and information for readers to understand the information quickly and easily.



Guide to the FY 2025 Proposed Budget

Budget Themes

The proposed budget and increase options display countywide themes to better understand and discuss resource needs with decision makers and the public. Themes help to facilitate a strategic discussion of the County's resource needs and are as follows:

Affordable Housing

Resources within this theme contribute toward addressing the issue of housing affordability within the county. For example, the Proposed Budget includes a state rental assistance program (SRAP) specialist within the Department of Housing and Community Development. This position will allow the county to fully serve the maximum number of SRAP program participants.

Board

Resources within this theme connect department priorities that align with strategic themes and various Board Member Initiatives. The Proposed Budget includes resources related to collective bargaining as well as three positions needed to adequately administer a Purchase of Development Rights program.

Capital Facility Openings

Resources within this theme connect with planned openings of capital facilities. This theme indicates the pre-planned nature of these resource needs and their necessity in the success and use of the new capital facility. For example, the FY 2025 Proposed Budget includes staff for the Ashburn Recreation and Community Center.

Data and Performance Management

Resources within this theme focus on advancing the County's ability to make data-informed decisions through analysis, reporting, and system management. For example, the data and analytics manager in Fire and Rescue will coordinate, plan, and develop the methodology for LCFR's data analysis and preparation functions, and oversee the performance of all statistical analysis performed in the department and governance structure.

Economic Development

Resource requests within this theme strengthen and diversify Loudoun's economy by contributing to the growth of Loudoun's commercial tax base and fiscal health and support the Board of Supervisors' (Board) vision of a business-friendly environment. The international business development manager and program support within the Department of Economic Development are examples of this theme.

Equitable Access

Resource requests characterized in this theme focus on expanding access to help reduce and ultimately eliminate disparities experienced by marginalized populations in the County. Access to care and/or services may be limited due to a lack of access due to transportation, financial, language, or other barriers. These requests attempt to meet residents where they are to deliver vital care and services. The Proposed Budget includes a nutrition educator within the Loudoun Department of Extension Services to support and collaborate with multiple departments to provide nutrition education by conducting programming at libraries, community centers, food pantries with WIC and SNAP participants, families and students.

Fiscal Responsibility

Loudoun County values the prudent use of Loudoun's taxpayer dollars and plans efficient and effective use of resources to deliver services to residents. The cash management specialist within the Treasurer's Office, included in the proposed budget, is an example of a resource request related to fiscal responsibility.



Guide to the FY 2025 Proposed Budget

FTE Authority

Several departments requested FTE Authority only, indicating that expenditures associated with the requested personnel, or full-time equivalent (FTE), are funded through reallocation of department budget, existing or projected program revenue, grant awards, or other funds. Needs associated with this theme could be identified as not increasing the use of local tax funding. Grant-funded positions authorized allow the County to fund critical positions should funding cease.

Internal Support

As the County has grown in population and in staff, administrative and internal operations support has not always kept pace. Requests for internal support in the increase options reflect core organizational needs from internal support departments that allow other County departments to work more effectively.

Judicial Administration

Providing support to the judicial administration in Loudoun County serves the residents in ensuring legal processes are timely and efficient. An example in this theme included in the Proposed Budget is the legal records clerk within the office of the Clerk of the Circuit Court.

Meeting Demand

Demand for County programs and services has grown beyond current capacity. These resources aim to meet that demand, especially as it relates to mandates, and public health and safety.

Professional Development & Retention

Resource requests within this theme focus on developing talent pipelines and investing in the growth and retention of Loudoun's workforce. An example in the Proposed budget is the HR trainer in the Department of Parks, Recreation and Community Services.

Public and Life Safety

Loudoun County prioritizes public and life safety. An example in the Proposed Budget is the senior pretrial investigator in the Department of Community Corrections.

Responsibly Managing Land/Natural Resources

As Loudoun County continues to grow and still maintain thriving rural areas, the resulting evolving development patterns – from a suburban and rural County to one which includes increasing urban areas – creates additional and increasingly complex work for community development departments. These requests support the County in responsibly managing land and natural resources.

Span of Control

Similar to the internal support theme, as the County has grown in population and staff, the need for more management resources has been identified countywide. An example in the Proposed Budget is the deputy director for the Department of Economic Development.

