

**NEBRASKA EDUCATIONAL SERVICE UNITS:
A STUDY OF LEGISLATIVE POLICY HISTORY
1992-2018**

by

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ABSTRACT

Larianne Polk, Ed.D, Education Administration,

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Nebraska Educational Service Units: A Study of Legislative Policy History 1992-2018

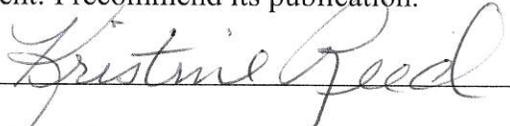
Dissertation directed by Dr. Kristine Reed

Nebraska's Educational Service Units (ESUs) are under threat of de-funding, consolidation, and even elimination. For too long, the ESUs have been an invisible asset to school districts, providing equity to our rural schools, and expertise to our more urban schools. ESUs work from the expectation of efficiency and effectiveness, to be good stewards of taxpayers' dollars, to provide to school districts what is needed and necessary, to be on the cutting edge in ways school districts cannot, to use economy of size to drive costs down, to innovate, and to provide best practice education to school districts, administrators, teachers, and students. This study addresses the need for a detailed history of the Nebraska Educational Service Unit Act beginning in the year 1992 in the 92nd Legislative Session to the end of Nebraska's 2018 105th Legislative Session and identifies themes or patterns throughout this time.

Findings of this research clearly demonstrate the majority of the legislative policy enacted during this time has a great emphasis on the funding structure of ESUs and their services. This researcher upon initiating this work, anticipated there to be a greater number of patterns found in the research. After analysis, there were only three main categories or themes: funding, role of ESUs, and governance. These three themes were further disaggregated for deeper analysis. The funding theme emphasized dollars associated with telecomputing, core service appropriations, decreased levy authority, state appropriations, and general fund specifically for technology. The role of ESUs focused on core services,

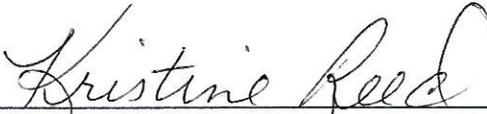
county superintendents, and distance learning. Finally, governance patterns related to the ESU Coordinating Council, ESU board meetings, political subdivision, and single district ESUs. Decisions at the Legislative level are complex. Without comprehensive historical information, policy decisions are not only difficult to make, but potentially inaccurate and incomplete. This study fills the gap that presently persists with regard to a historical reference for the Nebraska Educational Service Unit Act of 1965 since 1992.

This abstract is approved as to form and content. I recommend its publication.

Signed 
Dr. Kristine Reed, Committee Chair

DOCTORAL COMMITTEE

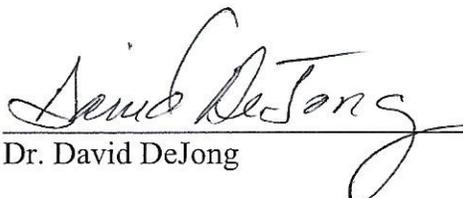
The members of the committee appointed to examine the dissertation of Larianne Polk find it satisfactory and recommend its approval.



Dr. Kristine Reed, Chair



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CHAPTER 1

Introduction

Educational Service Units (ESU) are a vital part of Nebraska education and continuously come under scrutiny in the Nebraska Unicameral as a potential means to solving a financial crisis. The ESUs receive funding from the State of Nebraska and use these funds to provide a variety of services to schools of all sizes across the state. State statute defines how these dollars are distributed, what services must be provided, what the governing structure is, and where these ESUs are located. Since 1965, there have been many revisions to the original Educational Service Unit Act of 1965. Only after term limits were enacted in 2006 did this become concerning, as so much institutional history was lost when senators ended their legally allowed term limit, and new freshman senators started. This term limit challenge, coupled with the desperate need to resolve Nebraska's revenue shortage, leads to decisions made without the necessary information. In absence of a formal, documented, comprehensive policy history of the Educational Service Unit Act, decisions could be made that will impact our neediest school districts, and ESUs could be jeopardized.

This chapter is divided into sections including (1) Statement of the Problem, (2) Purpose of the Study, (3) Central Research Question and Sub Questions, (4) Assumptions of the Study, (5) Theoretical Framework, (6) Definition of Terms and Acronyms, (7) Limitations and Delimitations, and (8) Summary.

