USA VALUES, LLC. Projection of **Created Innovation Dollars** for School Districts that Focus on First Things First Delivery to Kindergarten

(See ..... for the scientific based quality is free expectations for saving in the school district from increased knowledge of the age 5 and 6 children starting kindergarten ready to read.)

Description of Pro Forma District Assumptions

A district of 250 children per grade, 3250 K-12 children spending $8,000 on each child for instruction with 50% of the children starting Not Ready.

Weight of Knowledge Impact on Spending

BEFORE			Knowledge Weight	
	0.2	100	20	
	0.3	70	21	
	0.3	50	15	Not ready
	0.2	30	6	
			62	
After			Knowledge Weight	
	0.3	100	30	
	0.3	80	24	
	0.3	70	21	
	0.1	60	6	
	0	0	0	Not ready
			81	

Cost of a child in K-12 for Instruction $ 8,000

Federal

State

Local

A	1st year Pre-K for Most At Risk	$ 500,000	125	$4,000 each
B	2nd year Pre-K for Most At Risk	$ 1,000,000	250	$4,000 each

Increasing Knowledge within the school used to payback investment and create innovcation Dollars

	Year 1 Pre-K	Year 2 Pre-K	K	1	2	3	4	5	6	7	8	9	10	11	12
a	131%	increase in learning capacity (Weight of Knowledge)													
	31%	2.07%	4.13%	6.20%	8.27%	10.33%	12.40%	14.47%	16.53%	18.60%	20.67%	22.73%	24.80%	26.87%	28.93%	31.00%
	2.07%															
		15% reduction used in payback calculations over last 11 years														
	15%	PC	PC	PC	PC	1.36%	2.73%	4.09%	5.45%	6.82%	8.18%	9.55%	10.91%	12.27%	13.64%	15.00%
	1.36%			EXCESS		8.97%	9.67%	10.38%	11.08%	11.78%	12.48%	13.19%	13.89%	14.59%	15.30%	16.00%
		25% reduction used in payback calculations over last 11 years														
	25%	PC	PC	PC	PC	2.27%	4.55%	6.82%	9.09%	11.36%	13.64%	15.91%	18.18%	20.45%	22.73%	25.00%
	2.27%			EXCESS		8.06%	7.85%	7.65%	7.44%	7.24%	7.03%	6.82%	6.62%	6.41%	6.21%	6.00%

A. Savings based on 15% improvement verses 31% improvement on starting knowledge

School Budget	250	13 years		Kids	3250	7%	Savings per Year	Budget	1 Pre-K	2 Pre-K	K	1	2	3	4	5	6	7	8	9	10	11	12	
								$ 26,000,000	$ 26,000,000	$ 26,000,000	$ 26,000,000	$ 26,000,000	$ 26,000,000	$ 26,000,000	$ 26,000,000	$ 26,000,000	$ 26,000,000	$ 26,000,000	$ 26,000,000	$ 26,000,000	$ 26,000,000	$ 26,000,000	$ 390,000,000	
Save % needed				Bal w/ Return				15% over last 11 years or		0.013636364		$ 104,000,000	$ 25,645,455	$ 25,290,909	$ 24,936,364	$ 24,581,818	$ 24,227,273	$ 23,872,727	$ 23,518,182	$ 23,163,636	$ 22,809,091	$ 22,454,545	$ 22,100,000	$ 366,600,000	94%
1	Prek 1		A	$ 500,000	$ 535,000				0		0	$ 7,891	$ 7,782	$ 7,673	$ 7,564	$ 7,455	$ 7,345	$ 7,236	$ 7,127	$ 7,018	$ 6,909	$ 6,800		
1	Prek 2		B	$ 1,000,000	$ 1,642,450	$ -				0		Budgeted cost per child for instruction												
1	K			$ 1,000,000	$ 2,827,422	$ -					0													
2	1			$ 1,000,000	$ 4,095,341	$ -						0												
3	2			$ 900,000	$ 4,990,469	$ 354,545						$ 354,545												
4	3			$ 810,000	$ 5,497,411	$ 709,091						$ 354,545	$ 354,545											
5	4		Innovation	$ 729,000	$ 5,598,624	$ 1,063,636						$ 354,545	$ 354,545	$ 354,545										
6	5		Dollars	$ 700,000	$ 5,321,346	$ 1,418,182						$ 354,545	$ 354,545	$ 354,545	$ 354,545									
7	6			$ 700,000	$ 4,670,113	$ 1,772,727						$ 354,545	$ 354,545	$ 354,545	$ 354,545	$ 354,545								
8	7			$ 700,000	$ 3,618,748	$ 2,127,273						$ 354,545	$ 354,545	$ 354,545	$ 354,545	$ 354,545	$ 354,545							
9	8			$ 700,000	$ 2,139,242	$ 2,481,818						$ 354,545	$ 354,545	$ 354,545	$ 354,545	$ 354,545	$ 354,545	$ 354,545						
10	9			$ 700,000	$ 201,625	$ 2,836,364						$ 354,545	$ 354,545	$ 354,545	$ 354,545	$ 354,545	$ 354,545	$ 354,545	$ 354,545					
11	10		$ (2,226,170)	$ 700,000	$ (2,226,170)	$ 3,190,909						$ 354,545	$ 354,545	$ 354,545	$ 354,545	$ 354,545	$ 354,545	$ 354,545	$ 354,545	$ 354,545				
12	11		$ (2,845,455)	$ 700,000		$ 3,545,455						$ 354,545	$ 354,545	$ 354,545	$ 354,545	$ 354,545	$ 354,545	$ 354,545	$ 354,545	$ 354,545	$ 354,545			
13	12		$ (3,200,000)	$ 700,000		$ 3,900,000						$ 354,545	$ 354,545	$ 354,545	$ 354,545	$ 354,545	$ 354,545	$ 354,545	$ 354,545	$ 354,545	$ 354,545	$ 354,545	$ 354,545	
			$ (8,271,625)																					
												$ 3,900,000												