Support to the CIP & Capital Investments

As the Capital Improvement Program (CIP) has grown in both size and complexity, the need for resources to support and implement it has also grown. One example of such a request is two utility managers in the Department of Transportation and Capital Infrastructure to maintain project timelines and current workloads.



Proposed Budget Overview

On December 5, 2023, the Board of Supervisors (Board) directed the County Administrator to prepare the FY 2025 Proposed Budget at the current real property tax rate of \$0.875, which approximates the tax rate that funds County compensation, base budget operating and maintenance adjustments, the opening of new facilities, the most critical new resource requests, and sufficient year-over-year increases in funding for the Loudoun County Public Schools (LCPS). The Board's guidance further directed the County Administrator to prepare an additional scenario at the homeowner's equalized tax rate (\$0.84). Based on previous Board guidance, new local tax funding (LTF) is generally split between the County Government and LCPS at a ratio of 40/60 percent.

Concepts

General Fund

The General Fund is the County's primary operating fund. It accounts for all financial resources of the general government except for those required to be accounted for in other funds. The majority of the County's revenues flow through the General Fund and support most operating costs, including salaries and benefits, internal service charges, materials and supplies, and local tax transfers to other funds. The General Fund's main source of revenue are general property taxes, which are levied on residential and commercial property as well as vehicles, machinery, and other personal property.

Local Tax Funding (LTF)

The concept of *local tax funding* in Loudoun's budget terminology is a specific set of revenue sources that are used to guide the split of funding between Loudoun County Government and LCPS. New local tax funding, net of the year-over-year changes in debt and capital appropriations as well as the half-penny increment for affordable housing, is then divided between Loudoun County Government and LCPS. Based on guidance from the Board of Supervisors, the split between the County Government and LCPS reflects a ratio of 40/60 percent, respectively. This revenue split is an important basis for building the budget, generally guiding the amount of funding available within new revenue for County Government and LCPS needs.

Equalized Tax Rate

The equalized real property tax rate is the tax rate that will generate the same level of real property revenue that was generated in the prior tax year. The equalized rate considers changes in property value ("appreciation" or "depreciation") but not new construction.

Current Tax Rate

The current real property tax rate is the tax rate adopted as part of the FY 2024 budget, representing the real property rate in place for Tax Year (TY) 2023. Throughout this document, this term refers to the TY 2023 real property tax rate, which was \$0.875 per \$100 of assessed value.

Appropriations Categories

Revenues and expenditures are shown in three appropriations categories: operating, debt, and capital appropriations. Operating appropriations are those that support regular County and School Division operations. Debt appropriations are those that support debt service payments. Capital appropriations are those that support capital-related funds and capital facility construction, renovation, and the repair and purchase of major capital equipment.



Proposed Budget Overview

Summary of Budget Guidance: Proposed Real Property Rate of \$0.875

The table below summarizes the impact of the tax rate scenarios based on the Board's budget guidance. The FY 2025 Proposed Budget is prepared with revenues available at the real property tax rate of \$0.875 per \$100 of assessed value and a personal property tax rate of \$4.15 per \$100 of assessed value for TY 2024 and \$4.10 for TY 2025. In the homeowner's equalized rate scenario, the real property tax rate is \$0.84 per \$100 of assessed value. Both scenarios reflect a split of net new local tax funding at a ratio of 40/60 percent between the County Government and LCPS. The two scenarios are summarized below.

