



OVERVIEW OF THE ANNUAL BUDGET PROCESS

The Town of Ashland operates on a fiscal year period of July 1st to June 30th each year. The process of preparing the annual budget takes place over a period of 6-8 months each year. Below is a table of the major events that help shape the budget. Please note these are estimated dates and will vary slightly year to year. Each year, these dates may vary up to a few months depending on various constraints such as scheduling, budget constraints, state aid, health insurance estimates, and etc.

October	<ul style="list-style-type: none">• Town Manager and Finance Director issue operating budget instructions to Department Heads
November	<ul style="list-style-type: none">• Department Head Budgets and Goals Due• Special Town Meeting
December - January	<ul style="list-style-type: none">• Management reviews departmental budget requests and develops budget
January – February	<ul style="list-style-type: none">• Finance Committee budget hearings• School Administrators review FY27 budget
February	<ul style="list-style-type: none">• School Committee votes on bottom line budget• Tri-Board Meeting on Budget
April	<ul style="list-style-type: none">• Budget Document Finalized• Budget Report posted on website
May	<ul style="list-style-type: none">• Annual Town Meeting

June-September – In September, the Assistant Town Manager issues FY26-FY30 capital guidelines to all departments.

October/November - Departments are provided with less than two months to develop their departmental budget for the subsequent fiscal year. In October, the capital request forms from all departments are due. Departments work on their budgets during the month of October and November. Budget requests are due to the Town Manager and Finance Director at the beginning of December along with their departmental goals and accomplishments. School Budget Managers are provided budget instructions, work on developing their budget requests, and submit them to the Assistant Superintendent by end of November.

December - Departmental operating budgets are reviewed by the Town Manager and Finance Director. Meetings are held between the Town Manager, Finance Director and Department Heads to discuss the details of the operating budget requests. The Town Manager and Finance Director receive the compiled information and begin to schedule meetings with the various Department Heads to evaluate their budget request and goals. The preliminary debt schedules are updated and various financial forecasts are completed. In December, capital submissions are reviewed and entered in the master capital five-year plan. School administrators meet to review FY2 budget through budget workshops. There is also a public hearing on the school budget.

January/February – At the end of January, the School Superintendent presents the recommended operating budget to the School Committee and the School Committee votes on the bottom line. During January, the **Finance committee** also hold their budget hearings on departmental budgets. These meetings are all open to the public.

March/April- During the beginning of March, the Select Board adopt the budget for capital and a balanced budget for operations. The Town Manager holds a public forum on the warrant. The Town Manager will post the budget report on the Town’s website. The **Finance Committee** shall file a proposed budget and report of its recommendations for action 14 days prior to the scheduled date of the annual town meeting.

May - Annual Town Meeting -Ashland’s Annual Town Meeting is held on the first Wednesday in May of each year in accordance with Chapter §63-8 of the Ashland General bylaws. The Town Meeting is the legislative body of the town, and approves all expenditures and bylaw changes. The Town Meeting is presided over by the Moderator, who is elected by the voters of Ashland and is responsible for the conduct of Town Meeting, according to Chapter §63-4 of the Ashland bylaw. The Moderator also appoints several boards and committees, providing a wide and significant impact on the community and its government. For the FY27 budget year, the Annual Town Meeting is to be determined in May 2026.

WHAT IS TOWN MEETING?

The legislative body of the Town of Ashland is an Open Town Meeting comprised of all registered voters, conducted under the leadership of the elected Moderator. Town Meeting has the sole authority to appropriate funds for the operating budget and capital projects. Approval of most spending requires a simple majority vote in favor, but capital projects, if they involve borrowing, must be approved by a two thirds majority. Any amendments to appropriations require Town Meeting vote at either a regular or Special Town Meeting. The procedures for Town Meeting are specified in the Town of Ashland General Bylaws.

HOW ARE TAXES CALCULATED?

In Ashland, the tax rate is a function not only of the total revenues to be raised by real estate taxes (Levy Limit), but also levy exclusions.

What is a Levy Limit?

Proposition 2 ½ was enacted in 1980 to limit the reliance on the property tax and give the voters a greater say in approving property tax increases. With inflation and certain costs routinely pushing the cost of government beyond 2 ½% increases, the legislature provided voters the authority to approve increases greater than 2 ½%, enabling them to consider and determine what kind of community they want and can afford. A general override to Proposition 2 ½ supports the operating budget and requires a majority vote by ballot at the Town Election to pass. Town leaders are mindful of the tax burden and do everything possible to avoid or limit general overrides while maintaining essential services.

There are two components to the law:

1. A levy ceiling, or the maximum levy limit, is 2.5% of the full and fair cash value of taxable real and personal property, as determined by the Town's assessors. This changes as properties are added or removed from the tax roll and as market values change, but Ashland's Annual Tax Levy cannot exceed the Levy Ceiling.

2. The levy limit for a particular year is calculated by increasing the previous year's limit by 2.5% and adding certified new growth and overrides. The new limit cannot exceed the levy ceiling. New Growth includes the additional property tax from new construction and additions to properties, exempt real property returned to the tax roll, and new personal property. In Ashland, we do estimate New Growth for the upcoming year, very conservatively.

