



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.



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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.

Summary of Budget Guidance: Proposed Real Property Rate of \$0.87

The table below summarizes the impact of the two tax rate scenarios of the Board’s budget guidance. The FY 2024 Proposed Budget is prepared with revenues available at the real property tax rate of \$0.87 per \$100 of assessed value and a personal property tax rate of \$4.15 per \$100 of assessed value for Tax Year (TY) 2023 and TY 2024. In the increase options, the real property tax rate is \$0.885 per \$100 of assessed value, while the personal property tax rate remains at \$4.15 per \$100 of assessed value. In the first increase option outlined below, LCPS receives 60 percent of the additional revenue resulting from this rate increase and in the second, 100 percent of the additional revenue is retained by the Loudoun County Government (LCG). The following pages provide additional information about the three scenarios summarized below.

	FY 2024 Proposed \$0.87 / \$4.15	FY 2024 Increase Option With 40/60 split \$0.885 / \$4.15	FY 2024 Increase Option 100% LCG ¹ \$0.885 / \$4.15
Total New Local Tax Funding	\$119,382,400	\$138,732,400	\$138,732,400
Less: Change in LTF for Capital/Debt	0	0	0
Less: Change in LTF for Affordable Housing	4,269,000	4,269,000	4,269,000
Net New Local Tax Funding	\$115,113,400	\$134,463,400	\$134,463,400
Share of New Revenue			
LCPS Share of New Revenue	\$69,068,400	\$80,410,995	\$69,068,400
LCPS Percentage Share of New Revenue	60%	60%	51%
County Share of New Revenue	\$46,045,360	\$54,052,405	\$65,395,360
County Percentage Share of New Revenue	40%	40%	49%
Funding Gap			
LCPS Gap ²	\$6,186,829	n/a	\$6,186,829

¹ Loudoun County Government.

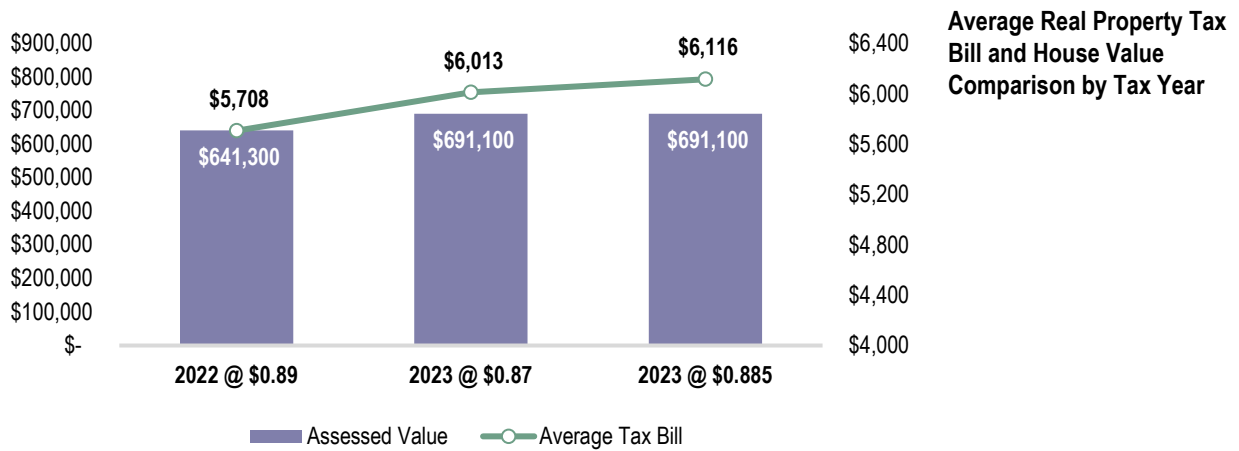
² Based on the School Board’s adopted FY 2024 budget request. Coinciding with the printing of this document, the state announced an error in its revenue calculations that may lead to a larger local tax funding request from the School Board. Additional information on revisions to the School Board’s adopted local tax funding transfer request, if any, will be provided when available.



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, 2022, under the current real property tax rate of \$0.89 with the average valuation, tax bill for these same homes under the Proposed Budget tax rate scenario of \$0.87, and tax bill for these same homes under the increased scenario tax rate scenario of \$0.885. For the mix of homes (single-family detached, townhouse, and condominium) that existed on January 1, 2022, the average value was \$641,300. The average value of these same homes on January 1, 2023, is \$691,100.¹



¹ Commissioner of the Revenue January 20, 2023, Assessment Summary.



