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|  | Adoption Process of Annual Operating Budget | Administrative Regulation # | DBG |
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Administrative Regulation

1. Purpose

To establish guidelines and implement Board Policy DBG – Adoption Process of Annual Operating Budget.

2. Scope

The Education Article, *Annotated Code of Maryland*, defines the annual operating budget for each local board of education. To some extent, the law generally describes the process for adopting and implementing the budget. Board Policy DBG – Adoption Process of Annual Operating Budget requires that the adoption be fully outlined in regulation and include the process, timelines, revenue, expenditures, and budgetary categories, and public input opportunities.

3. Prerequisites

N/A


4. Responsibilities

The Superintendent will work with the Board to ensure that the annual adoption process aligns with Board Policy DBG and these regulations.

5. Procedure

I. GENERAL GUIDELINES

- a. In accordance with Title 3, Open Meetings Act, General Provisions Article, *Annotated Code of Maryland*, the annual budget development shall be an open, public process.
- b. All meetings and hearings will be publicly announced through all typical communication methods including:
 - i. The Board's online meeting agenda;
 - ii. The Board's public website;
 - iii. The Board's social media accounts;
 - iv. The Board's mass email communications; and
 - v. Publication in two newspapers with general circulation in the county.
- c. In support of public participation, the Board encourages all feedback from the public throughout the process whether through letter, electronic communication, or oral comment.


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II. SUPERINTENDENT'S PRELIMINARY BUDGET

- a. In accordance with Section 4-205 (k) of the Education Article, *Annotated Code of Maryland*, the Superintendent shall:
 - i. "Take the initiative in the preparation and presentation of the annual school budget; and
 - ii. Seek in every way to secure adequate funds from the local authorities for the support and development of the public schools in the county."
- b. **December** – The Superintendent shall conduct a budget work session with the Board at which:
 - i. Estimates for revenues and expenditures are discussed;
 - ii. Potential enhancements or reductions are considered;
 - iii. Variables effecting the budget are presented; and
 - iv. The timeline for the public budget development, including the schedule of all meetings and hearings, is presented.
- c. **January** – The Superintendent presents the proposed budget at ~~the~~ **A PUBLIC** Board ~~business~~ meeting.
- d. **January/February** – At least two public hearings are held on the proposed budget at which citizens may offer oral comments.
- e. **JANUARY/February** – The Board holds a second budget work session at which:
 - i. Updates may be provided on revenue estimates;
 - ii. Expenditures may be discussed in greater detail;
 - iii. Clarity may be sought on any variables; and
 - iv. Public comment and feedback may be discussed.

III. BOARD OF EDUCATION'S PRELIMINARY BUDGET

- a. **February** – The Board adopts a preliminary budget at ~~its monthly business~~ **A PUBLIC BOARD** meeting.
- b. **February** – The Board's preliminary budget request is submitted to the County promptly following adoption. The Board shall make the preliminary budget available to the public through the following:
 - i. Printed copies available for the public to inspect;
 - ii. The Board's public website, which will be made available through:
 1. The Board's online meeting agenda;
 2. The Board's social media accounts; and
 3. The Board's mass email communications.
 - iii. Complete copies provided to newspapers with general circulation in the county.
 - iv. Copies provided to the Carroll County Public Library for distribution at its branches.

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- c. **March/April** – Staff participate in a public hearings with the Carroll County Commissioners to answer questions regarding the revenue request.
- d. **APRIL/May** – The Board holds a ~~second~~ **THIRD** budget work session at which:
 - i. Updates on revenues and expenditures are provided based on:
 - 1. The State budget and General Assembly actions; and
 - 2. The County Commissioners budget discussions and hearings.
 - ii. The Board considers strategies to align anticipated revenue with expenditures to balance the budget.

IV. FINAL ADOPTED BUDGET

- a. **May** – The Board adopts a final budget that:
 - i. Balances the budget by aligning final State and County revenue figures and expenditures;
 - ii. Implements any necessary reductions in expenditures.

6. References

Board Policy DBG.
 Title 3, General Provisions Article, *Annotated Code of Maryland*.
 Section 4-205(k), Education Article, *Annotated Code of Maryland*.
 Section 5-101 *et. seq.*, Education Article, *Annotated Code of Maryland*.

7. Definitions


Budgeted Funds: those funds approved by category by the Board of Education and County Commissioners as the original approved operating budget each fiscal year.

Budget Adjustment: an increase or decrease in the amount of budgeted funds after the original budget is approved and the fiscal year has begun.

Budget Transfer: movement of funds after the original budget is approved as per Board of Education Policy DBJ.

Financial Statements: Legally required annual financial statements required by COMAR 13A.02.01.

Financial Audit: Annual audit of financial statements is required by COMAR 13A.02.07.

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Major Categories: Per the Education Article of the Annotated Code of Maryland, each county board shall prepare an annual operating budget by the major categories detailed in Section 5-101.