This then becomes the base for calculating the levy limit for the next year. The Town's actual levy can be any amount up to the limit. If in one year, the levy is below the limit, the levy increase in the following year could not exceed 2.5%. The difference between the levy and the levy limit is called the excess levy capacity.

<p style="text-align: center;">Ashland's Annual Tax Levy = Levy Limit + Exclusions The Levy Limit = Prior Year Levy Limit + 2.5% + (voter approved override) + New Growth</p>
--

New Growth includes the additional property tax from new construction and additions to properties, exempt real property returned to the tax roll, and new personal property. In Ashland, we do estimate New Growth for the upcoming year, very conservatively.

This then becomes the base for calculating the levy limit for the next year. The Town's actual levy can be any amount up to the limit. If in one year, the levy is below the limit, the levy increase in the following year could not exceed 2.5%. The difference between the levy and the levy limit is called the excess levy capacity.

What are Exclusions?

Taxpayers may vote to fund debt for projects and choose to exclude these payments from the calculation of the levy limit and, therefore, from the base upon which the levy limit is calculated for future years. Unlike overrides, these Debt Exclusions or Capital Exclusions are temporary increases to the tax levy, lasting the life of the debt or the duration of the capital project. Exclusions require a majority vote on the ballot and may increase the levy above the levy ceiling. Ashland has approved several debt exclusions for municipal building and school projects.

What is the Community Preservation Act (CPA) Surcharge?

Ashland voters approved the adoption of the State's Community Preservation Act (MGL Chapter 44B), which authorizes the Town to charge 3% (after \$100,000 assessment exemption) quarterly on top of the tax payment.

Thus:

$\text{Funds for the Community Preservation Act Surcharge} = (\text{New Levy Limit} + \text{Debt Exclusions}) \times 3\%$

This money is matched, in part, by the State for the purpose of enabling cities and towns to fund the acquisition and preservation of open space, the creation and support of affordable housing, and the acquisition and preservation of historic buildings and landscapes. The adoption of the CPA reflects the value Ashland citizens place on these issues and has enabled the town to maintain the rural character and mix of housing that has defined Ashland. To learn more about the CPA in Ashland, visit the town's website at: www.ashlandmass.com.

The Community Preservation Committee is charged with studying the needs, possibilities, and resources of the Town regarding community preservation and with making recommendations to Town Meeting regarding the appropriation of CPA funds.

The following calendar describes the steps leading to the adoption of the budget for those accounts overseen by the Town Manager and requiring appropriation by Town Meeting. The School Superintendent and School Committees carry out similar steps leading to their budget submissions and preparation for Town Meeting. Town and School budget dates have been incorporated into this calendar.

9/23/2025 Town Manager to consult with **Finance Committee** on budget schedule per Chapter C. Part VII. Section 7-1 (a) no later than October 1st.

10/22/2025 Tri-Board Meeting 6-8pm

10/28/2025 **Finance Committee**

11/TBD/2025 No later than Nov. 1st, the **Finance Committee**, after consultation with the Select Board, School Committee, and Town Manager, shall issue a policy statement that shall establish the general guidelines for developing the next town budget per Chapter C. Part VII. Section 7-1 (b).

11/TBD/2025 School Finance Director issues Capital Guidelines to School Departments

11/TBD/2025 School Finance Director issues budget instructions to school principals/directors

11/TBD/2025 Per Chapter 63-2, 'Attested copies of the warrant for the Annual Town Meeting shall be posted at least 7 days before the date of hold the same. Attested copies of any special Town Meeting Warrant shall be posted at least 14 days before the time of holding the same.

11/19/2025 Fall Special Town Meeting

11/TBD/2025 All School capital requests due to School Finance Director

11/TBD/2022 All budgets due to School Finance Director

11/TBD/2025 School Finance Director and Director of Facilities review capital requests

12/TBD/25 Principals/Directors work on FY27 budget

12/TBD/2025 Capital Plan to School Committee for review and vote on prioritization

12/5/2025 Town Manager and Finance Director issue operating budget instructions to Department Heads.

12/TBD/2025 Town Manager issues FY2027 - FY2028 capital guidelines to all departments

12/TBD/25 -

2/TBD/26

Administrative meetings to review FY27 budget

12/TBD/2025 Capital request forms from all Departments due
12/30/2025 Town Departmental Budgets Due
1/3/2026 Begin review and ranking of capital project submissions
January 2026 Budget workshops for departmental budgets

1/22/2026 **Finance Committee** to receive budget which shall be at least 105 days in advance of the annual town meeting per Chapter C. Part VII. Section 7-1 (a)i.

1/28/2026 Governor's Budget - Governor files recommendations as a bill with the House of Representatives. Under the state Constitution, the Governor must submit a proposal by the 4th Wednesday in January or, in the event of a new term, within five weeks later. This bill is called 'House 1' or 'House 2' depending on the year.