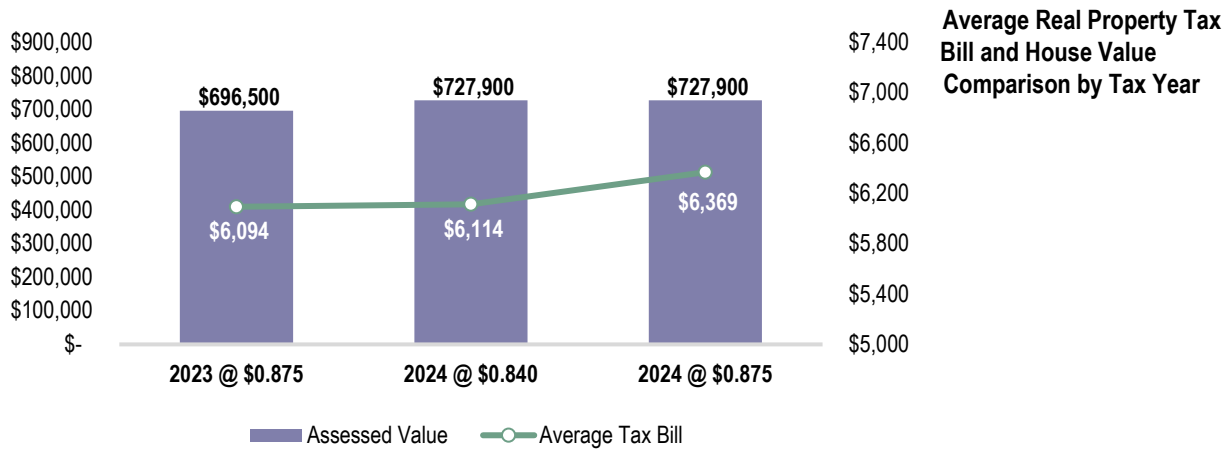
	FY 2025 Proposed \$0.875	FY 2025 Reduction Option \$0.840
Total New Local Tax Funding	\$294,205,585	\$242,319,585
Less: Change in LTF for Capital/Debt	35,297,829	35,297,829
Less: Change in LTF for Affordable Housing	941,000	941,000
Less: LCPS Base Adjustment	16,300,000	16,300,000
Less: Contribution to Revenue Stabilization	40,000,000	40,000,000
Net New Local Tax Funding	\$201,666,757	\$149,780,757
Share of New Revenue		
LCPS Share of New Revenue	\$121,000,054	\$89,868,454
LCPS Percentage Share of New Revenue	60%	60%
County Share of New Revenue	\$80,666,703	\$59,912,303
County Percentage Share of New Revenue	40%	40%
Funding Gap		
LCPS Gap	\$9,999,946	\$41,131,546



Proposed Budget Overview

Average Homeowner Real Property Tax Bill

The chart below compares the annual real property tax bill for the average value of a completed home in Loudoun County on January 1, 2023, under the current real property tax rate of \$0.875 with the average valuation, the tax bill for these same homes for TY 2024 under the Proposed Budget scenario at the current tax rate (\$0.875), and tax bill for these same homes under the homeowner's equalized tax rate scenario at \$0.84. For the mix of homes (single-family detached, townhouse, and condominium) that existed on January 1, 2023, the average value was \$696,500. The average value of these same homes on January 1, 2024, is \$727,900.¹



¹ Commissioner of the Revenue January 22, 2024, Assessment Summary.



Proposed Budget Overview

Local Tax Funding Revenue Sources

The table below includes a summary of available local tax funding in the Proposed Budget. The Proposed Budget reflects a real property tax rate of \$0.875 and a personal property tax rate of \$4.15 for TY 2024 and \$4.10 for TY 2025. Each cent of the proposed real property tax rate for TY 2024 approximates \$14.8 million in recurring revenue; each cent of the proposed personal property tax rate for TY 2024 is approximately \$1.1 million.

Revenue Category	FY 2024 Adopted	FY 2025 Proposed
Real Property Rate	\$0.875	\$0.875
Personal Property Tax Rate (Fall Levy)	\$4.15	\$4.15
Personal Property Tax Rate (Spring Levy)	\$4.15	\$4.10
Real Property		
General Real Property Taxes	\$1,100,536,200	\$1,264,114,500
Public Service Property Taxes	31,827,500	33,339,300
Penalties & Interest	11,750,000	12,990,000
Personal Property		
Computer Equipment	\$568,116,000	\$674,463,020
General Personal Property	258,452,300	259,943,415
Machinery & Tools	2,100,000	2,070,500
Heavy Equipment	1,975,000	1,808,000
Aircraft	45,500	64,000
Mobile Homes	17,600	18,200
Broadband Wireless Business Equipment	19,300	13,600
Satellite Manufacturing Equipment	4,000	6,000
Other Local Taxes		
Sales Tax	\$109,300,000	114,149,650
Consumer Utility Taxes	13,404,000	14,653,500
Short-Term Rental Tax	827,000	847,700
Transient Occupancy Tax	2,500,000	3,193,000
Cigarette Tax	3,800,000	2,205,000
Subtotal – LTF	\$2,104,674,400	\$2,383,879,985
Use of Fund Balance	\$40,000,000	\$55,000,000
Total – LTF	\$2,144,674,400	\$2,438,879,985
Average Homeowner Tax Bill	\$6,094	\$6,369



Proposed Budget Overview

Schedule of Appropriations

A portion of the County's LTF remains in the General Fund to fund departmental operations and an additional amount is transferred to other funds to support additional operations and debt and capital-related expenditures of the County Government and School Division. The tables below summarize each fund's total appropriation in terms of expenditures, revenues (non-local tax funding sources), and local tax funding. The FY 2025 Proposed Budget schedule is based on the real property tax rate of \$0.875 and a personal property tax rate of \$4.15 for TY 2024 and \$4.10 for TY 2025.