Statement of the Problem

The Nebraska Unicameral does not have a formal, documented, comprehensive policy history for reference when making decisions to amend, revise, review, debate, or otherwise consider the Educational Service Unit Act as it was enacted in 1965. There are no

complete records summarizing new introduced legislation, hearing transcripts, committee statements, floor debate transcripts, final readings, and eventual slip law. Changes, revisions, and even the possible removal of the current language do not have policy history available for consideration by the Senators of the Unicameral. This document will serve as that history. Stephens and Keane (2005) wrote that the Educational Service Agencies (ESAs) are “unequivocally the least understood and the worst-documented component of public elementary and secondary education” (p. xv).

Purpose of the Study

This study addresses the need for a detailed history of the Nebraska Educational Service Unit Act. Limited work has been done on this topic, and no formal research is available. This study begins the historical dialog beginning in year 1992 in the 92nd Legislative Session to the end of Nebraska’s 2018’s 105th Legislative Session and identifies themes and patterns throughout the evolution of the current Educational Service Unit (ESU) system during that time frame. Nebraska’s ESUs are under threat of de-funding, consolidation, and even elimination. For too long, the ESUs have been an invisible asset to school districts, providing equity to our rural schools, and expertise to our more urban schools. ESUs work from the expectation of efficiency and effectiveness, to be good stewards of taxpayers’ dollars, to provide to school districts what is needed and necessary, to be on the cutting edge in ways school districts cannot, use economy of size to drive costs down, to innovate, and to provide best practice education to school districts, administrators, teachers, and students. Decisions at the legislative level are complex. Without comprehensive information, those decisions are not only difficult to make, but potentially inaccurate and incomplete. This study fills the gap that presently persists with regard to a historical

reference for the Nebraska Educational Service Unit Act of 1965 since 1992.

Central Research Questions

What is the policy history of the creation and development of Educational Service Units in Nebraska? What themes and patterns in policy have emerged from 1992 to 2018?

Sub Questions

1. What is the chronology of state legislative measures impacting Educational Service Units?
2. What Federal Legislative actions were supporting or opposing the creation of Educational Service Units from 1960-1965?
3. How did Federal Legislation after 1965 continue to shape Nebraska's Educational Service Unit Act?
4. What can be discovered in the official record leading up to the passage of Legislative Bill 301, which created Nebraska's Educational Service Units, by the Unicameral in 1965?
5. What groups or stakeholders supported and opposed the creation of Educational Service Units in Nebraska? (Interest groups, school officials, county superintendents, large school districts, small districts, policy makers)
 - a. What were their intentions?
6. What were the concerns and issues expressed about establishing Educational Service Units by interest groups, school officials, and policy makers?
7. What factors motivated state legislative action concerning the Educational Service Units?
8. What were the intentions, goals, and objectives of the legislative actions?

9. To what extent did other political issues and legislative measures impact the policy evolution of the Educational Service Unit Act from 1965-2018?
10. What key policy discussions, debates, and changes have impacted Educational Service Units' funding, governance, and structure?
11. What were the support and/or opposition to key policies shaping Educational Service Units?

Assumptions of the Study

Assumptions made are:

1. There is a need for a documented, comprehensive policy history of the Educational Service Units.
2. There is a desire among policy makers that such a document is necessary in order to make sound decisions.
3. This document will provide policy makers with the information necessary to make informed policy decisions.
4. There is an absence of such information to reference.
5. There is a need to document the history in order to preserve the integrity of Educational Service Units.

Theoretical Framework

Educational Service Agencies provide services and supports to school districts equitably and efficiently. These services are provided in an effort to move a district forward toward their goals, to build local capacity, and to impact educational outcomes. These outcomes describe those evident in servant leadership theory as described by Northouse (2016). Educational Service Agencies "...[use] less institutional power and control while

shifting authority to those who are being led” in an effort to build capacity and meet the school district outcomes (Northouse, 2016, p. 227). Organizations exemplifying servant leadership emphasize the good of the followers and their needs over their own while exhibiting strong morals and ethics toward those they lead and empower those who are following to become leaders themselves (Northouse, 2016, p. 226).

Greenleaf (1970) defines servant leadership as “[Leadership that] begins with the natural feeling that one wants to serve, to serve first... [then the servant] makes sure that the other people’s highest priority needs are being served” (p. 15). This attitude of putting the needs of others first, building off those needs to provide service, and engaging in learning and leading is what ESAs are charged with doing. Northouse’s ten characteristics of servant leadership are described in Figure 1. ESAs institute the characteristics of listening, empathy, awareness, persuasion, conceptualization, foresight, stewardship, commitment to the growth of people, and building community.

