

# Non-Departmental

## Non-Departmental Overview

The Non-Departmental budget is a miscellaneous collection of budgets not attributed to specific agency operations. As such, the budgets do not directly impact agency services provided to the community. The budget includes the following program areas:

- Budgetary support for countywide insurance expenditures (medical, casualty, property, and workers compensation).
- Restricted use funds that may only be expended for a specific purpose as mandated by the Code of Virginia (transient occupancy taxes for transportation purposes, proffers, and transportation districts) or by County policy (recordation tax for transportation).
- Accounts where the County acts in a trustee capacity for another organization (library donations and other trust/fiduciary funds).
- Accounts where the County acts merely as a collecting agent and remits all revenue received to the Commonwealth or a Community Development Authority.
- Other miscellaneous expenditures including the Contingency budget and contributions to the Hylton Performing Arts Center and Northern Virginia Community College (NOVA).

Please see the General Overview section for a more detailed description of each program area.

## Mandates

The following mandated services are reported in the Non-Departmental section of the budget.

**Federal Code:** The unemployment insurance system, created by the [Social Security Act of 1935](#), is administered by each state.

**State Code:** The unemployment insurance system is administered in Virginia through Title [65.2](#) (Workers' Compensation). Title [2.2-1204](#) (Health insurance programs for employees of local governments) requires local governments to make health insurance plans available to employees. The Auditor of Public Accounts for the Commonwealth requires political subdivisions in Virginia to adhere to financial reporting standards defined by the Governmental Accounting Standards Board. Requirements for transient occupancy taxes are defined in [58.1-1744](#) (Local transportation transient occupancy tax).

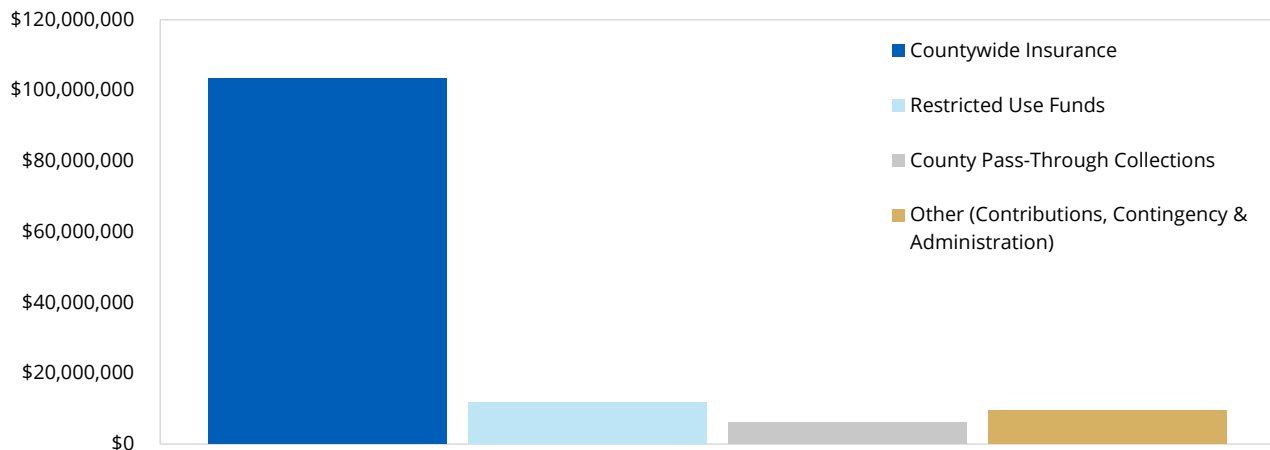
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## Expenditure and Revenue Summary