FY 2025 Proposed Budget, Schedule of Appropriations¹

Appropriation Category	Expenditures	Revenue	Local Tax Funding	% of Total LTF
Operating Appropriations				
County General Fund ²	\$984,030,430	\$275,603,707	\$708,426,723	29.0%
School Operating Fund	1,814,777,946	537,650,516	1,277,127,430	52.4%
School Grant Fund	35,071,745	35,071,745	0	0.0%
School Lease Purchase Fund	10,002,000	10,002,000	0	0.0%
School Nutrition Fund	42,637,655	42,637,655	0	0.0%
Children's Services Act Fund	10,331,436	6,641,369	3,690,067	0.2%
Disposable Plastic Bag Tax Fund	500,000	500,000	0	0.0%
Dulles Town Center CDA Fund	3,500,000	3,500,000	0	0.0%
EMS Transport Fund	7,300,000	7,300,000	0	0.0%
Housing Fund	12,410,000	5,000,000	7,410,000	0.3%
Legal Resource Center Fund	163,004	44,980	118,024	0.0%
Metro Garages Fund	3,594,263	3,594,263	0	0.0%
Opioid Abatement Settlement Fund	180,867	180,867	0	0.0%
Other Special Revenue Funds	91,000	91,000	0	0.0%
Rental Assistance Program Fund	12,801,320	12,528,930	272,390	0.0%
Restricted Use TOT Fund	4,790,000	4,790,000	0	0.0%
Self-Insurance Fund	5,455,700	0	5,455,700	0.2%
State and Federal Grant Fund	4,323,125	4,323,125	0	0.0%
Subtotal – Operating Appropriations	\$2,951,960,491	\$949,460,157	\$2,002,500,334	82.1%
Debt Appropriations				
County Government	\$116,838,623	\$31,628,067	\$85,210,557	3.5%
School System	154,469,583	5,865,010	148,604,573	6.1%
Greenlea Tax District	44,038	44,038	0	0.0%
Route 28 Special Improvements Fund	25,740,000	25,740,000	0	0.0%
Tall Oaks Water & Sewer Fund	60,572	60,572	0	0.0%
Subtotal – Debt Appropriations	\$297,152,816	\$63,337,687	\$233,815,130	9.6%

¹ Sums may not equal due to rounding.

² Expenditures and revenues include landfill fee revenues transferred to the Capital Projects Fund.

**Proposed Budget Overview**

Appropriation Category	Expenditures	Revenue	Local Tax Funding	% of Total LTF
Capital Appropriations				
County Government Capital Projects	\$439,408,759	\$340,057,397	\$99,351,362	4.1%
County Asset Preservation Program	20,000,000	100,000	19,900,000	0.8%
School System Capital Projects	513,860,000	509,857,000	4,003,000	0.2%
School System Asset Preservation	47,790,000	0	47,790,000	2.0%
Capital Projects Financing Fund	718,618,196	718,618,196	0	0.0%
Major Equipment Replacement Fund	1,520,160	0	1,520,160	0.1%
Public Facilities Trust Fund	14,933,646	14,933,646	0	0.0%
Transportation District Fund	154,603,079	124,603,079	30,000,000	1.2%
Subtotal – Capital Appropriations	\$1,910,733,840	\$1,708,169,318	\$202,564,522	8.3%
Unallocated Balance	\$0	\$0	\$0	0.0%
Total – Appropriations	\$5,159,847,147	\$2,720,967,162	\$2,438,879,985	100.0%



Proposed Budget Overview

Comparison of Appropriations

The table below compares the FY 2025 Proposed Budget appropriation level (or “Expenditures” column from the table on the previous page) to the FY 2024 Adopted Budget appropriation level. The FY 2025 Proposed Budget includes an overall approximately \$984 million increase in expenditures, or 24 percent. This year-over-year increase includes \$661 million in increased capital appropriations, \$28 million for increased debt appropriations, \$150 million for LCPS operating appropriations, and \$143 million for increased County operating appropriations, which includes a \$40 million contribution to the Revenue Stabilization Fund.

