

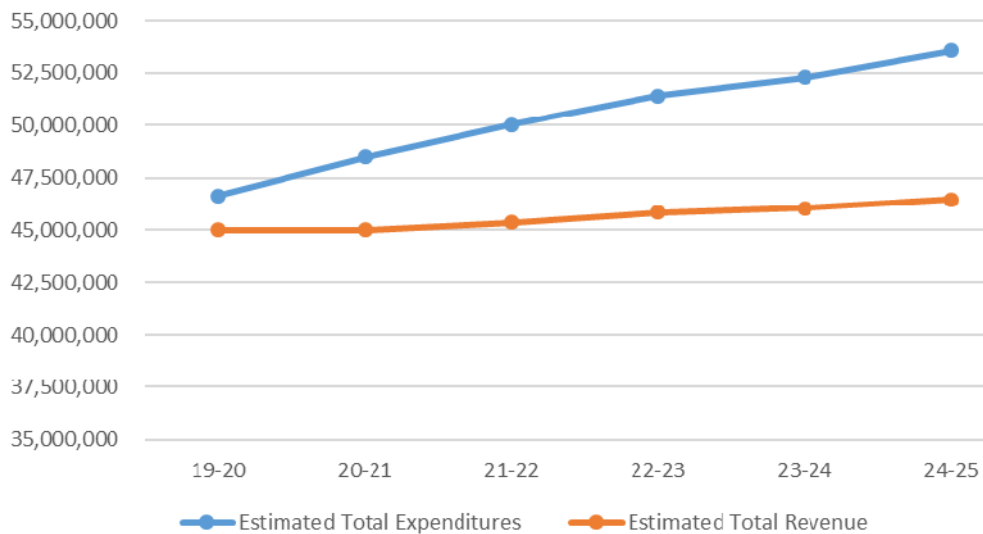
Budget Model Northwestern Lehigh School District

JANUARY 8, 2020



Long Term Impact of Tax Increases

Revenues & Expenditures Comparison-
NO TAX INCREASE



Revenues & Expenditures Comparison-
TAX INCREASE



The Shortfall by Year Difference

With Tax Increase	19-20	20-21	21-22	22-23	23-24	24-25	25-26
Estimated Total Expenditures	46,657,952	48,468,049	50,007,496	51,401,302	52,272,467	53,535,116	54,929,856
Estimated Total Revenue	44,993,971	45,972,905	47,001,866	48,226,740	49,201,529	50,447,058	51,724,719
Shortfall	(1,663,981)	(2,495,144)	(3,005,630)	(3,174,562)	(3,070,938)	(3,088,058)	(3,205,137)
Without Tax Increase	19-20	20-21	21-22	22-23	23-24	24-25	25-26
Estimated Total Expenditures	46,657,952	48,468,049	50,007,496	51,401,302	52,272,467	53,535,116	54,929,856
Estimated Total Revenue	44,993,971	44,972,905	45,338,351	45,827,560	46,033,255	46,474,983	46,912,808
Shortfall	(1,663,981)	(3,495,144)	(4,669,146)	(5,573,743)	(6,239,211)	(7,060,133)	(8,017,048)

Conclusion: Without sustainable recurring revenue (tax increase or other revenue stream), operating expenditures outpace operating revenues and shortfall becomes unmanageable over time. Consistent growth of the tax base (via millage increases) helps stabilize the shortfall over time.