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 3000 children per grade, 39000 K-12 children spending $10,000 on each child for instruction with 70% of the children starting Not Ready.

Weight of Knowledge Impact on Spending

BEFORE		Knowledge Weight	
0.1	100	10	
0.2	70	14	
0.4	50	20	Not ready
0.3	30	9	
		53	

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 $ 10,000

Federal

State

Local

A	1st year Pre-K for Most At Risk	$ 8,400,000	2100	$4,000 each
B	2nd year Pre-K for Most At Risk	$ 16,800,000	4200	$5,000 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	153%	increase in learning capacity (Weight of Knowledge)													
53%	3.53%	7.07%	10.60%	14.13%	17.67%	21.20%	24.73%	28.27%	31.80%	35.33%	38.87%	42.40%	45.93%	49.47%	53.00%
3.53%															

20% reduction used in payback calculations over last 11 years

20%	PC	PC	PC	PC	1.82%	3.64%	5.45%	7.27%	9.09%	10.91%	12.73%	14.55%	16.36%	18.18%	20.00%
1.82%				EXCESS	15.85%	17.56%	19.28%	20.99%	22.71%	24.42%	26.14%	27.85%	29.57%	31.28%	33.00%

40% reduction used in payback calculations over last 11 years

40%	PC	PC	PC	PC	3.64%	7.27%	10.91%	14.55%	18.18%	21.82%	25.45%	29.09%	32.73%	36.36%	40.00%
3.64%				EXCESS	14.03%	13.93%	13.82%	13.72%	13.62%	13.52%	13.41%	13.31%	13.21%	13.10%	13.00%

A. Savings based on 20% improvement verses 53% improvement on starting knowledge

School Budget 3000 13 years — Kids 39000 — 7% — Savings per Year — Budget — 1 Pre-K — 2 Pre-K — K

	1	2	3	4	5	6	7	8	9	10	11	12		
	$ 390,000,000	$ 390,000,000	$ 390,000,000	$ 390,000,000	$ 390,000,000	$ 390,000,000	$ 390,000,000	$ 390,000,000	$ 390,000,000	$ 390,000,000	$ 390,000,000	$ 390,000,000	$ 5,850,000,000	
Save % needed		Bal w/ Return		20% over last 11 years or	0.018181818		$ 1,560,000,000	$ 382,909,091	$ 375,818,182	$ 368,727,273	$ 361,636,364	$ 354,545,455	$ 347,454,545	$ 340,363,636	$ 333,272,727	$ 326,181,818	$ 319,090,909	$ 312,000,000	$ 5,382,000,000	92%
1 Prek 1	A	$ 8,400,000	$ 8,988,000		0		0	$ 9,818	$ 9,636	$ 9,455	$ 9,273	$ 9,091	$ 8,909	$ 8,727	$ 8,545	$ 8,364	$ 8,182	$ 8,000		
1 Prek 2	B	$ 16,800,000	$ 27,593,160	$ -		0		Budgeted cost per child for instruction												
1 K		$ 16,800,000	$ 47,500,681	$ -			0													
2 1		$ 16,800,000	$ 68,801,729	$ -				0											innovation dollars are added back to this "base" spending	$ 5,599,841,480	96%
3 2		$ 15,120,000	$ 82,705,341	$ 7,090,909				$ 7,090,909												
4 3		$ 13,608,000	$ 88,873,456	$ 14,181,818				$ 7,090,909	$ 7,090,909											
5 4	Innovation	$ 12,247,200	$ 86,926,375	$ 21,272,727				$ 7,090,909	$ 7,090,909	$ 7,090,909										
6 5	Dollars	$ 12,250,000	$ 77,755,085	$ 28,363,636				$ 7,090,909	$ 7,090,909	$ 7,090,909	$ 7,090,909									
7 6		$ 12,250,000	$ 60,850,896	$ 35,454,545				$ 7,090,909	$ 7,090,909	$ 7,090,909	$ 7,090,909	$ 7,090,909								
8 7		$ 12,250,000	$ 35,672,504	$ 42,545,455				$ 7,090,909	$ 7,090,909	$ 7,090,909	$ 7,090,909	$ 7,090,909	$ 7,090,909							
9 8		$ 12,250,000	$ 1,640,715	$ 49,636,364				$ 7,090,909	$ 7,090,909	$ 7,090,909	$ 7,090,909	$ 7,090,909	$ 7,090,909	$ 7,090,909						
10 9	$ (41,864,207)	$ 12,250,000	$ (41,864,207)	$ 56,727,273				$ 7,090,909	$ 7,090,909	$ 7,090,909	$ 7,090,909	$ 7,090,909	$ 7,090,909	$ 7,090,909	$ 7,090,909					
11 10	$ (51,568,182)	$ 12,250,000		$ 63,818,182				$ 7,090,909	$ 7,090,909	$ 7,090,909	$ 7,090,909	$ 7,090,909	$ 7,090,909	$ 7,090,909	$ 7,090,909	$ 7,090,909				
12 11	$ (58,659,091)	$ 12,250,000		$ 70,909,091				$ 7,090,909	$ 7,090,909	$ 7,090,909	$ 7,090,909	$ 7,090,909	$ 7,090,909	$ 7,090,909	$ 7,090,909	$ 7,090,909	$ 7,090,909			
13 12	$ (65,750,000)	$ 12,250,000		$ 78,000,000				$ 7,090,909	$ 7,090,909	$ 7,090,909	$ 7,090,909	$ 7,090,909	$ 7,090,909	$ 7,090,909	$ 7,090,909	$ 7,090,909	$ 7,090,909	$ 7,090,909		
	$ (217,841,480)																			
								$ 78,000,000												