Comparison of Appropriations, FY 2024 Adopted and FY 2025 Proposed¹

Appropriation Category	FY 2024 Adopted	FY 2025 Proposed	Variance
Operating Appropriations			
County General Fund	\$840,537,318	\$984,030,430	\$143,493,112
School Operating Fund	1,665,045,179	1,814,777,946	149,732,767
School Grant Fund	30,503,915	35,071,745	4,567,830
School Lease Purchase Fund	10,002,000	10,002,000	0
School Nutrition Fund	51,663,825	42,637,655	(9,026,170)
Children's Services Act Fund	10,331,436	10,331,436	0
Disposable Plastic Bag Tax Fund	275,000	500,000	225,000
Dulles Town Center CDA Fund	3,500,000	3,500,000	0
EMS Transport Reimbursement Program Fund	5,225,000	7,300,000	2,075,000
Housing Fund	11,469,000	12,410,000	941,000
Legal Resource Center Fund	128,428	163,004	34,576
Metro Garages Fund	2,317,496	3,594,263	1,276,767
Opioid Abatement Settlement Fund	180,867	180,867	0
Other Special Revenue Funds	91,000	91,000	0
Rental Assistance Program Fund	12,055,628	12,801,320	745,692
Restricted Use Transient Occupancy Tax Fund	3,800,000	4,790,000	990,000
Self-Insurance Fund	5,455,700	5,455,700	0
State and Federal Grant Fund	4,297,577	4,323,125	25,548
Subtotal – Operating Appropriations	\$2,656,879,369	\$2,951,960,491	\$295,081,122
Debt Appropriations			
County Government	\$105,594,936	\$116,838,623	\$11,243,687
School System	146,530,544	154,469,583	7,939,039
Greenlea Tax District	44,038	44,038	0
Route 28 Special Improvements Fund	16,875,000	25,740,000	8,865,000
Tall Oaks Water & Sewer Special Revenue Fund	60,572	60,572	0
Subtotal – Debt Appropriations	\$269,105,090	\$297,152,816	\$28,047,726

¹ Sums may not equal due to rounding.

**Proposed Budget Overview**

Appropriation Category	FY 2024 Adopted	FY 2025 Proposed	Variance
Capital Appropriations			
County Government Capital Projects	\$500,911,178	\$439,408,759	(\$61,502,419)
County Asset Preservation Program	19,867,825	20,000,000	132,175
School System Capital Projects	122,179,376	513,860,000	391,680,624
School System Asset Preservation	43,216,000	47,790,000	4,574,000
Capital Projects Financing Fund	389,497,307	718,618,196	329,120,889
Major Equipment Replacement Fund	1,520,160	1,520,160	0
Public Facilities Trust Fund	28,770,783	14,933,646	(13,837,137)
Transportation District Fund	143,760,563	154,603,079	10,842,516
Subtotal – Capital Appropriations	\$1,249,723,193	\$1,910,733,840	\$661,010,647
Unallocated Balance	\$150,702	\$0	(\$150,702)
Total Appropriations	\$4,175,858,354	\$5,159,847,147	\$983,988,793



Proposed Budget Overview

Comparison of Local Tax Funding

The FY 2025 Proposed Budget's use of local tax funding for all appropriated funds at the proposed real property tax rate totals approximately \$2.44 billion. The use of local tax funding is \$294 million higher than the FY 2024 Adopted Budget. Local tax support for the County's General Fund increased by \$121 million or 21 percent, which includes a \$40 million contribution to the Revenue Stabilization Fund, while the local transfer for the LCPS operating fund increased by \$137 million or 12 percent.

Comparison of the Use of Local Tax Funding, FY 2024 Adopted and FY 2025 Proposed¹

