

Management & Budget

Mission Statement

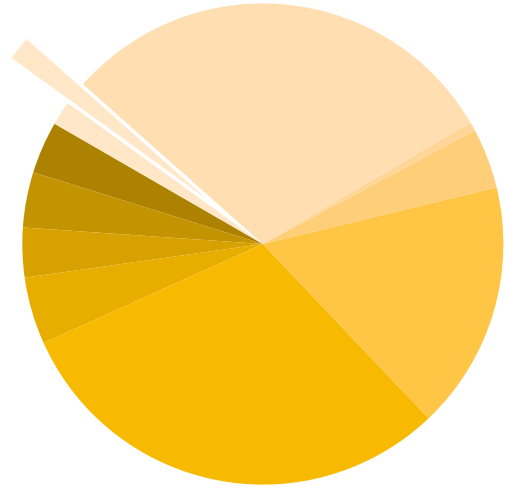
The Office of Management & Budget shapes the future by partnering with the community, elected leadership, and government agencies to recommend the best use of public resources in pursuit of the community's strategic goals.

Quadrant Area

% of Government Operations,
Performance & Innovation

1.6%

Quadrant Expenditure Budget:	\$201,288,799
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Programs

Management & Budget	\$3,224,735
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Agency Expenditure Budget:	\$3,224,735
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Mandates

The County operates under a state mandate to develop, advertise, and conduct public hearings related to the advertised budget and tax rates, as well as adopt an annual budget which includes 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	FY23 Actuals	FY24 Actuals	FY25 Actuals	FY26 Adopted	FY27 Proposed	% Change Budget FY26/ Budget FY27
Management & Budget	\$1,804,496	\$2,093,317	\$2,372,116	\$3,044,852	\$3,224,735	5.91%
Total Expenditures	\$1,804,496	\$2,093,317	\$2,372,116	\$3,044,852	\$3,224,735	5.91%

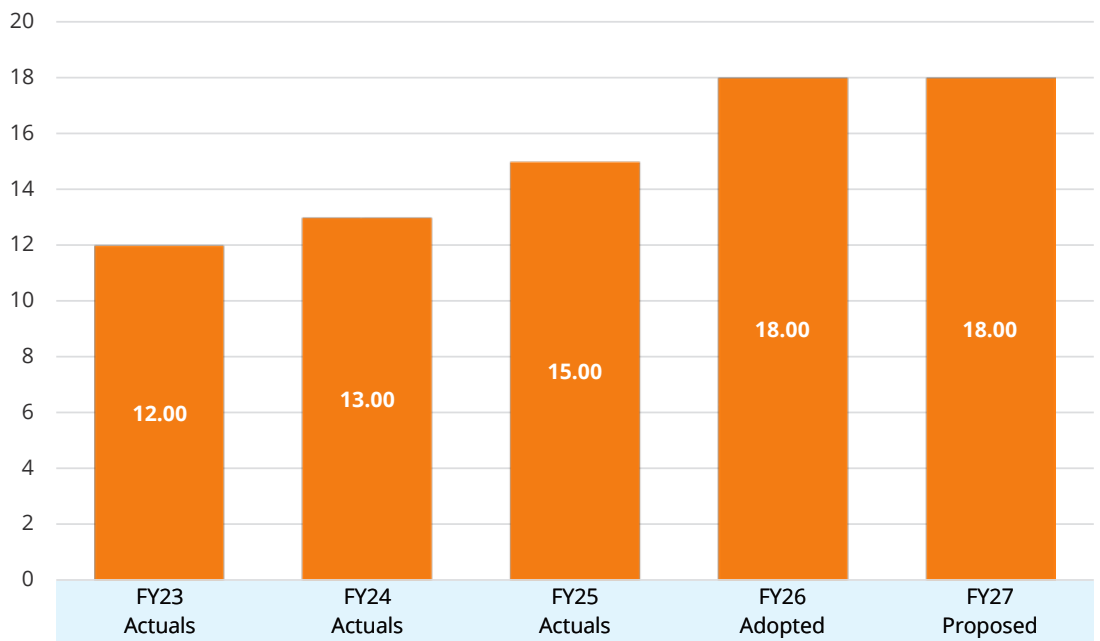
Expenditure by Classification

Salaries & Benefits	\$1,673,669	\$1,957,847	\$2,223,394	\$2,671,232	\$2,825,878	5.79%
Contractual Services	\$12,960	\$5,140	\$5,974	\$164,200	\$164,200	0.00%
Internal Services	\$107,679	\$113,979	\$127,676	\$141,660	\$167,073	17.94%
Purchase of Goods & Services	\$6,932	\$12,281	\$11,278	\$63,100	\$62,925	(0.28%)
Leases & Rentals	\$3,255	\$4,071	\$3,795	\$5,378	\$5,378	0.00%
Reserves & Contingencies	\$0	\$0	\$0	(\$718)	(\$718)	0.00%
Total Expenditures	\$1,804,496	\$2,093,317	\$2,372,116	\$3,044,852	\$3,224,735	5.91%