Current year plus last years repeated

B. Savings based on 40% improvement verses 53% improvement on starting knowledge

School Budget 3000 13 years — Kids 39000 — 7% — Savings per Year — Budget — 1 Pre-K — 2 Pre-K — K

	1	2	3	4	5	6	7	8	9	10	11	12		
	$ 390,000,000	$ 390,000,000	$ 390,000,000	$ 390,000,000	$ 390,000,000	$ 390,000,000	$ 390,000,000	$ 390,000,000	$ 390,000,000	$ 390,000,000	$ 390,000,000	$ 390,000,000	$ 5,850,000,000	
Save % needed		Bal w/ Return		40% over last 11 years or	0.036363636		$ 1,560,000,000	$ 375,818,182	$ 361,636,364	$ 347,454,545	$ 333,272,727	$ 319,090,909	$ 304,909,091	$ 290,727,273	$ 276,545,455	$ 262,363,636	$ 248,181,818	$ 234,000,000	$ 4,914,000,000	84%
1 Prek 1		$ 8,400,000	$ 8,988,000		0		0	$ 9,636	$ 9,273	$ 8,909	$ 8,545	$ 8,182	$ 7,818	$ 7,455	$ 7,091	$ 6,727	$ 6,364	$ 6,000		
1 Prek 2		$ 16,800,000	$ 27,593,160	$ -		0		Budgeted cost per child for instruction												
1 K		$ 16,800,000	$ 47,500,681	$ -			0													
2 1		$ 16,800,000	$ 68,801,729	$ -				0											innovation dollars are added back to this "base" spending	$ 5,619,748,686	96%
3 2	Innovation	$ 15,120,000	$ 75,614,432	$ 14,181,818				$ 14,181,818												
4 3	Dollars	$ 13,608,000	$ 67,104,366	$ 28,363,636				$ 14,181,818	$ 14,181,818											
5 4		$ 12,247,200	$ 42,360,721	$ 42,545,455				$ 14,181,818	$ 14,181,818	$ 14,181,818										
6 5		$ 12,250,000	$ 1,706,198	$ 56,727,273				$ 14,181,818	$ 14,181,818	$ 14,181,818	$ 14,181,818									
7 6	$ (55,975,959)	$ 12,250,000	$ (55,975,959)	$ 70,909,091				$ 14,181,818	$ 14,181,818	$ 14,181,818	$ 14,181,818	$ 14,181,818								
8 7	$ (72,840,909)	$ 12,250,000		$ 85,090,909				$ 14,181,818	$ 14,181,818	$ 14,181,818	$ 14,181,818	$ 14,181,818	$ 14,181,818							
9 8	$ (87,022,727)	$ 12,250,000		$ 99,272,727				$ 14,181,818	$ 14,181,818	$ 14,181,818	$ 14,181,818	$ 14,181,818	$ 14,181,818	$ 14,181,818						
10 9	$ (101,204,545)	$ 12,250,000		$ 113,454,545				$ 14,181,818	$ 14,181,818	$ 14,181,818	$ 14,181,818	$ 14,181,818	$ 14,181,818	$ 14,181,818	$ 14,181,818					
11 10	$ (115,386,364)	$ 12,250,000		$ 127,636,364				$ 14,181,818	$ 14,181,818	$ 14,181,818	$ 14,181,818	$ 14,181,818	$ 14,181,818	$ 14,181,818	$ 14,181,818	$ 14,181,818				
12 11	$ (129,568,182)	$ 12,250,000		$ 141,818,182				$ 14,181,818	$ 14,181,818	$ 14,181,818	$ 14,181,818	$ 14,181,818	$ 14,181,818	$ 14,181,818	$ 14,181,818	$ 14,181,818	$ 14,181,818			
13 12	$ (143,750,000)	$ 12,250,000		$ 156,000,000				$ 14,181,818	$ 14,181,818	$ 14,181,818	$ 14,181,818	$ 14,181,818	$ 14,181,818	$ 14,181,818	$ 14,181,818	$ 14,181,818	$ 14,181,818	$ 14,181,818		
	$ (705,748,686)																			
								$ 156,000,000												

Current year plus last years repeated