



Guide to the FY 2024 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 2024 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, 2023, and ending June 30, 2024. 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

Department narratives include performance measures indicating factors affecting departments' work and resource needs. Those sections, titled Key Measures, visually represent the most critical performance measures for a department, particularly those relating to positions presented in the budget.

Budget Themes

Throughout the budget development process, staff identified broad, countywide themes to group resource needs for the FY 2024 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 department narratives as subheadings following the Staffing/FTE History section of each department narrative and in the resource request tables throughout the Executive Summary and department narratives.



Guide to the FY 2024 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 bank franchise tax, 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.

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 2024 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 2024 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 explores the resource needs of the department using high level themes that are recurring throughout the organization all while analyzing each department's expenditure, revenue, and staffing trends year-over-year. Performance data is included to further illustrate and justify resources to support department programs and to illustrate major themes, challenges, or opportunities.

Financial tables reflect actual revenue and expenditures for completed fiscal years, the adopted budget for the fiscal year in progress (FY 2023), and the total cost of resources included in the FY 2024 Proposed Budget. The FY 2025 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 2025 budget development.



Guide to the FY 2024 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 2024 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.

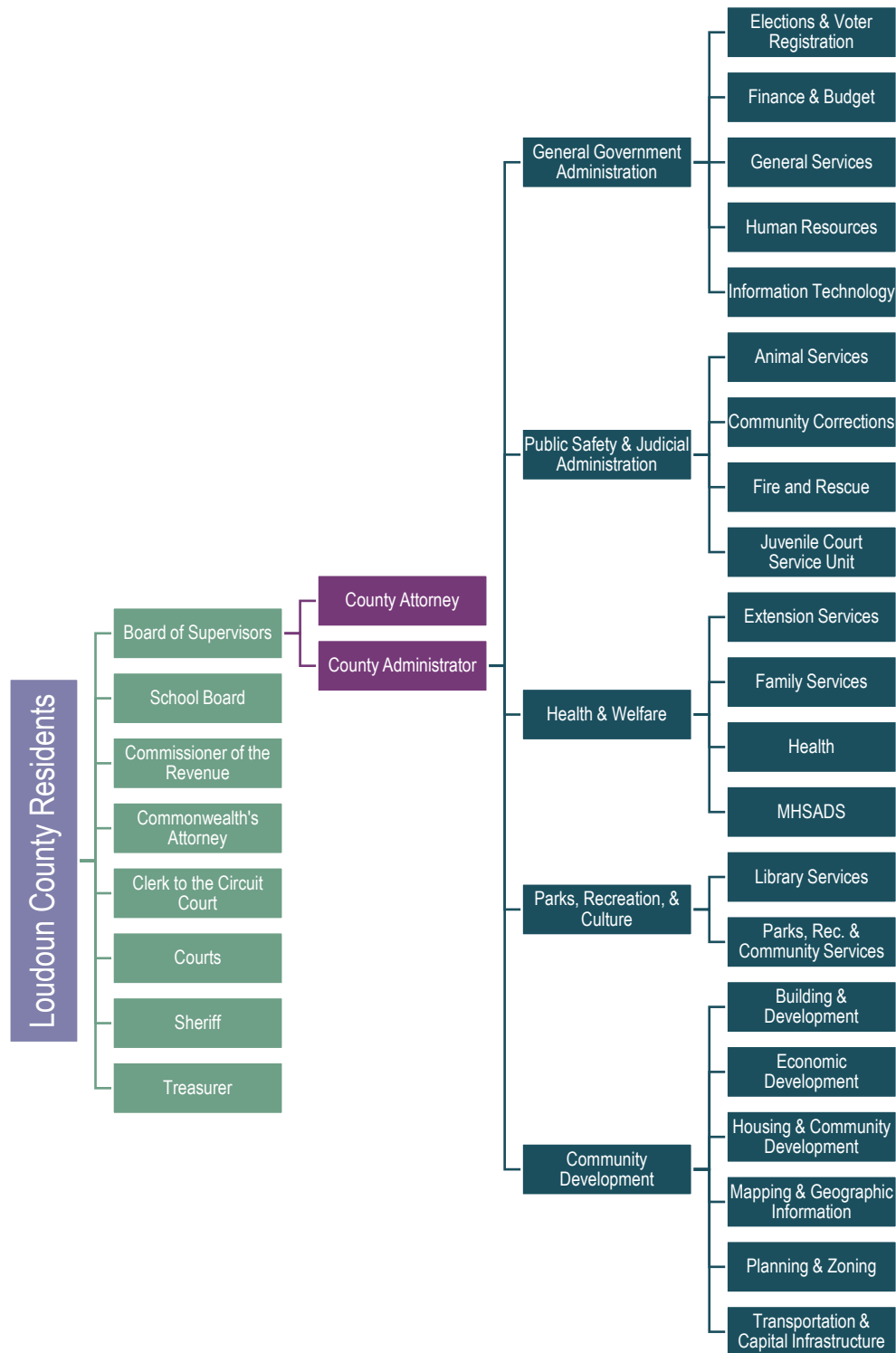
	Internal Process		External (Public) Process
2022	Departments begin evaluating program resource needs using performance data.	July	FGOEDC ¹ receives FY 2024 economic outlook information.
	Departments submit prioritized resource requests for review by Finance and Budget and County Administration.	October/ 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 .
2023	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 2024 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 2024 Proposed Budget.
	Finance and Budget produces adopted budget and budget story documents.	April	Board adopts FY 2024 Budget.