Proposed Budget Overview

Local Tax Funding Revenue Sources

The table below includes a summary of available local tax funding at the various tax rate scenarios identified in the Board’s guidance. The two increase options reflect the same revenue but distributed between LCPS and the County Government at different ratios and so for the purposes of this table are shown simply as “Increase Options”. The Proposed Budget reflects a real property tax rate of \$0.87 and a personal property tax rate of \$4.15. Each cent of the proposed real property tax rate for TY 2023 approximates \$12.9 million in recurring revenue; each cent of the proposed personal property tax rate for TY 2024 is approximately \$1.0 million.

Revenue Category	FY 2023 Adopted	FY 2024 Proposed	FY 2024 Increase Options
Real Property Rate	\$0.89	\$0.87	\$0.885
Personal Property Tax Rate (Fall Levy)	\$4.20	\$4.15	\$4.15
Personal Property Tax Rate (Spring Levy)	\$4.15	\$4.15	\$4.15
Real Property			
General Real Property Taxes	\$1,003,162,070	\$1,094,267,200	\$1,113,128,900
Public Service Property Taxes	29,761,900	31,646,500	32,192,100
Penalties & Interest	9,500,000	11,750,000	11,750,000
Personal Property			
Computer Equipment	589,760,000	\$568,116,000	\$568,116,000
General Personal Property	225,542,700	258,452,300	258,452,300
Machinery & Tools	2,300,000	2,100,000	2,100,000
Heavy Equipment	1,975,000	1,975,000	1,975,000
Aircraft	50,000	45,500	45,500
Mobile Homes	13,330	17,600	17,900
Broadband Wireless Business Equipment	10,000	19,300	19,300
Satellite Manufacturing Equipment	5,000	4,000	4,000
Other Local Taxes			
Sales Tax	98,939,100	109,300,000	109,300,000
Consumer Utility Taxes	12,523,100	13,404,000	13,404,000
Short-Term Rental Tax	714,800	827,000	827,000
Transient Occupancy Tax	2,385,000	2,500,000	2,500,000
Cigarette Tax	2,200,000	3,800,000	3,800,000
Subtotal – LTF	\$1,978,842,000	\$2,098,224,400	\$2,117,632,000
Use of Fund Balance	\$40,000,000	\$40,000,000	\$40,000,000
Total – LTF	\$2,018,842,000	\$2,138,224,400	\$2,157,632,000
Average Homeowner Tax Bill	\$5,708	\$6,013	\$6,116



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 2024 Proposed Budget schedule is based on the real property tax rate of \$0.87 and a personal property tax rate of \$4.15. The FY 2024 Increase Option schedules are based upon the real property tax rate of \$0.885 and a personal property tax rate of \$4.15.

FY 2024 Proposed Budget, Schedule of Appropriations¹

Appropriation Category	Expenditures	Revenue	Local Tax Funding	% of Total LTF
Operating Appropriations				
County General Fund ²	\$824,260,044	\$245,148,229	\$579,111,815	27.1%
School Operating Fund	1,662,045,179	525,217,803	1,136,827,376	53.2%
School Grant Fund	30,503,915	30,503,915	0	0.0%
School Lease Purchase Fund	10,002,000	10,002,000	0	0.0%
School Nutrition Fund	51,663,825	51,663,825	0	0.0%
Children’s Services Act Fund	10,331,436	6,641,369	3,690,067	0.2%
Disposable Plastic Bag Tax Fund	275,000	275,000	0	0.0%
Dulles Town Center CDA Fund	3,500,000	3,500,000	0	0.0%
EMS Transport Fund	5,225,000	5,225,000	0	0.0%
Housing Fund	11,469,000	5,000,000	6,469,000	0.3%
Legal Resource Center Fund	128,428	44,980	83,448	0.0%
Metro Garages Fund	2,317,496	2,317,496	0	0.0%
Other Special Revenue Funds	91,000	91,000	0	0.0%
Rental Assistance Program Fund	12,055,628	11,783,238	272,390	0.0%
Restricted Use TOT Fund	3,800,000	3,800,000	0	0.0%
Self-Insurance Fund	5,455,700	0	5,455,700	0.3%
State and Federal Grant Fund	4,297,577	4,297,577	0	0.0%
Subtotal – Operating Appropriations	\$2,637,421,228	\$905,511,432	\$1,731,909,796	81.0%
Debt Appropriations				
County Government	\$105,064,315	\$29,091,921	\$75,972,394	3.6%
School System	147,061,165	7,825,000	139,236,165	6.5%
Greenlea Tax District	44,038	44,038	0	0.0%
Route 28 Special Improvements Fund	17,668,000	17,668,000	0	0.0%
Tall Oaks Water & Sewer Fund	60,572	60,572	0	0.0%
Subtotal – Debt Appropriations	\$269,898,090	\$54,689,531	\$215,208,559	10.1%

