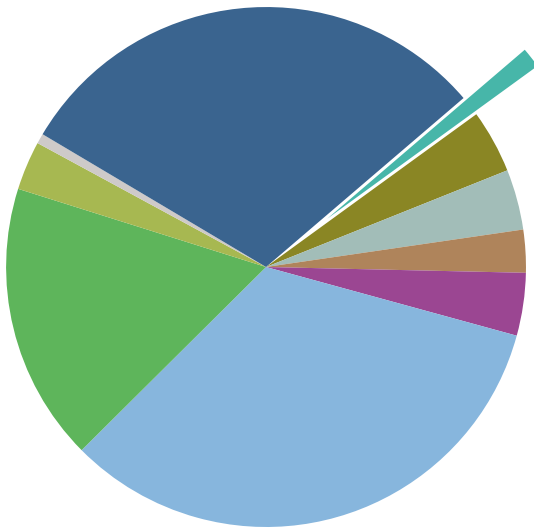


Management & Budget

Mission Statement

The Office of Management & Budget shapes the future by partnering with the community, elected leadership, and government agencies to recommend the best use of public resources in pursuit of the community's strategic goals.



General Government Expenditure Budget:
\$140,187,491

Expenditure Budget:
\$1,770,716



1.3% of General Government

Programs:

- Management & Budget: \$1,770,716

Mandates

The County operates under a state mandate to develop, conduct public hearings, and adopt an annual budget, to including salaries and expenses for constitutional officers. The Office of Management & Budget manages these activities.

The Board of County Supervisors has enacted additional local mandates for which the Office of Management & Budget has responsibility.

State Code: [15.2-516](#) (Duties of county executive), [15.2-539](#) (Submission of budget by executive; hearings; notice; adoption), [15.2-2503](#) (Time for preparation and approval of budget; contents), [15.2-2506](#) (Publication and notice; public hearing; adjournment; moneys not to be paid out until appropriated), [15.2-2507](#) (Amendment of budget), [22.1-93](#) (Approval of annual budget for school purposes), [58.1-3007](#) (Notice prior to increase of local tax levy; hearing), [58.1-3321](#) (Effect on rate when assessment results in tax increase; public hearings)

County Code: [Chapter 2](#) (Government services planning, budgeting, and accountability)

Management & Budget

Expenditure and Revenue Summary



Expenditure by Program	FY19 Actuals	FY20 Actuals	FY21 Actuals	FY22 Adopted	FY23 Adopted	% Change Budget FY22/ Budget FY23
Management & Budget	\$1,549,869	\$1,548,724	\$1,413,232	\$1,607,822	\$1,770,716	10.13%
Total Expenditures	\$1,549,869	\$1,548,724	\$1,413,232	\$1,607,822	\$1,770,716	10.13%