Expenditure by Program	FY19 Actuals	FY20 Actuals	FY21 Actuals	FY22 Adopted	FY23 Adopted	% Change Budget FY22/ Budget FY23
<b>Countywide Insurance:</b>						
Medical Insurance Internal Service	\$59,229,584	\$64,656,943	\$68,599,926	\$90,707,000	\$93,565,985	3.15%
Workers Compensation	\$3,085,609	\$5,004,865	\$5,171,266	\$6,170,414	\$6,170,414	0.00%
Casualty Pool	\$1,783,720	\$2,350,429	\$1,717,983	\$1,575,701	\$2,575,701	63.46%
Property & Miscellaneous Insurance	\$1,113,854	\$959,059	\$737,742	\$995,375	\$995,375	0.00%
Unemployment Insurance	\$65,133	\$106,882	\$288,847	\$125,000	\$125,000	0.00%
<b>Restricted Use Funds:</b>						
Transient Occupancy Tax for Tourism	\$721,079	\$1,073,189	\$246,943	\$0	\$0	-
Proffers	\$7,415,659	\$14,733,476	\$24,192,863	\$1,040,350	\$3,467,452	233.30%
Recordation Tax for Transportation	\$3,420,000	\$6,015,477	\$0	\$1,012,500	\$6,382,710	530.39%
Cable Equipment Capital Grant	\$1,326,537	\$847,290	\$741,415	\$658,145	\$600,915	(8.70%)
Transportation Districts	\$467,700	\$499,530	\$599,530	\$696,563	\$989,499	42.05%
Additional TOT 3% for Public Transportation (formerly NVTA Taxes)	\$0	\$0	\$150,000	\$150,000	\$150,000	0.00%
<b>County Pass-Through Collections:</b>						
Community Development Authorities	\$2,915,581	\$2,926,412	\$2,952,149	\$3,012,000	\$5,480,002	81.94%
Commonwealth Taxes	\$466,533	\$422,933	\$200,903	\$500,000	\$500,000	0.00%
NVTA Taxes (TOT 2%)	\$534,926	\$0	\$0	\$0	\$0	-
<b>Trust/Fiduciary Funds:</b>						
OPEB/LODA Trusts	\$4,114,914	\$5,107,115	\$4,498,970	\$0	\$0	-
Police/Fire Supp. Retirement/LOSAP	\$2,958,941	\$3,623,718	\$3,543,477	\$0	\$0	-
Library Donations	\$115,707	\$67,785	\$74,934	\$0	\$0	-
Innovation Property Owners Association	\$375,344	\$85,547	\$2,840,944	\$0	\$0	-
<b>Other:</b>						
Contributions - Hylton Performing Arts/Northern VA Community College	\$3,029,278	\$3,062,653	\$3,011,114	\$1,701,378	\$1,705,681	0.25%
Contingency	\$448,429	\$0	\$186,000	\$612,500	\$500,000	(18.37%)
Administration	\$52,675,311	\$787,842	\$789,179	\$6,508,104	\$7,260,168	11.56%
<b>Total Expenditures</b>	<b>\$146,263,840</b>	<b>\$111,725,148</b>	<b>\$120,742,773</b>	<b>\$115,465,030</b>	<b>\$130,468,902</b>	<b>12.99%</b>

## Non-Departmental Expenditure Budget by Program Area



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## Expenditure and Revenue Summary