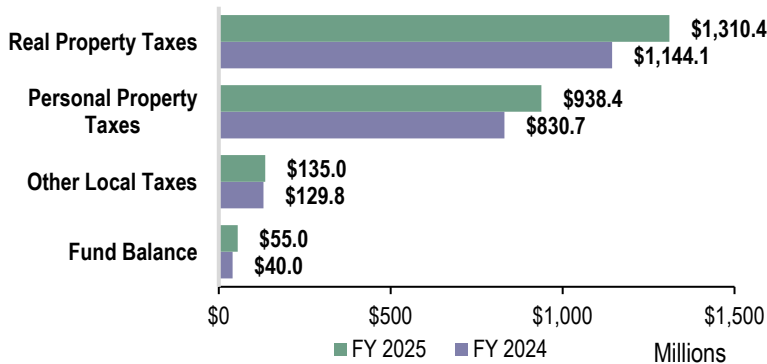
Appropriation Category	FY 2024 Adopted	FY 2025 Proposed	Variance
Operating Appropriations			
County General Fund	\$587,643,894	\$708,426,723	\$120,782,829
School Operating Fund	1,139,827,376	1,277,127,430	137,300,054
School Grant Fund	0	0	0
School Lease Purchase Fund	0	0	0
School Nutrition Fund	0	0	0
Children's Services Act Fund	3,690,067	3,690,067	0
Dulles Town Center CDA Fund	0	0	0
Disposable Plastic Bag Tax Fund	0	0	0
EMS Transport Reimbursement Program Fund	0	0	0
Housing Fund	6,469,000	7,410,000	941,000
Legal Resource Center Fund	83,448	118,024	34,576
Metro Garages Fund	0	0	0
Opioid Abatement Settlement Fund	0	0	0
Other Special Revenue Funds	0	0	0
Rental Assistance Program Fund	272,390	272,390	0
Restricted Use Transient Occupancy Tax Fund	0	0	0
Self-Insurance Fund	5,455,700	5,455,700	0
State and Federal Grant Fund	0	0	0
Subtotal – Operating Appropriations	\$1,743,441,875	\$2,002,500,334	\$259,058,459
Debt Appropriations			
County Government	\$76,503,015	\$85,210,557	\$8,707,542
School System	138,705,544	148,604,573	9,899,029
Greenlea Tax District	0	0	0
Route 28 Special Improvements Fund	0	0	0
Tall Oaks Water & Sewer Special Revenue Fund	0	0	0
Subtotal – Debt Appropriations	\$215,208,559	\$233,815,130	\$18,606,571
Capital Appropriations			
County Government Capital Projects	\$92,604,356	\$99,351,362	\$6,747,006
County Asset Preservation Program	19,767,825	19,900,000	132,175

¹ Sums may not equal due to rounding.



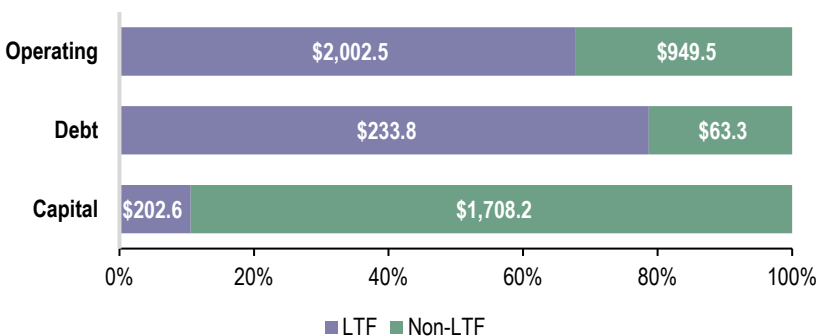
Proposed Budget Overview

Appropriation Category	FY 2024 Adopted	FY 2025 Proposed	Variance
School System Capital Projects	2,864,923	4,003,000	1,138,077
School System Asset Preservation	43,216,000	47,790,000	4,574,000
Capital Projects Financing Fund	0	0	0
Major Equipment Replacement Fund	1,520,160	1,520,160	0
Public Facilities Trust Fund	0	0	0
Transportation District Fund	25,900,000	30,000,000	4,100,000
Subtotal – Capital Appropriations	\$185,873,264	\$202,564,522	\$16,691,258
Unallocated Balance	\$150,702	\$0	(\$150,702)
Total – Local Tax Funding	\$2,144,674,400	\$2,438,879,985	\$294,205,585



Comparison of Local Tax Funding Sources

Growth in the data center industry property assessed values is the most substantial change, which has significantly increased both real and personal property tax revenue.



Comparison of Funding Sources by Appropriations Category

Capital funds leverage substantial non-local tax funding sources.