2/TBD/2026 School Committee Saturday budget workshop with administrators
February 2026 **Finance Committee** Budget hearings and present capital plan to committee members for feedback

February 2026 Incorporate feedback from **Finance Committee** into capital plan.

February 2026 Finalize capital plan

3/TBD/2026 Public Hearing on School budget

3/12/2026 Select Board deadline to adopt a budget for capital and a balanced budget for operations, which shall be, as far as practicable, 55 days in advance of the annual town meeting per Chapter C. Part VII. Section 7-1 (a)ii.

3/TBD/2026 School Committee votes on bottom line budget

April 2026 Town meeting forum on warrant, which will include the capital plan

4/TBD/2026 The House Committee on Ways and Means examines the Governor's proposal and releases its own recommendations for the annual budget for deliberation by the House of Representatives. Prior to release of the House Ways and Means Budget,

4/TBD/2026 **Finance Committee** issues recommendation. Per Chapter C. Part VII. Section 7-2, the **Finance Committee** shall file a proposed budget and report of its recommendations for action 14 days prior to the scheduled date of the annual town meeting.

4/TBD/2026 Per Chapter 63-2, 'Attested copies of the warrant for the Annual Town Meeting shall be posted at least 7 days before the date of hold the same. Attested copies of any special Town Meeting Warrant shall be posted at least 14 days before the time of holding the same.

4/27/2026 Budget Report posted on website. To summarize, the Town Manager shall issue a budget report which shall include all items in per Chapter C. Part VII. Section 7-1 (e). The Select Board shall cause the report and recommendations of the **Finance Committee** to be made available to the voters at least 7 days prior to the annual

town meeting.

5/06/2026 Annual Town Meeting and adoption of FY27 operating, capital plan, and enterprise fund budgets

5/TBD/2026 The full House of Representatives considers amendments to the House Ways and Means recommendations and debates their inclusion in the bill. The House of Representatives then approves a final, amended version of the bill which is then sent to the Senate for consideration.

5/TBD/2026 The Senate Committee on Ways and Means examines both the Governor's proposal and the House proposal and releases its own recommendations for the annual budget for deliberation by the Senate.

5/25/2026 The full Senate considers amendments to the Senate Ways and Means recommendations and debates their inclusion in the bill. The Senate then approves a final, amended version of the bill.

7/1/2026 FY2027 budget takes effect. First day of new fiscal year.

7/15/2026 The House and Senate appoint three members each to a "conference committee" to reconcile the differences between the House and Senate proposals. One member of the minority party must be appointed by each branch. The conference committee reports a final compromise bill to the House and Senate for a final vote of acceptance in each branch.

<https://www.ashlandmass.com/272/Finance-Committee>

About the Committee

The Finance Committee is comprised of 7 members appointed by the Town Moderator for 3-year terms. The Finance Committee is the authorizing body for expenditures from the Reserve Fund, which are designated funds within the budget set aside for extraordinary and/or unforeseen expenditures, including deficits in snow and ice operations.

The Finance Committee considers all articles in warrants for all Town Meetings and/or referendum. The Committee deliberates and provides a report in writing as to its recommendation for each Article.

The Finance Committee holds one or more public hearings with respect to the Warrant and distributes its report to each registered voter household and/or provides the same at convenient distribution places such as the town website. The report states the total amount of appropriation recommended, and the Finance Committee may, at its option, include the approximate tax rate based upon such recommendation.

<https://www.mass.gov/info-details/ask-dls-role-of-the-finance-committee-selectboard-and-officers-in-drafting-and-presenting-the-annual-budget-to-town-meeting>

What is the role of the finance committee?

[G.L. c. 39, §16](#) provides that towns whose aggregate property values exceed one million dollars *shall*, and in small towns may by bylaw, establish an appropriation, advisory, or a finance committee (collectively finance committee). The finance committee shall make reports and recommendations to the town and is primarily responsible for submitting its recommendations on the annual budget to town meeting. [G.L. c. 39, §16](#). In towns that do not have a finance committee, the selectboard is responsible for submitting its recommendations on the annual budget to town meeting. [G.L. c. 39, §16](#). Additionally, towns may provide by bylaw that the selectboard is responsible for submitting its recommendations on the annual budget to town meeting. [G.L. c. 39, §16](#). Many towns have enacted specific bylaws that establish its local finance committee in order to meet the community's specific needs.

The finance committee is typically involved in budget preparation, developing budget forms and, in many communities, establishing budgetary guidelines for department heads. Prior to town meeting, the finance committee often conducts budget hearings to allow a more extensive review of the budget. The finance committee “shall after due consideration designate the amounts which in their opinion should be appropriated for the ensuing fiscal year, and shall accompany the same with such explanations and suggestions in relation thereto as they may deem desirable for the proper information of the inhabitants.” [G.L. c. 41, § 60](#). The finance committee, in addition to presenting the proposed annual budget, is responsible for considering and making recommendations to town meeting on all other non-budgetary articles. [G.L. c. 39, §16](#). It may reasonably be argued that little comes before town meeting that does not have a potential fiscal impact on the town.