Expenditure by Classification	FY19 Actuals	FY20 Actuals	FY21 Actuals	FY22 Adopted	FY23 Adopted	% Change Budget FY22/ Budget FY23
Salaries & Benefits	\$3,497,702	\$3,289,016	\$4,180,530	\$1,224,202	\$1,688,744	37.95%
Contractual Services	\$6,675,087	\$7,663,840	\$8,070,833	\$6,461,269	\$6,504,269	0.67%
Internal Services	\$663,235	\$543,228	\$322,565	\$11,543,512	\$12,030,934	4.22%
Purchase of Goods & Services	\$66,660,628	\$74,067,517	\$74,409,979	\$87,816,489	\$91,324,377	3.99%
Capital Outlay	\$35,449	\$0	\$0	\$0	\$0	-
Leases & Rentals	\$2,485	\$5,774	\$0	\$0	\$0	-
Payments to Other Local Agencies	\$2,908,081	\$2,918,912	\$2,942,149	\$3,004,500	\$5,472,502	82.14%
Transfers Out	\$65,821,173	\$23,236,861	\$30,816,717	\$5,415,058	\$13,448,076	148.35%
<b>Total Expenditures</b>	<b>\$146,263,840</b>	<b>\$111,725,148</b>	<b>\$120,742,773</b>	<b>\$115,465,030</b>	<b>\$130,468,902</b>	<b>12.99%</b>
<b>Funding Sources</b>						
Permits & Fees	\$1,326,537	\$1,308,421	\$1,116,921	\$1,150,000	\$1,050,000	(8.70%)
Use of Money & Property	\$9,453,577	\$8,613,478	\$37,909,794	\$494,000	\$130,000	(73.68%)
Miscellaneous Revenue	\$24,151,983	\$32,110,778	\$43,755,731	\$7,739,350	\$9,781,452	26.39%
Non-Revenue Receipts	\$3,617,387	\$3,045,504	\$5,452,884	\$500,000	\$500,000	0.00%
Other Local Taxes	\$18,221,779	\$18,852,565	\$25,659,507	\$9,900,000	\$15,900,000	60.61%
General Property Taxes	\$3,315,392	\$3,466,677	\$3,611,963	\$3,708,563	\$6,469,501	74.45%
Charges for Services	\$67,454,157	\$69,161,738	\$71,778,328	\$71,881,000	\$77,361,000	7.62%
Revenue from Commonwealth	\$0	\$0	\$0	\$100,932	\$0	(100.00%)
Transfers In	\$53,314,578	\$1,837,492	\$9,050,644	\$5,006,264	\$3,963,692	(20.83%)
<b>Total Designated Funding Sources</b>	<b>\$180,855,390</b>	<b>\$138,396,653</b>	<b>\$198,335,773</b>	<b>\$100,480,109</b>	<b>\$115,155,645</b>	<b>14.61%</b>
<b>(Contribution To) / Use of Cable Equipment Capital Grant</b>	<b>\$0</b>	<b>(\$461,131)</b>	<b>(\$375,506)</b>	<b>(\$491,855)</b>	<b>(\$449,085)</b>	<b>(8.70%)</b>
<b>(Contribution To) / Use of Recordation Tax for Transportation</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$5,287,500)</b>	<b>(\$4,377,290)</b>	<b>(17.21%)</b>
<b>(Contribution To) / Use of County- wide Insurance Internal Service Funds</b>	<b>(\$8,998,379)</b>	<b>(\$3,942,789)</b>	<b>(\$2,259,144)</b>	<b>\$12,110,000</b>	<b>\$10,237,985</b>	<b>(15.46%)</b>
<b>(Contribution To) / Use of Trust/ Fiduciary Fund Balance</b>	<b>(\$11,649,655)</b>	<b>(\$11,146,496)</b>	<b>(\$42,743,432)</b>	<b>\$0</b>	<b>\$0</b>	<b>-</b>
<b>(Contribution To) / Use of Special Revenue Fund Balance</b>	<b>(\$8,891,426)</b>	<b>(\$9,017,199)</b>	<b>(\$11,478,654)</b>	<b>(\$1,250,000)</b>	<b>(\$1,250,000)</b>	<b>0.00%</b>
<b>Net General Tax Support</b>	<b>\$5,052,090</b>	<b>\$2,103,890</b>	<b>\$20,736,264</b>	<b>\$9,904,276</b>	<b>\$11,151,647</b>	<b>12.59%</b>
<b>Net General Tax Support</b>	<b>3.45%</b>	<b>1.88%</b>	<b>17.17%</b>	<b>8.58%</b>	<b>8.55%</b>	

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## General Overview

The components of the Non-Departmental budget are discussed below.

### A. Countywide Insurance:

- 1. Medical Insurance Internal Service Fund** – Prince William County (PWC) established a health insurance fund to self-insure for employee medical coverage as well as provide fully insured dental, vision, and flexible spending benefits. The fund also provides additional insurance credits for retirees as well as required self-insured contributions for the Virginia Line of Duty Act (LODA) benefits. Countywide medical and dental premiums are paid from the medical insurance internal service fund, which is funded primarily from charges to County departments. The FY23 medical insurance budget is \$93,565,985.
- 2. Casualty Pool, Workers Compensation, and Property and Miscellaneous Self-Insurance Programs** – The County maintains self-insurance programs for general liability, automobile, public official, law enforcement professional liability, pollution liability, cyber security liability, and workers compensation insurance through the Prince William Self-Insurance Group casualty pool and workers compensation pool. The two self-insurance programs began operations July 1, 1989, and are licensed by the State Corporation Commission. The FY23 general fund workers compensation budget is \$6,170,414 and the casualty pool budget is \$2,575,701. The FY23 property and miscellaneous insurance budget is \$995,375.  