Characteristic	Description
Listening	<ul style="list-style-type: none"> • Communication between leaders and followers • Leaders listen first • Receptive to others • Acknowledge viewpoints of followers • Validate perspectives
Empathy	<ul style="list-style-type: none"> • Understand the followers' point of view • Confirm and validate what followers think and feel
Healing	<ul style="list-style-type: none"> • Care about followers, personally • Help followers to overcome, which in turn helps the leader
Awareness	<ul style="list-style-type: none"> • Aware of physical, social, and political environments • Understand the impact on others • View the greater context of a situation
Persuasion	<ul style="list-style-type: none"> • Clear communication to encourage others to change • Non-judgmental
Conceptualization	<ul style="list-style-type: none"> • Visionary, provide clear direction and goals • Systemic thinking and action
Foresight	<ul style="list-style-type: none"> • Predict trends coming, based on facts from past and present • Anticipate what is coming in order to act on, and create change
Stewardship	<ul style="list-style-type: none"> • Take responsibility for leadership • Manage people and the organization for the greater good, the bigger picture
Commitment to the growth of people	<ul style="list-style-type: none"> • Treat each follower as unique • Committed to helping others grow
Building community	<ul style="list-style-type: none"> • Foster development of community • Help those who have shared interests • Sense of unity, while safe to express individuality

Figure 1. Ten Characteristics of Servant Leadership. (Northouse, 2016, pp. 227-228).

Greenleaf (1970) described the central goal of servant leadership as creating healthy organizations that in turn nurture the growth of those who follow, to strengthen organizational performance, and ultimately to produce a positive impact on society.

Meuser, Liden, Wayne, and Henderson (2011) explain it further saying servant leadership has an impact on the way the followers do their work. This is a reflection of the work ESAs do. They provide the service to the followers, in this case school districts, need and therefore

build their capacity. This capacity building leads to creating leaders in the followers. Societal impact as it relates to servant leadership and ESAs is aligned with educational impact. As the ESA thrives, it impacts the society by providing supports and services to public schools in the communities it serves, which leads to better performing schools and therefore, more return on the investment taxpayers have when funding public schools. This is the framework for ESAs; one that identifies the needs and priorities of the school districts they support, puts those priorities first when building school district capacity, and given those services, impacts the educational society of a school district and community.

Definition of Terms and Acronyms

The following definitions ensure uniformity and understanding of these terms throughout the study. The researcher developed all definitions not accompanied by a citation.

Biennium: “The two-year period in which a single Legislature, such as the 96th Legislature, exists. Also, the two fiscal years for which a single Legislature does budget planning and makes appropriations” (“Glossary of Legislative,” n.d., para. B1).

Bracket: “To delay consideration of a bill” (Glossary of Legislative,” n.d., para. B3).

Class IV School District: “Class IV includes any school district embracing territory having a population of one hundred thousand or more inhabitants with a city of the primary class within the territory of the district that maintains both elementary and high school grades under the direction of a single school board” (School District, n.d., para. 2).

Class V School District: Class V includes any school district whose employees participate in a retirement system established pursuant to the Class V School

Employees Retirement Act and which embraces territory having a city of the metropolitan class within the territory of the district that maintains both elementary grades and high school grades under the direction of a single school board and any school district with territory in a city of the metropolitan class created pursuant to the Learning Community Reorganization Act and designated as a Class V school district in the reorganization plan (School District, n.d., para. 3).

Committee Statement: “A statement indicating whether a committee voted to advance or indefinitely postpone a particular bill. Includes the roll call vote of committee members, a summary of the bill and any proposed committee amendments, and a list of who testified at the bill's hearing” (“Glossary of Legislative,” n.d., para. C6).

Emergency Clause: “A provision that allows a bill or a portion of a bill to take effect immediately after the governor signs it or after the Legislature overrides the governor’s veto” (“Glossary of Legislative,” n.d., para. E3).

ESA: “An agency that operates at a regional level, giving coordination and supplementary services to local school districts and serving as a link between these basic administrative units and the state education authority” (Rhodes, 1963, pp. 3-4).

ESU: Educational Service Unit

ESUCC: Educational Service Unit Coordinating Council

Executive Session: “A closed meeting of a committee to discuss and act on bills and resolutions. An executive session is open only to committee members, committee staff and the media” (“Glossary of Legislative,” n.d., para. E9).

Final Reading: “The third and last stage at which a bill is considered by the full Legislature. The clerk reads the entire bill aloud, unless final reading is waived, and senators vote without debate on whether to submit the bill to the governor”

("Glossary of Legislative," n.d., para. F1).

Floor: “The area of the legislative chamber where the senators sit. When a committee advances a bill ‘to the floor,’ that means the bill is being sent to the full Legislature for consideration” ("Glossary of Legislative," n.d., para. F11).

