

**Projected Savings in Expenditures
(State and Local)**

2/28/2007

1. 2005-06 total K-12 expenditures, as reported by SAUs = \$1,871,013,164.

The breakdown by Financial Indicator, in the DOE Report Card Report were:

a. Regular Instruction	\$802,399,090
b. Special Education Instruction	\$255,472,223
c. CTE Education Instruction	\$35,110,616
d. Other Instruction	\$38,564,615
e. Student & Staff Support	\$119,207,872
f. System Administration	\$74,330,215
g. School Administration	\$98,533,353
h. Transportation & Buses	\$100,776,226
i. Facilities Maintenance	\$218,381,121
j. Debt Service	\$119,585,357
k. All Other	<u>\$8,652,476</u>
Total	<u><u>\$1,871,013,164</u></u>

2. Non-instructional expenditures are defined as all expenditures **excluding**: (a) regular instruction; (b) special education instruction; (c) CTE instruction; (e) student and staff support; and (j) debt service.

3. Non-instructional expenditures for 2005-06 = \$539,239,006.

4. 2005-2006 non-instructional expenditures inflated by 3.2% yearly for 4 years (to 2008-09).
Projected 2008-09 expenditures = \$592,777,983.

5. 2005-2006 special education expenditures inflated by 3.2% yearly for 4 years (to 2008-09).
Projected 2008-09 expenditures = \$280,790,739.

6. Assumptions used in projections:

- (a) non-instructional expenditures reduced by 15% (10% Yr 1; 2.5% Yr 2; 2.5% Yr 3).
- (b) special education expenditures reduced by 10% (5% Yr. 1; 2.5% Yr 2; 2.5% Yr 3).
- (c) limited system administration to 7% of non-instructional expenditures (approx. ½ current 13.78%).

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7. Estimated Total Savings = \$279,470,703 The breakdown is as follows:

Savings Category	2008-09	2009-10	2010-11	Total
a. Non-Instructional Expenditures	10% Reduction	Additional 2.5% Reduction	Additional 2.5% Reduction	
	\$59,277,798	\$59,277,798	\$59,277,798	
		\$13,337,505	\$13,337,505	
			\$13,004,067	
	<u>\$59,277,798</u>	<u>\$72,615,303</u>	<u>\$85,619,370</u>	<u>\$217,512,471</u>
b. Special Education Expenditures	5% Reduction	Additional 2.5% Reduction	Additional 2.5% Reduction	
	\$14,039,537	\$14,039,537	\$14,039,537	
		\$6,668,780	\$6,668,780	
			\$6,502,061	
	<u>\$14,039,537</u>	<u>\$20,708,317</u>	<u>\$27,210,378</u>	<u>\$61,958,232</u>
Total	\$73,317,335	\$93,323,620	\$112,829,748	\$279,470,703

8. The projected savings of approximately \$279.5 million represents approximately 4.4 percent of projected total K-12 expenditures for the three years if no reforms are implemented.