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	\$507,169,861	\$414,565,505	\$92,604,356	4.3%
County Asset Preservation Program	19,867,825	100,000	19,767,825	0.9%
School System Capital Projects	122,179,376	119,314,453	2,864,923	0.1%
School System Asset Preservation	43,216,000	0	43,216,000	2.0%
Capital Projects Financing Fund	395,755,990	395,755,990	0	0.0%
Major Equipment Replacement Fund	5,500,000	0	5,500,000	0.3%
Public Facilities Trust Fund	28,770,783	28,770,783	0	0.0%
Transportation District Fund	142,997,265	117,097,265	25,900,000	1.2%
Subtotal – Capital Appropriations	\$1,265,457,100	\$1,075,603,996	\$189,853,104	8.9%
Unallocated Balance	\$1,252,941	\$0	\$1,252,941	0.1%
Total – Appropriations	\$4,174,029,359	\$2,035,804,959	\$2,138,224,400	100.0%

FY 2024 Increase Option with 40/60 Split, Schedule of Appropriations

In this option, the real property tax rate is increased 1.5 cents above the rate reflected in the proposed budget to \$0.885. Net New LTF is split between the County Government and Loudoun County Public Schools at a ratio of 40/60 percent.

Appropriation Category	Expenditures	Revenue	Local Tax Funding	% of Total LTF
County General Fund	\$833,731,875	\$245,360,074	\$588,371,801	27.3%
School Operating Fund	1,673,388,134	525,217,803	1,148,170,331	53.2%
All Other Operating Funds	151,116,005	135,145,400	15,970,605	0.7%
Subtotal – Operating Appropriations	\$2,658,236,014	\$905,723,277	\$1,752,512,737	81.2%
Subtotal – Debt Appropriations	\$269,898,090	\$54,689,531	\$215,208,559	10.0%
Subtotal – Capital Appropriations	\$1,265,457,100	\$1,075,603,996	\$189,853,104	8.8%
Total – Appropriations	\$4,193,591,204	\$2,036,016,804	\$2,157,574,400	100.0%

FY 2024 Increase Option with 100% Loudoun County Government, Schedule of Appropriations

In this option, the real property tax rate is increased 1.5 cents above the proposed budget to \$0.885. The additional LTF generated as a result of this increase is retained solely by the County Government.

Appropriation Category	Expenditures	Revenue	Local Tax Funding	% of Total LTF
County General Fund	\$845,908,180	\$246,193,424	\$599,714,756	27.8%
School Operating Fund	1,662,045,179	525,217,803	\$1,136,827,376	52.7%
All Other Operating Funds	151,116,005	135,145,400	15,970,605	0.7%
Subtotal – Operating Appropriations	\$2,659,069,364	\$906,556,627	\$1,752,512,737	81.2%
Subtotal – Debt Appropriations	\$269,898,090	\$54,689,531	\$215,208,559	10.0%
Subtotal – Capital Appropriations	\$1,265,457,100	\$1,075,603,996	\$189,853,104	8.8%
Total – Appropriations	\$4,194,424,554	\$2,036,850,154	\$2,157,574,400	100.0%



Proposed Budget Overview

Comparison of Appropriations

The table below compares the FY 2024 Proposed Budget appropriation level (or “Expenditures” column from the table on the previous page) to the FY 2023 Adopted Budget appropriation level. The FY 2024 Proposed Budget includes an overall \$625 million increase in expenditures, or 17.6 percent. This year-over-year includes a \$469 million in increased capital appropriations, \$19 for increased debt appropriations, \$97 million for LCPS operating appropriations, and \$40 million for increased County operating appropriations.

