

Exhibit 13

Arkansas Department of Education Report on Extra-Duty Funds Paid Teachers November 9, 2006

Background Information:

The August 30, 2006, Final Report, "Recalibrating the Arkansas School Funding Structure" prepared by Lawrence O. Picus and Associates addresses the issue of extra-duty funds on Page 45. As used in this report, the definition can be stated as: Stipends paid teachers for supervising or coaching activities involved with after-school programs such as student clubs, bands, and sports.

In 2003 Lawrence O. Picus and Associates recommended that extra-duty be funded at \$90 per student. Their recommendation in the 2006 report is that this be increased to \$98.35 per student.

The question has arisen as to how much Arkansas school districts are currently spending on extra-duty pay to teachers and whether or not extra-duty pay is already included in the funding provided for classroom teachers.

Information Provided through Arkansas Public School Computer Network (APSCN):

Normally school districts provide information regarding prior year salaries through APSCN in the Cycle 1 Report due September 15th. In an effort to provide this information earlier, districts were asked to report this information by August 7, 2006. Based on this information, the average teacher salaries for 2005-2006 were \$42,960 and this amount included extra-duty pay as defined above. Based on a sampling of about 20 school districts, it was initially determined that removing extra-duty pay would decrease the average salary by less than 1% (\$430).

Extra-duty pay would typically be coded as either athletics or student activity expenditures. The report provided by school districts had a line item for both athletics and student activities. Based on the assumption that all extra-duty pay would be included on these two lines, the average teacher salary was re-calculated after removing the FTEs and the salaries pertaining to athletics and student activities. When this was done for all districts, the average teacher salary decreased from \$42,960 to \$42,869. This is a decrease of \$91 or .21%. (See Report #1)

Several of the school districts reported FTEs for athletics and/or student activities that appeared questionable. Although it is likely that the salary amounts are reported accurately, in some instances it appears that the FTE is not properly allocated. This does not affect the overall average salary for the district but it does distort the calculation used to determine extra-duty pay. Therefore the districts highlighted on Report #1 were

removed due to either questionable FTEs for athletics and student activities or due to the information not being available by August 7th in order to produce Report #2. Report #2 shows that removing extra-duty funds would reduce the average teacher salary by \$196 or .46%.

Conclusion:

If the higher amount of \$196 stated in Report #2 is used and if benefits equal to 22% is added, the average extra-duty cost per teacher amounts to \$239. Assuming a school of 500 students is funded for 33.665 teachers, the total extra-duty cost would be \$8,046 or \$16.09 per student.

Not knowing for sure where the consultants obtained the average teacher salary of \$39,000 in 2003, it is not possible for APSCN to answer the question as to whether or not extra-duty pay is included in the teacher salary and benefit cost used in the 2006 report. However, extra-duty pay has been included in the average teacher salary calculated by the Arkansas Department of Education for many years.