Proposed Budget Overview

General Fund Summary

The General Fund is the County's primary operating fund. It accounts for all financial resources of the general government except for those required to be accounted for in other funds. The General Fund totals approximately \$2.71 billion for the FY 2025 Proposed Budget. Most County revenues flow through the General Fund and fund salaries, benefits, internal service charges, materials and supplies, and other typical operating costs. The General Fund's principal source of revenue is property taxes, which are levied on residential and commercial property and vehicles, machinery, and other personal property. The *General Fund Revenue and Trends* section of this document details each of the General Fund's revenue sources. A brief overview of expenditures is displayed below.

FY 2026 Projected is shown for illustrative purposes only. Personnel is escalated by 3 percent and operating and maintenance is escalated by 1 percent, unless more specific detail is known. Transfers to other funds and revenues are held flat to generally demonstrate the year-over-year increase in revenues required to fund the County's base budget.

	FY 2022 Actual	FY 2023 Actual	FY 2024 Adopted	FY 2025 Proposed	FY 2026 Projected
Expenditures					
Personnel	\$480,989,795	\$516,719,665	\$578,647,140	\$668,301,014	\$688,350,044
Operating and Maintenance	1,201,893,322	1,311,516,487	1,431,806,856	1,590,352,694	1,606,256,221
Capital Outlay	2,536,351	5,242,158	6,496,233	5,611,313	0
Other Uses of Funds	344,707,171	437,416,423	380,617,595	450,218,672	450,218,672
Total – Expenditures	\$2,030,126,640	\$2,270,894,734	\$2,397,567,824	\$2,714,483,693	\$2,744,824,937
Revenues					
General Property Taxes	\$1,692,001,602	\$1,904,234,267	\$1,926,771,700	\$2,200,759,435	\$2,200,759,435
Other Local Taxes	205,972,923	213,734,420	210,158,400	221,641,150	221,641,150
Permits, Fees, and Licenses	24,729,516	24,350,515	27,698,050	26,519,050	26,519,050
Fines and Forfeitures	1,662,929	1,729,355	1,515,300	1,514,700	1,514,700
Use of Money and Property	(3,930,342)	39,588,978	24,356,258	33,333,379	33,333,379
Charges for Services	35,599,703	38,661,634	43,972,257	46,169,353	46,169,353
Miscellaneous Revenue	10,259,912	4,495,557	708,632	270,300	270,300
Recovered Costs	9,622,592	12,178,989	10,260,720	9,919,450	9,919,450
Intergovernmental – Commonwealth	97,318,792	98,300,803	98,361,482	104,284,306	104,284,306
Intergovernmental – Federal	35,070,639	20,710,022	12,570,560	13,213,595	13,213,595
Other Financing Sources	1,639,554	1,391,204	41,194,465	56,858,974	56,858,974
Total – Revenues	\$2,109,947,820	\$2,359,375,744	\$2,397,567,824	\$2,714,483,693	\$2,714,483,693





History of Expenditures by Department¹

	FY 2022 Actual	FY 2023 Actual	FY 2024 Adopted	FY 2025 Proposed	FY 2026 Projected
Animal Services	\$4,916,820	\$4,720,883	\$5,227,887	\$6,153,904	\$6,323,909
Board of Supervisors	3,598,615	3,743,873	4,887,193	5,615,738	5,766,127
Building and Development	25,755,351	26,718,419	29,379,195	30,715,830	31,599,237
Clerk of the Circuit Court	5,465,200	5,977,118	5,990,448	6,358,771	6,545,010
Commissioner of the Revenue	9,720,089	10,426,779	12,052,187	12,340,789	12,694,306
Commonwealth's Attorney	5,234,601	6,805,485	8,606,695	10,310,614	10,610,918
Community Corrections	4,219,850	4,701,322	5,158,951	5,726,322	5,890,706
County Administrator	19,661,562	11,495,028	16,697,355	18,710,076	19,188,712
County Attorney	4,194,319	4,982,142	4,597,310	4,716,664	4,854,813
Courts	1,757,655	1,873,666	2,287,309	2,388,281	2,454,072
Economic Development	4,481,827	5,351,772	5,519,358	6,223,865	6,384,933
Elections and Voter Registration	2,117,374	2,936,634	3,260,404	3,650,803	3,741,019
Extension Services	577,622	656,965	741,834	887,670	910,726
Family Services	25,452,053	29,158,898	40,669,143	44,291,154	45,368,632
Finance and Procurement	9,789,867	9,963,896	8,207,034	9,106,582	9,352,723
Fire and Rescue	117,779,236	130,186,694	141,962,692	147,826,563	151,864,207
General Services	58,343,708	80,767,603	108,516,632	113,055,864	113,716,912
Health	7,239,767	7,680,629	14,973,000	17,333,497	17,830,714
Housing and Community Development	2,923,447	15,664,235	18,144,183	19,064,860	19,353,236
Human Resources	8,807,310	9,655,234	11,062,747	12,010,871	12,284,976
Information Technology	44,658,875	51,349,693	55,939,553	69,857,565	70,941,316
Juvenile Court Service Unit	5,488,262	7,085,152	9,160,168	9,406,452	9,670,784
Library Services	20,159,378	22,600,334	25,032,757	25,462,057	26,145,673
Mapping and Geographic Information	3,073,647	3,533,978	3,950,513	4,058,368	4,176,349
MH, SA, and Developmental Services	52,775,339	57,197,200	70,822,786	71,736,585	73,655,548
Non-Departmental	1,395,509,435	1,561,678,976	1,564,263,052	1,817,809,753	1,827,596,397
Parks, Recreation, and Community Services	59,557,888	64,878,365	73,526,782	83,151,672	85,344,652
Planning and Zoning	10,162,708	10,526,041	12,690,978	15,041,832	15,470,889
Sheriff's Office	104,221,765	111,709,372	131,640,548	138,849,278	142,301,019
Transportation and Capital Infrastructure	20,653,196	16,184,989	10,794,685	11,020,126	11,255,512
Treasurer	6,824,279	7,468,283	8,157,650	8,725,732	8,947,346
County Total	\$2,045,121,044	\$2,287,679,658	\$2,413,921,029	\$2,731,608,138	\$2,762,241,373