Comparison of Appropriations, FY 2023 Adopted and FY 2024 Proposed¹

Appropriation Category	FY 2023 Adopted	FY 2024 Proposed	Variance
Operating Appropriations			
County General Fund	\$791,353,478	\$824,260,044	\$32,906,566
School Operating Fund	1,545,949,152	1,662,045,179	116,096,027
School Grant Fund	56,415,746	30,503,915	(25,911,831)
School Lease Purchase Fund	10,002,000	10,002,000	0
School Nutrition Fund	45,815,771	51,663,825	5,848,054
Children’s Services Act Fund	9,678,734	10,331,436	652,702
Disposable Plastic Bag Tax Fund	275,000	275,000	0
Dulles Town Center CDA Fund	3,500,000	3,500,000	0
EMS Transport Reimbursement Program Fund	5,225,000	5,225,000	0
Housing Fund	7,200,000	11,469,000	4,269,000
Legal Resource Center Fund	128,428	128,428	0
Metro Garages Fund	2,251,178	2,317,496	66,318
Other Special Revenue Funds	91,000	91,000	0
Rental Assistance Program Fund	9,797,953	12,055,628	2,257,675
Restricted Use Transient Occupancy Tax Fund	3,456,969	3,800,000	343,031
Self-Insurance Fund	5,455,700	5,455,700	0
State and Federal Grant Fund	4,252,425	4,297,577	45,152
Subtotal – Operating Appropriations	\$2,500,848,534	\$2,637,421,228	\$136,572,694
Debt Appropriations			
County Government	\$97,870,162	\$105,064,315	\$7,194,153
School System	138,808,388	147,061,165	8,252,777
Greenlea Tax District	44,038	44,038	0
Route 28 Special Improvements Fund	14,224,000	17,668,000	3,444,000
Tall Oaks Water & Sewer Special Revenue Fund	60,572	60,572	0
Subtotal – Debt Appropriations	\$251,007,160	\$269,898,090	\$18,890,930
Capital Appropriations			

¹ Sums may not equal due to rounding.

**Proposed Budget Overview**

Appropriation Category	FY 2023 Adopted	FY 2024 Proposed	Variance
County Government Capital Projects	\$341,782,872	\$507,169,861	\$165,386,989
County Asset Preservation Program	16,965,860	19,867,825	2,901,965
School System Capital Projects	85,490,000	122,179,376	36,689,376
School System Asset Preservation	27,904,300	43,216,000	15,311,700
Capital Projects Financing Fund	203,104,776	395,755,990	192,651,214
Major Equipment Replacement Fund	4,000,000	5,500,000	1,500,000
Public Facilities Trust Fund	16,367,715	28,770,783.22	12,403,068
Transportation District Fund	100,385,637	142,997,265	42,611,628
Subtotal – Capital Appropriations	\$796,001,161	\$1,265,457,100	\$469,455,940
Unallocated Balance	\$66,347	\$1,252,941	\$1,186,594
Total Appropriations	\$3,547,923,202	\$4,174,029,359	\$626,106,158



Proposed Budget Overview

Comparison of Local Tax Funding

The FY 2024 Proposed Budget’s use of local tax funding for all appropriated funds at the proposed real property tax rate totals \$2.1 billion. The use of local tax funding is \$119 million higher than the FY 2023 Adopted Budget. Local tax support for the County’s General Fund increased by \$44.9 million or 8.4 percent, while the local transfer for LCPS operating fund increased by \$69.1 million or 6.5 percent.

Comparison of the Use of Local Tax Funding, FY 2023 Adopted and FY 2024 Proposed¹

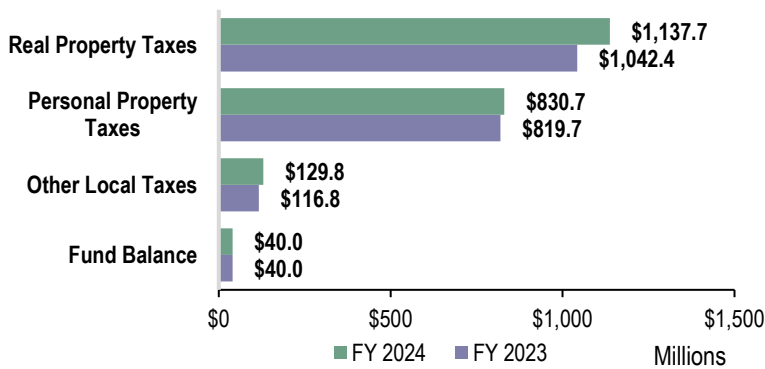
Appropriation Category	FY 2023 Adopted	FY 2024 Proposed	Variance
Operating Appropriations			
County General Fund	\$534,258,116	\$579,111,815	\$44,853,699
School Operating Fund	1,067,759,336	1,136,827,376	69,068,040
School Grant Fund	0	0	0
School Lease Purchase Fund	0	0	0
School Nutrition Fund	0	0	0
Children’s Services Act Fund	3,685,000	3,690,067	5,067
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	2,200,000	6,469,000	4,269,000
Legal Resource Center Fund	83,448	83,448	0
Metro Garages 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	\$1,613,713,990	\$1,731,909,796	\$118,195,806
Debt Appropriations			
County Government	\$68,479,541	\$75,972,394	\$7,492,853
School System	130,983,388	139,236,165	8,252,777
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	\$199,462,929	\$215,208,559	\$15,745,630
Capital Appropriations			
County Government Capital Projects	105,508,208	\$92,604,356	(\$12,903,852)
County Asset Preservation Program	16,865,860	19,767,825	2,901,965
School System Capital Projects	16,850,000	2,864,923	(13,985,077)

¹ Sums may not equal due to rounding.