These activities are reported in an internal services fund. Revenues come primarily from other County funds through “premiums” set to cover estimated self-insured claims and liabilities, excess, other insurance premiums, and operating expenses. Claims filed or to be filed through the end of the previous fiscal year are accrued liabilities.
- 3. Unemployment Insurance** – The Virginia Employment Commission administers an unemployment insurance program that provides protection against loss of wages to individuals who become unemployed through no fault of their own. The FY23 unemployment insurance budget is \$125,000.

### B. Restricted Use Funds:

- 1. Transient Occupancy Tax (TOT) for Tourism** – Section [58.1-3819](#) of the Code of Virginia authorizes PWC to levy a 5% TOT on hotels, motels, boarding houses, travel campgrounds, and other facilities offering guest rooms rented out for continuous occupancy for fewer than 30 consecutive days. The Code of Virginia also mandates that any levy in excess of a 2% rate must be designated and spent solely on tourism initiatives. Therefore, 60% of the TOT is budgeted for tourism-related purposes and the County's general revenue share is the remaining 40%. Beginning in FY22, all TOT expenditure and revenue was shifted and consolidated to Parks, Recreation & Tourism and is no longer budgeted in Non-Departmental.
- 2. Proffers** – Prior to July 2016, Virginia Code [15.2-2303.2](#) allowed PWC to accept voluntary proffers from zoning applicants. Proffers were intended to help mitigate the impacts of development resulting from a zoning change. The County's Zoning Ordinance includes provisions for the acceptance and enforcement of proffers submitted with rezoning applications prior to June 30, 2016. Available monetary proffers to support County capital projects are evaluated on an annual basis. In addition, investment income, or proffer interest, is used to support agency operating budgets. Please see the Capital Improvement Program (CIP) section for detail on proffers assigned to capital projects.
- 3. Recordation Tax** – Recordation tax revenue is generated when a legal instrument regarding real property such as a deed (including home refinance activity) or deed of trust is recorded with the Circuit Court Clerk. Approximately 74% of recordation tax revenue is dedicated by Board of County Supervisors (BOCS) policy to support transportation initiatives in the County. Recordation tax revenue was previously budgeted as general revenue at the beginning of each fiscal year, and the portion committed for transportation was transferred to Non-Departmental during the course of the fiscal year. Beginning in FY22, recordation tax revenue was budgeted as agency revenue in Non-Departmental. Most of recordation tax revenue committed for transportation is used to pay existing debt service costs on selected road construction projects. In addition, recordation tax funds the Transportation and Roadway Improvement Program (TRIP) and a \$650,000 transfer for staffing support to the Department of Transportation in the budget. Please see the Debt Service section for a summary of transportation projects financed by recordation tax revenue, the Capital Improvement section for TRIP information, and the Department of Transportation section for information on the staffing support.

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4. **Cable Equipment Grant** – An annual 1% cable equipment grant is provided by cable television providers operating in the County. Grant proceeds must be used for cable related capital needs. Although not considered general revenue, revenue derived from the grant is shared with PWC Schools in accordance with the County/Schools revenue agreement. Cable equipment grant revenue is forecasted at \$1,050,000 in FY23, which is a \$100,000 reduction from FY22. Of this amount, the Schools receive \$600,915 and the County's share is \$449,085. Both the County and Schools use cable equipment grant proceeds to support informational programming on their respective access channels. Cable equipment grant receipts are evaluated on an annual basis for potential future adjustments.
5. **Additional 3% TOT to Support Transportation Purposes** – Section [58.1-1744](#) (as amended, effective May 1, 2021) authorizes the local tax on transient occupancy as an additional 3% levied to support transportation improvements authorized as part of the Northern Virginia Transportation Authority (NVTVA) legislation. The revenue is collected and retained by the County. Two-thirds of the revenue collected may be used only for public transportation purposes and the remaining revenue may be used for any transportation purpose. The budget includes \$150,000 of TOT funds to support the Wheels-to-Wellness program provided by the Potomac Rappahannock Transportation Commission (PRTC). The program is a medical transportation assistance program to help eligible residents access health services and is sponsored by PRTC through support from community partners including medical service providers and the County.
6. **Transportation Districts** – The Route 234 Bypass Transportation Improvement District was created in 1991 after landowners within the District boundaries petitioned the BOCS to create a special taxing district. The Route 234 Bypass Transportation District rate is \$0.02 per \$100 of assessed value and is levied on property zoned or used for commercial or industrial purposes within the district boundaries. Revenue generated by the district reimburses the County's general fund for debt service paid to finance the Route 234 Bypass road bond project approved by voters in 1988. The transportation district will expire December 27, 2026.