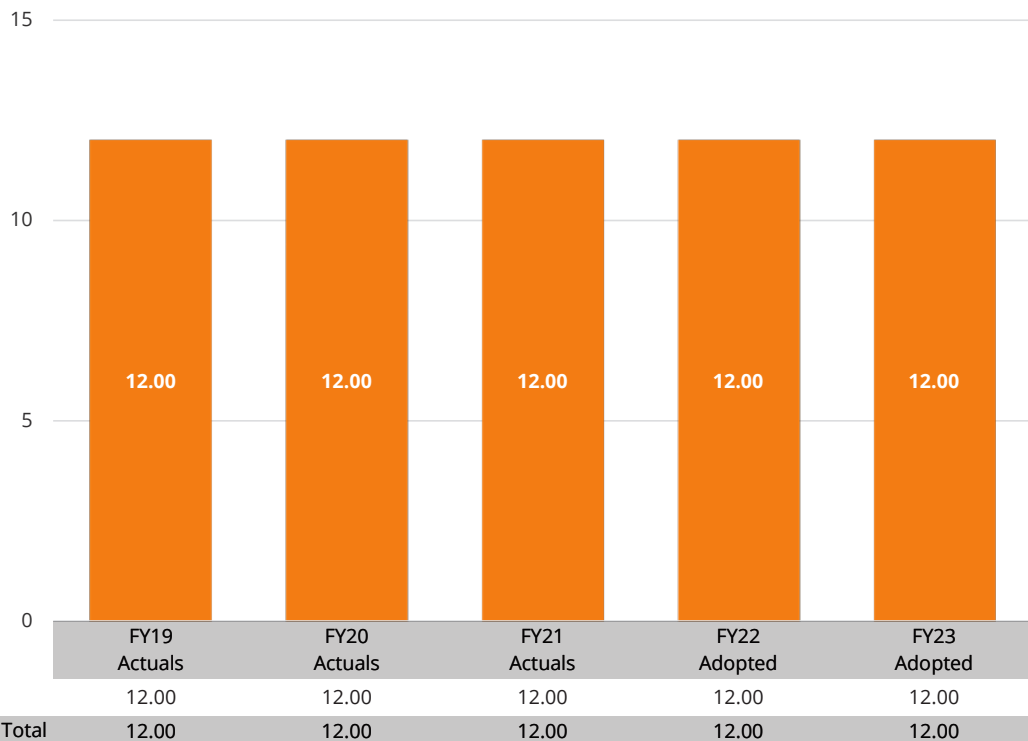
Expenditure by Classification

Salaries & Benefits	\$1,469,774	\$1,482,041	\$1,327,401	\$1,469,887	\$1,583,653	7.74%
Contractual Services	\$144	\$0	\$588	\$9,200	\$14,200	54.35%
Internal Services	\$47,282	\$47,235	\$68,080	\$40,757	\$99,884	145.07%
Purchase of Goods & Services	\$30,886	\$17,291	\$14,102	\$82,600	\$67,600	(18.16%)
Leases & Rentals	\$1,782	\$2,158	\$3,061	\$5,378	\$5,378	0.00%
Total Expenditures	\$1,549,869	\$1,548,724	\$1,413,232	\$1,607,822	\$1,770,716	10.13%

Funding Sources

Miscellaneous Revenue	\$0	\$0	(\$812)	\$0	\$0	-
Total Designated Funding Sources	\$0	\$0	\$812	\$0	\$0	-
Net General Tax Support	\$1,549,869	\$1,548,724	\$1,412,421	\$1,607,822	\$1,770,716	10.13%
Net General Tax Support	100.00%	100.00%	99.94%	100.00%	100.00%	

Staff History by Program



Management & Budget

Future Outlook

2021-2024 Strategic Plan Implementation – The FY2023 Budget will begin implementing the goals, objectives and action strategies contained in the community’s new [2021–2024 Strategic Plan](#). The Strategic Plan is one of the most important policy documents that guides the County’s financial investment in community services during the annual budget process. A strategic plan with definite objectives and monitoring tools ensures accountability and reinforces the reciprocal partnership a government has to residents.

American Rescue Plan Act (ARPA) – Prince William County was allocated \$91.4 million in ARPA federal funding to respond or mitigate the COVID-19 public health emergency and address its negative economic impacts. ARPA funding will be invested in eligible community priorities consistent with the adopted Strategic Plan and Board directives to create lasting and transformative impacts for the community. It is important to recognize that ARPA funds are temporary and non-recurring as ARPA expenditures must be incurred by December 31, 2024. Any new programs or service improvements initially funded by ARPA that require ongoing local funding must be programmed in FY2025 of the FY2023-2027 Five Year Plan.

Revenue Diversification – Real estate and personal property tax revenue continues to be the primary revenue sources for County operations, providing nearly 87% of local tax revenue in FY23. The County will strive to diversify revenue sources to ensure stability as identified in Policy 3.01 of the adopted [Principles of Sound Financial Management \(PSFM\)](#). Opportunities exist to recalibrate existing revenue sources as well as identify new resources to achieve key performance indicators identified in the community’s Strategic Plan. New legislation from the Commonwealth allows counties the same taxation authority as cities and towns. As such, admissions taxes provide future opportunities for the County to diversify local tax revenue.

