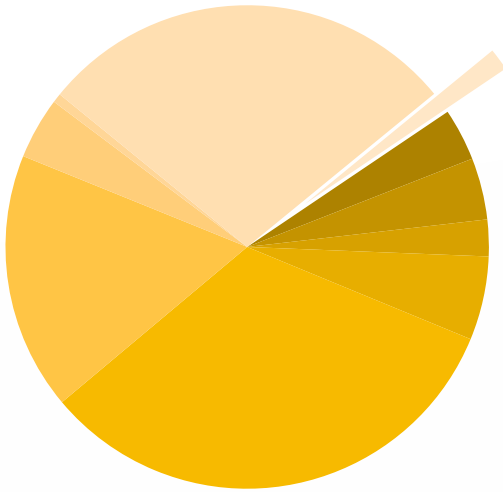


# Management & Budget

## 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.



*Government Operations, Performance & Innovation*  
**Expenditure Budget: \$167,718,658**

**Expenditure Budget:**  
**\$2,470,008**

*1.5% of Government Operations,  
Performance & Innovation*

### Programs:

- Management & Budget: \$2,470,008

## 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 2-1](#) (Government services planning, budgeting, and accountability)

# Management & Budget

## Expenditure and Revenue Summary



Expenditure by Program	FY21 Actuals	FY22 Actuals	FY23 Actuals	FY24 Adopted	FY25 Proposed	% Change Budget FY24/ Budget FY25
Management & Budget	\$1,413,232	\$1,633,444	\$1,804,496	\$1,980,177	\$2,470,008	24.74%
<b>Total Expenditures</b>	<b>\$1,413,232</b>	<b>\$1,633,444</b>	<b>\$1,804,496</b>	<b>\$1,980,177</b>	<b>\$2,470,008</b>	<b>24.74%</b>

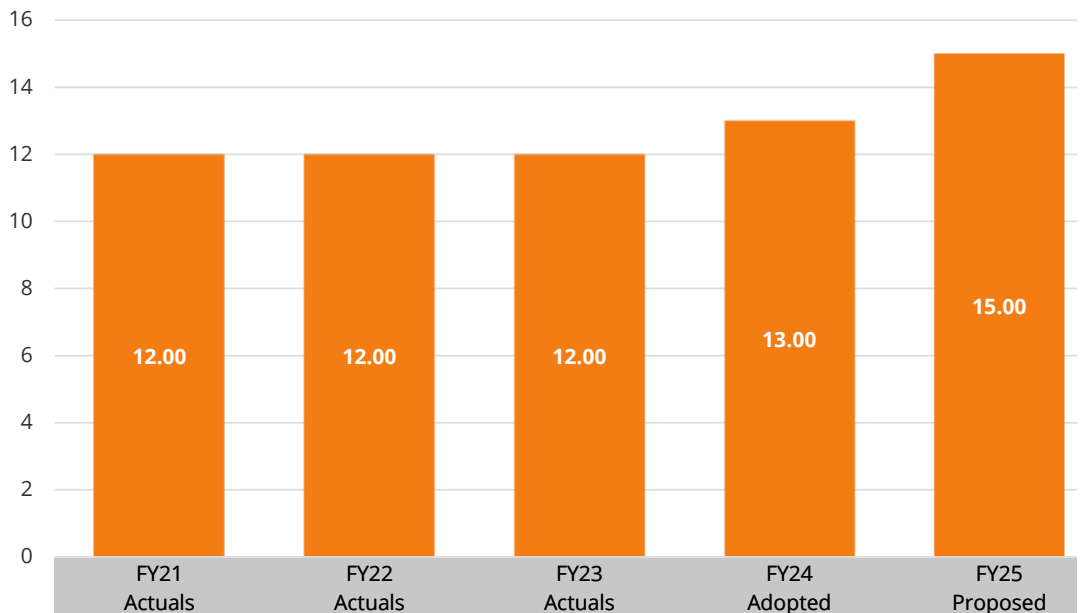
### Expenditure by Classification

Salaries & Benefits	\$1,327,401	\$1,565,120	\$1,673,669	\$1,795,442	\$2,273,868	26.65%
Contractual Services	\$588	\$13,014	\$12,960	\$14,200	\$14,200	0.00%
Internal Services	\$68,080	\$47,874	\$107,679	\$105,775	\$114,180	7.95%
Purchase of Goods & Services	\$14,102	\$4,259	\$6,932	\$60,100	\$63,100	4.99%
Leases & Rentals	\$3,061	\$3,177	\$3,255	\$5,378	\$5,378	0.00%
Reserves & Contingencies	\$0	\$0	\$0	(\$718)	(\$718)	0.00%
<b>Total Expenditures</b>	<b>\$1,413,232</b>	<b>\$1,633,444</b>	<b>\$1,804,496</b>	<b>\$1,980,177</b>	<b>\$2,470,008</b>	<b>24.74%</b>

