

Exhibit 31

School-Level Staffing and Salaries

Schools are staffed as recommended by the Picus analysis with the exception of librarians (as discovered in field research) and nurses (to comply with Arkansas law).

Two secretaries are now included in the school-level funding model instead of the "carry-forward", as done in previous K-12 funding models.

Teacher salaries plus benefits ("teachers" are defined as all classroom teachers, including special education, librarians, counselors, instructional facilitators, PAM, etc.) have been increased to accommodate the five days of continuing education pay, plus an appropriate 2% inflationary adjustment for each school year. In addition, all retirement benefits are now provided within this calculation.

The inflationary adjustment for salaries is derived from the deflator index as projected by GLOBAL INSIGHT, a producer of national economic forecasting services.

Principal salaries plus benefits, due to field research, are increased 12.88% the first year. Salaries receive the 2% inflationary adjustment in the second year.

Secretary positions, salaries and benefits are brought up from the "carry-forward" and included in the school-level staffing as recommended by the Picus analysis, and then salaries are adjusted for inflation the second year.

Per Pupil Resources

Due to the Picus "recalibration", as reflected in evidence from the site visits and surveys, resources were decreased in this category-group and funding moved up to the school salary functions.

Five days of Continuing Education Pay has been rolled into the base salary of school-level personnel and therefore a zero value is now reflected for that line-item.

Technology funding has been increased 19% the first year at the request of the Adequacy Subcommittee and then adjusted downward the second year due to a declining inflationary index associated with computers and software.

Instructional Materials funds were decreased to \$185 per ADM by the Picus analysis. An additional \$25 per ADM was removed to fund Formative Assessments. The second year receives an inflationary adjustment.

Extra Duty Funds are weighted to include elementary students and recalculated with the proper inflationary adjustment.

Supervisory Aid funding was increased 33% due to field evidence and adjusted for inflation during the second year.

Site visit interviews and surveys reflect that Substitute pay has been excessive and should be held flat through the biennium.

The Carry-Forward

After moving two secretarial positions up to the school level resources, the aggregate funding has been increased by 3.1% during the first year. The category labeled the "Carry-Forward" has now been allocated into three sub-accounts -- Operations and Maintenance (O&M), Central Office (district personnel) and Transportation. The Joint Education Committee has determined the provision of funding as follows:

O&M funding is provided at 9% of the recommended aggregate foundation amount from Picus and Associates. This level of funding was determined by the Joint Education Committee to be the appropriate amount based on the Maintenance and Operations Survey study cited in the Arkansas School Facility Manual.

Central Office funding was derived from evidence presented to the Joint Education Committee by Legislative Audit and the Department of Education. An inflationary adjustment is provided during the second year.

Transportation funding is the same amount recommended from the Picus analysis and confirmed through APSCN. The amount is held flat during the second year due to declining energy prices.

MATRIX RECOMMENDATIONS

	Current FY07	FY08	FY09	Notes
Matrix Calculations				
School Level Salaries				
Teacher Salary + Benefits *	52,321	53,429	54,465	All teachers, secretaries, PAM teachers, librarians, instructional facilitators, special education teachers, counselors, etc., receive 2.0% each fiscal year.
Per Student Matrix Expenditure	3,516	3,597.4	3,667.1	
Principal Salary + Benefits	76,335	86,168	87,860	Principals receive 12.88% first year.
Per Student Matrix Expenditure	153	172.3	175.7	
Secretary Salary + Benefits	0	34,751	35,415	2 secretaries brought up from the carry-forward.
Per Student Matrix Expenditure	0	139.0	141.7	
School Level Salaries Per Student	3,669	3,908.7	3,984.5	Recalibration causes first year increase in salaries per student of 6.53%.
Per Pupil Resources				
Teacher Continuing Ed Pay (5 days)	96	0	0	The 5 days rolled into salaries. Declining index.
Technology	185	220	201	
Instructional Materials	268	160	163.2	Accepts Picus recommendation less F.A. Corrected weighted average.
Extra Duty Funds	97	50	51.0	
Supervisory Aid	37	49.35	50.35	33% increase first year. Kept flat due to site visit evidence.
Substitutes	59	59	59	
Per Pupil Resources	742	538.35	524.55	Recalibration causes significant decrease
Carry Forward				
O&M		581	581	Carry forward now allocated to three components and increased first year total by 3.1% after removing 2 secretaries. Includes school level O&M personnel.
Central Office		376	383.5	
Transport		286	286	
Carry Forward Per Student	1,206	1,243	1,250.5	
Foundation Per Pupil Expenditures				
Retirement	5,620			Benefit ratio increased for retirement.
Total Per Student Foundation	5,662	5,690	5,760	
		28	70	Increase per ADM
		0.5%	1.2%	
		12.8	32.0	Overall Per Student Foundation Increase Cost in Millions Assuming ADM = 457,000
* For school years 2008 and 2009, includes a 2.0% salary increase each year. In addition, the Picus recalibration rolls in 5 days of continuing education pay and 1 point of retirement.				