## C. County Pass-Through Collections:

1. **Community Development Authorities (CDA)** – CDAs are governed under Section [15.2-5152](#) of the Code of Virginia. CDAs are created to promote economic development in the County. Properties within established boundaries are levied a CDA assessment to provide certain public infrastructure such as road improvements, bridges, stormwater, and water and sewer improvements within the district. There are three CDAs in PWC: Virginia Gateway (created in 1998), Heritage Hunt (created in 1999), and Cherry Hill (created in 2013). Property owners within each CDA boundary petitioned the County to create each CDA.

In accordance with Section [15.2-5158](#) of the Code of Virginia, all three CDAs in the County request annually that the County levy and collect a special tax on taxable real property within the development authority's jurisdiction to finance the services and facilities provided by the authority. This code section also requires that all revenue received by the County will be paid over to the development authority subject to annual appropriation. The budget includes \$5,480,002 in a special revenue fund for the three CDAs in the County: Cherry Hill/Potomac Shores (\$4,275,000), Virginia Gateway (\$1,015,001), and Heritage Hunt (\$190,001). There is no impact on the County's general fund.

2. **Pass-Through Collections to Commonwealth for Sheriff Fees** – PWC collects Sheriff fee revenue on behalf of the Commonwealth of Virginia. The revenue is collected by the County and remitted to the Commonwealth.

## D. Trust/Fiduciary Funds:

1. **Trust/Fiduciary Funds** – Fiduciary funds are used to account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations, or other governments. Agency funds are custodial in nature whereby assets equal liabilities and do not measure results of County operations. Trust/Fiduciary funds do not require budget and appropriation by the BOCS. Each respective fund is administered by a board of trustees. Trust/Fiduciary funds included in Non-Departmental are:
  - Other Post-Employment Benefits (OPEB) – Police Officer, Uniformed Fire & Rescue, Sheriff, and Adult Detention Center Personnel Supplemental Retirement
  - OPEB – Length of Service Award Program (LOSAP)
  - OPEB – Post-Retirement Medical Benefits Credit Plan
  - OPEB – Virginia Line of Duty Act (LODA) for public safety personnel
  - Innovation Property Owners Association
  - Donations from the Friends of the Library and private sources supporting library services

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For a detailed description of each OPEB plan as well as the benefits provided, see PWC's Annual Comprehensive Financial Report in [Finance and Revenue Publications](#).

## E. Other:

- Contributions to the Hylton Performing Arts Center (HPAC) and NOVA** – County contributions to the HPAC (\$605,312) and NOVA (\$1,100,368) are included in the Non-Departmental budget. The FY23 contribution to the HPAC provides \$455,312 for debt service and \$150,000 for capital expenses. The HPAC debt service for amounts in FY23 is significantly different than previous and future amounts due to a recent refinancing of the debt. Please see the detail below for County contributions to the HPAC in the next five years.

	FY23	FY24	FY25	FY26	FY27
Debt Service	\$455,312	\$1,885,637	\$1,881,707	\$1,884,377	\$1,899,407
Capital	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000
<b>Total</b>	<b>\$605,312</b>	<b>\$2,035,637</b>	<b>\$2,031,707</b>	<b>\$2,034,377</b>	<b>\$2,049,407</b>

In prior years, there were two components to PWC's contribution to NOVA, including a per capita annual capital development contribution and an allocation to support maintenance and operations at NOVA. Contributions were multi-jurisdictional and helped support construction and maintenance at NOVA campuses. Due to recent changes in budget language at the state level, there is no longer a need to support construction and maintenance at local campuses with multi-jurisdictional contributions. With this change, the County and NOVA have agreed to work together in partnership to help achieve mutually beneficial post-secondary education goals for the local community. The FY23 contribution will support Early College programs for the County's local school system and Workforce Development programs for residents or targeted workforce development opportunities for County residents.