### Funding Sources

Miscellaneous Revenue	\$812	\$190	\$51	\$0	\$0	-
<b>Total Designated Funding Sources</b>	<b>\$812</b>	<b>\$190</b>	<b>\$51</b>	<b>\$0</b>	<b>\$0</b>	<b>-</b>
<b>Net General Tax Support</b>	<b>\$1,412,421</b>	<b>\$1,633,253</b>	<b>\$1,804,445</b>	<b>\$1,980,177</b>	<b>\$2,470,008</b>	<b>24.74%</b>
<b>Net General Tax Support</b>	<b>99.94%</b>	<b>99.99%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	

## Staff History by Program



Management & Budget	12.00	12.00	12.00	13.00	15.00
<b>Full-Time Equivalent (FTE) Total</b>	<b>12.00</b>	<b>12.00</b>	<b>12.00</b>	<b>13.00</b>	<b>15.00</b>

# Management & Budget

## Future Outlook

**Revenue Diversification** – Real estate and personal property tax revenue continues to be the primary revenue sources for County operations, providing nearly 83% of local tax revenue in FY24. 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 as well as transit improvements.

**Reduced Year-end Agency Operating Surplus** – The budget includes a reduction (approximately \$21.9 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.

**Inflation and Higher Borrowing Costs** – Prince William County government operating budgets do not receive automatic, across-the-board increases due to inflation. Inflationary budget increases are strategic and generally confined to volatile commodities such as fuel and utilities. Unless otherwise noted, County agencies absorb inflationary cost increases within their existing budgets. In an effort to combat inflation, the Federal Reserve has raised interest rates. This impacts the County's borrowing costs necessary to finance projects contained in the County and Prince William County Schools' capital improvement programs. Combined with capital projects inflationary increases due to construction labor costs and commodities such as steel, diesel fuel, drywall, and copper, the cost of financing capital projects will increase.

## General Overview

- A. Position Shift from Department of Information Technology to Management & Budget** – An additional 1.00 FTE from Information Technology with a salary and benefit cost of \$112,820, has been shifted to Management & Budget to support and transition the County in providing a full time Strategic Plan Coordinator. The County's new 2025-2028 Strategic Plan will be developed during calendar year 2024.
- B. Full-year Cost of Collective Bargaining Position Added in the FY2024 Budget** – The FY2024 Budget included a Principal Fiscal Analyst position in OMB for increased workload demands associated with collective bargaining. The position was budgeted on a half-year basis in FY24 with a budgeted start date of January 1, 2024. The full-year salary and benefit cost of the position in FY25 is \$55,023.

# Management & Budget

## Budget Initiatives

### A. Budget Initiatives

#### 1. Capital Improvement Program Support Position – Management & Budget

Expenditure	\$119,794
Revenue	\$0
General Fund Impact	\$119,794
FTE Positions	1.00

- a. **Description** – This initiative consists of 1.00 FTE for a Principal Fiscal Analyst position to support the execution and delivery of capital projects. The position will be responsible for project schedule monitoring, review, and analysis of capital project costs from design through construction. Salary and benefit cost for the new position are \$108,389 and technology and other operating costs are \$11,405.
- b. **Service Level Impacts** – This budget initiative provides the necessary staffing infrastructure to implement and provide service delivery, project management and execution of capital projects to the community

## 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	FY21 Actuals	FY22 Actuals	FY23 Actuals	FY24 Adopted	FY25 Proposed
Criteria rated proficient/outstanding in GFOA Program	88%	100%	99%	100%	100%
Countywide variance in actual and projected expenditures	7%	7%	7%	3%	3%
County services & facilities are a fair value for the tax dollar (comm. survey)	90%	90%	90%	90%	90%

Program Activities & Workload Measures <i>(Dollar amounts expressed in thousands)</i>	FY21 Actuals	FY22 Actuals	FY23 Actuals	FY24 Adopted	FY25 Proposed
<b>Budget Development and Implementation</b>	<b>\$1,413</b>	<b>\$1,633</b>	<b>\$1,804</b>	<b>\$1,980</b>	<b>\$2,470</b>
Budget questions answered within 2 business days	88%	93%	94%	90%	95%
Number of budget questions received	144	138	143	150	150
Number of CIP projects	86	54	56	53	55
Key performance indicators trending positively toward targets (Strategic Plan)	NR	NR	73%	100%	100%