Current year plus last years repeated

innovation dollars are added back to this "base" spending $ 374,871,625 96%

B. Savings based on 25% improvement verses 31% improvement on starting knowledge

School Budget	250	13 years		Kids	3250	7%	Savings per Year	Budget	1 Pre-K	2 Pre-K	K	1	2	3	4	5	6	7	8	9	10	11	12	
								$ 26,000,000	$ 26,000,000	$ 26,000,000	$ 26,000,000	$ 26,000,000	$ 26,000,000	$ 26,000,000	$ 26,000,000	$ 26,000,000	$ 26,000,000	$ 26,000,000	$ 26,000,000	$ 26,000,000	$ 26,000,000	$ 26,000,000	$ 390,000,000	
Save % needed				Bal w/ Return				25% over last 11 years or		0.022727273		$ 104,000,000	$ 25,409,091	$ 24,818,182	$ 24,227,273	$ 23,636,364	$ 23,045,455	$ 22,454,545	$ 21,863,636	$ 21,272,727	$ 20,681,818	$ 20,090,909	$ 19,500,000	$ 351,000,000	90%
1	Prek 1			$ 500,000	$ 535,000				0		0	$ 7,818	$ 7,636	$ 7,455	$ 7,273	$ 7,091	$ 6,909	$ 6,727	$ 6,545	$ 6,364	$ 6,182	$ 6,000		
1	Prek 2			$ 1,000,000	$ 1,642,450	$ -				0		Budgeted cost per child for instruction												
1	K			$ 1,000,000	$ 2,827,422	$ -					0													
2	1			$ 1,000,000	$ 4,095,341	$ -						0												
3	2			$ 900,000	$ 4,754,106	$ 590,909						$ 590,909												
4	3			$ 810,000	$ 4,771,775	$ 1,181,818						$ 590,909	$ 590,909											
5	4			$ 729,000	$ 4,113,102	$ 1,772,727						$ 590,909	$ 590,909	$ 590,909										
6	5		Innovation	$ 700,000	$ 2,786,383	$ 2,363,636						$ 590,909	$ 590,909	$ 590,909	$ 590,909									
7	6		Dollars	$ 700,000	$ 775,884	$ 2,954,545						$ 590,909	$ 590,909	$ 590,909	$ 590,909	$ 590,909								
8	7		$ (1,966,259)	$ 700,000	$ (1,966,259)	$ 3,545,455						$ 590,909	$ 590,909	$ 590,909	$ 590,909	$ 590,909	$ 590,909							
9	8		$ (3,436,364)	$ 700,000		$ 4,136,364						$ 590,909	$ 590,909	$ 590,909	$ 590,909	$ 590,909	$ 590,909	$ 590,909						
10	9		$ (4,027,273)	$ 700,000		$ 4,727,273						$ 590,909	$ 590,909	$ 590,909	$ 590,909	$ 590,909	$ 590,909	$ 590,909	$ 590,909					
11	10		$ (4,618,182)	$ 700,000		$ 5,318,182						$ 590,909	$ 590,909	$ 590,909	$ 590,909	$ 590,909	$ 590,909	$ 590,909	$ 590,909	$ 590,909				
12	11		$ (5,209,091)	$ 700,000		$ 5,909,091						$ 590,909	$ 590,909	$ 590,909	$ 590,909	$ 590,909	$ 590,909	$ 590,909	$ 590,909	$ 590,909	$ 590,909			
13	12		$ (5,800,000)	$ 700,000		$ 6,500,000						$ 590,909	$ 590,909	$ 590,909	$ 590,909	$ 590,909	$ 590,909	$ 590,909	$ 590,909	$ 590,909	$ 590,909	$ 590,909	$ 590,909	
			$ (25,057,168)																					
												$ 6,500,000												

Current year plus last years repeated

innovation dollars are added back to this "base" spending $ 376,057,168 96%