- Contingency** – The budget includes a contingency budget of \$500,000 consistent with Policy 2.12 in the adopted [Principles of Sound Financial Management](#): "The County will annually appropriate a contingency budget to provide for unanticipated increases in service delivery costs and needs that may arise throughout the fiscal year. The contingency budget will be established at a minimum of \$500,000 annually and may be allocated only by resolution of the BOCS."
- Administration** – The Unclassified Administrative area of the budget includes those general fund expenditures which are not assigned to specific agency budgets. During the course of the fiscal year, many of these dollars are allocated against agency budgets to properly account for where the expenditures actually occur. As a program becomes established, an unclassified administrative budget item will often be assigned to an agency on a permanent basis. The funds would then be transferred from Unclassified Administrative to the agency budget. Due to the many items coming into and out of this budget area between budget years, it is difficult to compare different fiscal year totals.
  - 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 Non-Departmental technology bill decreases by \$5,147,397. Non-Departmental generally support next fiscal year costs that are Countywide with the goal of allocating funds to the appropriate functional area in future budgets.

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.

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- b. Transfer from Adult Detention Center (ADC) Fund** – The transfer of \$1,867,892 to the general fund from the ADC is required to compensate the general fund for the cost of implementing the Law Enforcement Officers’ Supplement (LEOS) retirement program for Jail Officers and the Jail Superintendent. The funds are included as revenue in the Funding Sources area. Additional information concerning the ADC LEOS retirement program can be found in the General Overview section of the ADC departmental budget.

## Budget Initiatives

### A. Budget Initiatives

#### 1. Information Technology Capital and Operating Funding Support

Expenditure	\$2,611,000
Revenue	\$0
General Fund Impact	\$2,611,000
FTE Positions	0.00

- a. Description** – Funding is provided for capital and operating costs to support information technology costs, including Technology Improvement Program support for enhanced voice over internet protocol infrastructure (\$1,035,000) and human services software upgrades (\$565,000), multi-factor authorization security software (\$388,000), a variety of business technology services resulting from increased costs and hosting fees, including training and employee engagement (\$290,000), geospatial technology services enterprise agreement (\$261,000) and additional licensing and subscriptions to support information delivery to residents and Countywide to employee processes and policies (\$72,000)

This funding allocated in Non-Departmental supports the FY23 internal services fund billings for the Department of Information Technology. In the future, these budgets will be transferred out of Non-Departmental and reallocated to specific agencies to better represent the functional areas supported by these initiatives. Please refer to the CIP section of this document and the Department of Information Technology section of this document for comprehensive information on technology initiatives planned in FY23 and throughout the proposed Five-Year Plan.

#### 2. County Proffers for Capital Projects

Expenditure	\$2,517,452
Revenue	\$2,517,452
General Fund Impact	\$0
FTE Positions	0.00

- a. Description** – Funding is transferred from proffer accounts to support capital projects, specifically stormwater infrastructure improvements and Devlin Road Widening. This is a one-time transfer of proffer funds to the capital project fund. This amount is budgeted for capital projects in the FY2023-2028 CIP. In addition to these transferred funds there are \$582,392 of prior year proffers being shifted from other completed roadway capital projects to Devlin Road Widening. Please refer to the CIP section of this document for additional information regarding proffers and specific projects.

#### 3. Casualty Pool Insurance Premium Increase

Expenditure	\$1,000,000
Revenue	\$0
General Fund Impact	\$1,000,000
FTE Positions	0.00

- a. Description** – This initiative provides ongoing funding for an increase to casualty pool insurance premiums. Casualty insurance supports addressing legal liability and losses due to injuries and damage to property of others. Factors affecting the premium increase include the continuing addition of new programs and staffing to County government, which increases exposure to liability situations; national trends; the increase in cyber security and terrorism insurance; and increasing claim severity and frequency.