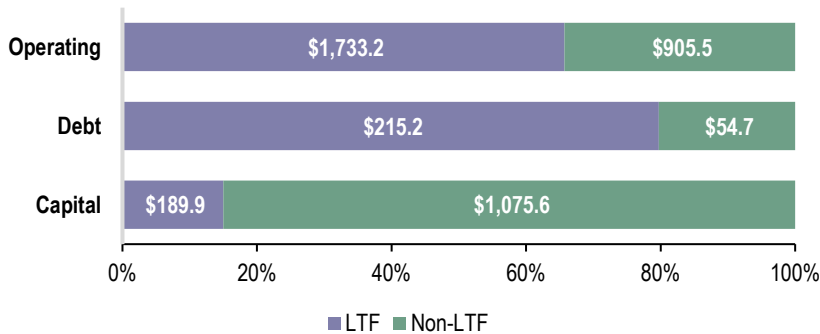
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Appropriation Category	FY 2023 Adopted	FY 2024 Proposed	Variance
School System Asset Preservation	27,904,300	43,216,000	15,311,700
Capital Projects Financing Fund	0	0	0
Major Equipment Replacement Fund	4,000,000	5,500,000	1,500,000
Public Facilities Trust Fund	0	0	0
Transportation District Fund	34,470,365	25,900,000	(8,570,365)
Subtotal – Capital Appropriations	\$205,598,734	\$189,853,104	(\$15,745,630)
Unallocated Balance	\$66,347	\$1,252,941	\$1,186,594
Total – Local Tax Funding	\$2,018,842,000	\$2,138,224,400	\$119,382,400



Comparison of Local Tax Funding Sources

Unlike previous years, growth in real property taxes is the most significant change, primarily because of significant rates of revaluation across property types.



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 \$2,383,372,629 for the FY 2024 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 2025 Projected is shown for illustrative purposes only. Personnel is escalated by 3 percent, which is consistent with year-over-year changes in this category. Operating and maintenance is escalated by 1 percent. 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 2021 Actual	FY 2022 Actual	FY 2023 Adopted	FY 2024 Proposed	FY 2025 Projected
Expenditures					
Personnel	\$453,036,280	\$480,989,795	\$522,133,418	\$571,383,610	\$588,525,119
Operating and Maintenance	1,156,930,394	1,201,893,322	1,366,395,150	1,425,760,516	1,440,018,121
Capital Outlay	2,930,585	2,536,351	6,132,091	1,788,709	0
Other Uses of Funds	329,512,135	344,707,171	381,276,703	384,439,794	384,439,794
Total – Expenditures	\$1,942,409,394	\$2,030,126,640	\$2,275,937,362	\$2,383,372,629	\$2,412,983,034
Revenues					
General Property Taxes	\$1,533,783,329	\$1,692,001,602	\$1,814,008,300	\$1,920,321,700	\$1,920,321,700
Other Local Taxes	188,122,240	205,972,923	190,994,600	210,158,400	210,158,400
Permits, Fees, and Licenses	22,945,387	24,729,516	25,150,050	27,698,050	27,698,050
Fines and Forfeitures	1,263,916	1,662,929	1,543,300	1,515,300	1,515,300
Use of Money and Property	9,429,784	(3,930,342)	6,562,683	17,656,258	17,656,258
Charges for Services	23,571,362	35,599,703	43,327,499	43,972,257	43,972,257
Miscellaneous Revenue	21,571,983	10,259,912	899,334	708,632	708,632
Recovered Costs	10,268,082	9,622,592	10,024,978	10,260,720	10,260,720
Intergovernmental – Commonwealth	88,544,991	97,318,792	91,279,701	97,761,482	97,761,482
Intergovernmental – Federal	88,694,773	35,070,639	46,724,146	12,125,365	12,125,365
Other Financing Sources	3,745,847	1,639,554	45,422,771	41,194,465	41,194,465
Total – Revenues	\$1,991,941,695	\$2,109,947,820	\$2,275,937,362	\$2,383,372,629	\$2,383,372,629