Another revenue option available for future consideration is the commercial and industrial real property tax with revenue dedicated for new mobility initiatives increasing transportation capacity. The revenue generated by the tax could be used to pay debt service costs associated with November 2019 mobility bond projects authorized by voters.

Reduced Year-end Agency Operating Surplus – The budget includes a reduction (approximately \$22.6 million due to position vacancy savings) to agency operating budgets in order to maintain a structurally balanced budget recommended by bond rating agencies. In other words, agencies receive less than 100% of the funding required to provide 100% service to the community.

The County has a responsibility to the community to end the year with an operating surplus sufficient to meet fund balance obligations prescribed by the PSFM. Implementing the programmed savings built into the budget has effectively reduced the year-end operating surplus generated from agency operations.

Achieving required year-end financial requirements will be challenging during years where revenue shortfalls are projected. Year-end savings must be enough to recoup any revenue shortfall as well as meet adopted fund balance requirements. The County has demonstrated strong financial management in its established policies, such as monthly and quarterly monitoring, but vigilance must be maintained. In addition to the impact on PSFM requirements, reduced year-end savings limits funds available for one-time capital investments. Declining year-end agency savings as a percentage of the budget is generally perceived by bond rating agencies as a budgetary weakness when evaluating the County’s credit worthiness at the AAA-rated standard.

Management & Budget

General Overview

A. Redistribution of Internal Service Fund (ISF) Technology Budget – The County annually allocates all information technology (IT) costs to agencies through an ISF, using the approved cost basis for each technology activity. Technology activities include computer support (hardware replacement, software licenses, and helpdesk customer services), IT security, business systems support (public safety communications, financial systems, human services systems, etc.), geographic information system, web services, capital equipment replacement, messaging, cloud storage, network and infrastructure services, telecommunications, and radio. The cost basis is calculated through a formula derived from the Department of Information Technology's (DoIT) ISF fee schedule.

For FY23, ISF costs have been revised to align and more accurately reflect overall technology activities with current department specific technology services. Costs are adjusted to reflect agency technology usage more accurately, as tracked by DoIT billing systems using the updated methodology. In FY23, the Office of Management & Budget technology bill increases by \$59,127. No technology service levels are changed, and there is no impact to the technology services individual agencies currently receive. For additional information on the countywide impact and methodology of redistributing technology charges, please see the Budget Highlights section of this document.

B. Collective Bargaining – On December 14, 2021, the Prince William Board of County Supervisors (BOCS) adopted [BOCS Resolution 21-676](#) to provide for collective bargaining by applicable Police Department and Department of Fire & Rescue employees, and any other public employees deemed appropriate by the Board. The Board further directed staff to draft a collective bargaining ordinance for future consideration based on parameters to be determined by the Board. The FY2023-2027 Five-Year Plan programs one additional Management & Budget position in FY24 to address collective bargaining administrative functions at a cost of \$94,000.

Program Summary

Management & Budget

Implement the County's strategic goals and policy guidance through collaborative budget development (both operational and capital), structured implementation, and focus on service improvements through performance management. Transparency and accountability to County residents are emphasized through continuous public engagement.

Key Measures	FY19 Actuals	FY20 Actuals	FY21 Actuals	FY22 Adopted	FY23 Adopted
Criteria rated proficient/outstanding in GFOA Program	100%	100%	88%	100%	100%
Countywide variance in actual and projected expenditures	2%	5%	7%	3%	3%
County services & facilities are a fair value for the tax dollar (comm. survey)	94%	94%	90%	>90%	90%

Program Activities & Workload Measures <i>(Dollar amounts expressed in thousands)</i>	FY19 Actuals	FY20 Actuals	FY21 Actuals	FY22 Adopted	FY23 Adopted
Budget Development and Implementation	\$1,550	\$1,549	\$1,413	\$1,608	\$1,771
Budget questions answered within 2 business days	99%	99%	88%	99%	99%
Number of budget questions received	255	93	144	150	150
Number of CIP projects	75	93	86	80	55
Outcomes trending positively towards four year goal target	60%	60%	NR	100%	100%