Funding Sources

Miscellaneous Revenue	\$51	\$258	\$576	\$0	\$0	-
Total Designated Funding Sources	\$51	\$258	\$576	\$0	\$0	-
Net General Tax Support	\$1,804,445	\$2,093,060	\$2,371,540	\$3,044,852	\$3,224,735	5.91%
Net General Tax Support	100.00%	99.99%	99.98%	100.00%	100.00%	

Staff History by Program



Management & Budget	12.00	13.00	15.00	18.00	18.00
Full-Time Equivalent (FTE) Total	12.00	13.00	15.00	18.00	18.00

Future Outlook

Revenue Diversification – Real estate and personal property tax revenue continues to be the primary revenue sources for County operations, providing nearly 85% of local tax revenue in FY26. 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 Strategic Plan key performance indicators. 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 \$17.8 million reduction, approximately 3% of the general fund salary and benefit budget, to account for position vacancy savings that occur throughout a fiscal year in agency operating budgets 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 by agency operations.

Achieving required year-end financial requirements will be challenging during years when 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, Interest Rates, 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. Interest rates are slightly lower compared to a year ago but remain elevated as the Federal Reserve works to balance mixed economic data such as inflation, unemployment, and consumer spending. 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.

Performance Management & Service Excellence – The organizational performance management initiative funded in the FY26 budget will continue advancing the County's commitment to delivering high-quality, data-informed services that support the goals of the Strategic Plan. As the framework grows, efforts will focus on strengthening meaningful performance measures, enhancing reporting and analytics, and supporting agencies in using data to plan, monitor, and improve service delivery. Expanded access to clear performance information will help identify progress toward strategic outcomes, inform resource allocation, and promote transparency with the community. Continued collaboration and training will reinforce a culture of accountability, results-oriented management, and continuous improvement. Over time, performance management will serve as a core tool for aligning departmental operations with strategic priorities and demonstrating the County's progress in achieving long-term community outcomes.

Management & Budget

General Overview

A. Redistribution of Internal Service Fund (ISF) Technology Budget – The County allocates information technology (IT) costs to agencies through an ISF for all technology activities including 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 radios.

In FY26, funding was allocated in Non-Departmental to support the FY26 ISF billings for the Department of Information Technology, and in FY27 this funding is being reallocated to specific agencies to better represent the functional areas supported by these initiatives. In FY27, the Office of Management & Budget's technology bill increases by \$32,498. No technology service levels are changed, and there is no impact to the technology services individual agencies currently receive.

B. Removal of One-Time Costs – A total of \$7,085 has been removed from the OMB FY27 budget for one-time expenses related to the addition of three staff to support organizational performance management in FY26.

Program Summary

Management & Budget

Execute 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	FY23 Actuals	FY24 Actuals	FY25 Actuals	FY26 Adopted	FY27 Proposed
Criteria rated proficient/outstanding in GFOA Program	99%	80%	100%	100%	100%
Countywide variance in actual and projected expenditures	5%	3%	3%	3%	3%
County services & facilities are a fair value for the tax dollar (comm. survey)	90%	NR	NR	-	-

Program Activities & Workload Measures (Dollar amounts expressed in thousands)	FY23 Actuals	FY24 Actuals	FY25 Actuals	FY26 Adopted	FY27 Proposed
Budget Development and Implementation	\$1,804	\$2,093	\$2,372	\$2,532	\$2,666
Budget questions answered within 2 business days	94%	93%	90%	90%	95%
Number of budget questions received	143	212	144	150	150
Number of CIP projects	56	62	62	60	66
Key performance indicators trending positively toward targets (Strategic Plan)	73%	43%	43%	100%	100%
Performance Management and Accountability	\$0	\$0	\$0	\$513	\$559
Key performance metrics developed and tracked	-	-	-	100	100
Timeliness of reporting	-	-	-	80%	80%