¹ This table reflects the General Fund, State and Federal Grants Fund, and Rental Assistance Fund.



History of Expenditures and FTE

History of FTE by Department^{1,2}

	FY 2022 Actual	FY 2023 Actual	FY 2024 Adopted	FY 2025 Proposed	FY 2026 Projected
Animal Services	42.00	42.00	42.00	48.00	48.00
Board of Supervisors	0.00	0.00	0.00	0.00	0.00
Building and Development	205.80	206.80	207.80	213.00	213.00
Clerk of the Circuit Court	52.00	52.00	52.00	54.00	54.00
Commissioner of the Revenue	83.93	89.93	90.93	90.93	90.93
Commonwealth's Attorney	48.00	54.00	59.00	66.77	66.77
Community Corrections	37.33	40.33	42.33	45.33	45.33
County Administrator	79.53	62.60	105.60	116.87	116.87
County Attorney	27.00	27.00	27.00	27.00	27.00
Courts	11.00	11.00	12.00	12.00	12.00
Economic Development	25.00	28.00	28.00	31.00	31.00
Elections and Voter Registration	13.00	13.00	15.00	17.00	17.00
Extension Services	5.00	5.00	5.00	6.00	6.00
Family Services	203.53	229.53	246.53	274.53	274.53
Finance and Procurement	89.00	100.00	58.00	62.00	62.00
Fire and Rescue	696.14	729.14	759.06	788.06	788.06
General Services	164.06	181.35	190.35	204.58	204.58
Health	41.00	55.00	116.00	127.00	127.00
Housing and Community Development	0.00	33.00	35.00	36.00	36.00
Human Resources	43.00	46.00	46.00	50.00	50.00
Information Technology	115.47	119.47	119.47	119.47	119.47
Juvenile Court Service Unit	44.69	68.69	67.54	68.01	68.01
Library Services	224.06	225.06	224.81	226.81	226.81
Mapping and Geographic Information	25.00	26.00	26.00	26.00	26.00
MH, SA, and Developmental Services	434.64	449.17	461.57	481.57	481.57
Non-Departmental	0.00	0.00	0.00	0.00	0.00
Parks, Recreation, and Community Services	721.27	742.20	692.57	756.30	756.30
Planning and Zoning	72.00	78.00	80.00	90.00	90.00
Sheriff's Office	807.49	812.49	852.27	875.56	875.56
Transportation and Capital Infrastructure	87.00	90.00	95.00	101.00	101.00
Treasurer	56.00	56.00	56.00	58.00	58.00
County Total	4,453.94	4,672.76	4,812.83	5,072.79	5,072.79

¹ This table reflects all authorized County Government FTE, including all Funds.

² A change in methodology decreased certain FTE totals for FY 2024. See department narratives for details.