¹ Finance/Government Operation and Economic Development Committee



Guide to the FY 2024 Proposed Budget

Organizational Overview





Guide to the FY 2024 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 story to the department’s needs.

FY 2024 Proposed Budget

County Attorney

Key Measures¹

Objective: Provide legal services for real estate, contracts and procurements and tax, budget, and finance matters.

Measure: Number of transactional matters (tax col action, leases, contracts, and property acquisition) per attorney.

The requested assistant county attorney will maintain the FY 2019 service level of less than 600 transactional matters per attorney.

Objective: Provide legal services in support of the County departments, including MHSASDs.

Measure: Number of Emergency Services hearings.

The requested assistant county attorney will help the Office of the County Attorney to continue to provide MHSASDs with litigation support for Emergency Services and consultation for Temporary Detention Orders and Emergency Custody Orders.

Objective: Review 85 percent of land development submissions within 20 days.

Measure: Number of land development submissions received; percent of land development submissions reviewed in 20 days.

The paraprofessional added by the FY 2020 Adopted Budget helps the Office get closer to their goal of reviewing 85 percent of land development submissions within 20 days.

¹ For key measures that relate to resources included in the Proposed Budget, FY 2021 and FY 2022 data reflect the estimated impact of these resources.

Loudoun County, Virginia www.loudoun.gov/budget

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 tracks for resource needs.

Measure defines the data presented in the chart.

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

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.



Guide to the FY 2024 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:

Board

Resources within this theme connect are department priorities that align with strategic themes and various Board Member Initiatives. In the increase options, these resources include support for the Board's Unmet Housing Needs Strategic Plan, Collective Bargaining, Glass Recycling, Composting, execution of the Energy and Environment work plan, regulations for short-term residential rentals, and conservation practices in regulated floodplains.

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 2024 Proposed Budget includes staff the Leesburg South Fire and Rescue station.

Community Wellness and Resiliency

Many of the health and human services departments' resource needs are for the provision of community-based services that promote mental health, wellness, and resiliency. Examples of resources for consideration in the increase options include the Crisis Intervention Team Community Access Response and public benefits staffing in Family Services.

Community Outreach and Education

Resource requests focused on initiatives that bolster community engagement through outreach and education. The sole resource request in an increased option is Library Services' visual communications specialist.

Equitable Communities

Resource requests characterized in this theme focus on advancing equity and inclusion policies and programs to help reduce and ultimately eliminate disparities experienced by marginalized populations in the County. The increased options include an equity and inclusion specialist to support the implementation and execution of the Board's Equity Program.

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 commercial real estate appraiser for the Commissioner of the Revenue, included in the increase options, is an example of a resource request related to fiscal responsibility.

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.



Guide to the FY 2024 Proposed Budget

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 increased options include the Circuit Court Judges docketing manager.

Public and Life Safety

Loudoun County prioritizes public and life safety. An example in the increase options is additional Deputies in the Sheriff's office to enhance patrol functions.

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. Examples in the increase options include a deputy director for the Department of Economic Development and a voter services manager in the Department of Elections and Voter Registration.

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 the projections and renovations staffing for the Department of General Services, which will allow renovations of County facilities to be completed according to the County's renovations plans. In addition, several requests in the increase options provide support to previously funded capital investments, including the training administrator in the Department of Building and Development.



Proposed Budget Overview

On January 3, 2022, the Board of Supervisors (Board) directed the County Administrator to prepare the FY 2024 Proposed Budget with new local tax funding (LTF) split between the County Government and Loudoun County Public Schools (LCPS) at a ratio of 40/60 percent, respectively and with the revenues necessary to fund employee compensation, base budget operating and maintenance adjustments, and the opening of new capital facilities. At the time, it was estimated that this scenario required a real property tax rate of \$0.88 per \$100 of assessed value and a personal property tax rate of \$4.15 per \$100 of assessed value.

The Board's guidance also directed the County Administrator to prepare options to increase the real property tax rate by 1.5 cents; one where the additional revenue is split between the County Government and LCPS at a ratio of 40/60 percent and one where the County Government retains 100 percent of the increase. Due to positive shifts in the revenue outlook for real property since the Board's final guidance, the FY 2024 Proposed Budget is presented at a real property tax rate of \$0.87 per \$100 of assessed value, with increase options reflecting a rate of \$0.885 per \$100 of assessed value.

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 the final budget guidance from the Board of Supervisors, the split between the County Government and Loudoun County Public Schools (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 2023 budget, representing the real property rate in place for Tax Year (TY) 2022. Throughout this document, this term refers to the TY 2022 real property tax rate, which was \$0.89 per \$100 of assessed value.