General File: “The first stage at which a bill is considered by the full Legislature. Bills on General File may be amended, returned to committee, indefinitely postponed or advanced to Select File” ("Glossary of Legislative," n.d., para. G1).

Hearing: “A regularly scheduled committee meeting to receive public comment on proposed bills and resolutions” ("Glossary of Legislative," n.d., para. H1).

Intermediate Unit: Organizations that lie between state and local districts (Knezevich, 1984).

Introduced Bill: “A single idea that has been drafted into a legal form of a bill on behalf of a senator who then brings that bill to a committee for consideration and debate” (Lawmaking in Nebraska, n.d.).

LB: Legislative Bill

LEA: Local Education Agency or school district

Legislative Bill: “A proposal to create, change or delete one or more laws.”
("Glossary of Legislative," n.d., para. L3).

Legislative History: “The committee and floor debate records for any bill. A history includes transcripts of the bill's hearing and all floor debate, the introducer's statement

of intent and the committee statement” (“Glossary of Legislative,” n.d., para. L5).

Nebraska Administrative Code (NAC): “All Nebraska state agency regulations are compiled in the Nebraska Administrative Code (NAC). Each agency is assigned certain titles of the Code for its rules and regulations. The Nebraska Department of Education uses Titles 92 and 93. The Nebraska Department of Education administration regulations are contained in Title 92 of the NAC, and each of the Department of Education’s ‘rules’ are actually ‘chapters’ of Title 92 of the NAC” (Wid, 2018, para. 2).

NASB: Nebraska Association of School Boards

NCSA: Nebraska Council of School Administrators

Priority Bill: “A bill that has priority status and generally is considered ahead of other bills in debate. Each senator may select one priority bill, each committee may select two priority bills, and the speaker may select up to 25 priority bills” (“Glossary of Legislative,” n.d., para. P3).

R.S.: Revised Statute (“Glossary of Legislative,” n.d., para. R7).

Regular Session: “The annual legislative session that begins the first Wednesday after the first Monday in January. Regular sessions generally last 90 legislative days in odd-numbered years and 60 legislative days in even-numbered years” (“Glossary of Legislative,” n.d., para. R4).

Rule 21: Title 92, Nebraska Administrative Code, Chapter (Rule 21, 2017).

Rule 84: Title 92, Nebraska Administrative Code, Chapter 84 (Rule 84, 2012).

SEA: State Education Association

Select File: “The second stage at which a bill is considered by the full Legislature.

Bills on Select File may be amended, returned to committee, indefinitely postponed or advanced to Final Reading” (“Glossary of Legislative,” n.d., para. S2).

Slip Law: “A bill or constitutional amendment resolution printed individually in its approved form after being enacted into law or submitted to voters” (“Glossary of Legislative,” n.d., para. S6).

Statement of Intent: “A statement, prepared by the sponsor of a bill, that briefly describes the bill and the reasons why it is being introduced” (“Glossary of Legislative,” n.d., para. S11).

Unicameral: “One-house legislature” (Miewald, 1984, p. 5).

Limitations and Delimitations

- This study is the discovery of legislative history for a span of 26 years;
- There will be 12 individuals invited to participate in interviews;
- This study is that of a single state, which is Nebraska;
- Limiting the subjects of the interviews to those in particular roles in government and specific educational agencies in Nebraska who have direct knowledge of the development of relevant legislative bills and processes and their amendments.

Summary

The Senators of Nebraska’s Unicameral have a difficult responsibility and service to perform when it relates to establishing, to amending, and to researching public policy. Those policies which have been established well before current senators took office, rely on documented policy history, historical artifacts, and other comprehensive documents to provide the historical perspective the current senators lack. In Nebraska, senators are restricted to two consecutive four-year terms in office. This term limit significantly affects

their ability to recall information related to historical policy. The Educational Service Unit Act of 1965 is one such policy. In an effort to be good stewards of Nebraska's tax dollars, the Unicameral looks to many avenues as a means to alleviate the budget shortfalls that occur. Without a formal, documented, comprehensive policy history of the ESU Act, the rationale for its establishment, need for its continuation, and reliance on the supports will be lost in the blur of fast paced politics. This study will provide this much needed policy history.

Chapter 2 will provide the readers of this study with a broad understanding of ESAs in the United States, their mission, services they offer, their governance, and funding structures. This overview will describe the wider purpose of ESAs, while later chapters will provide the readers with details as it relates specifically to Nebraska.

CHAPTER 2

Review of Selected/Related Literature

The purpose of Chapter 2 is to provide an extensive description of Educational Service Agencies (ESAs) across the United States. The chapter is divided into sections that include (a) a description of ESAs, (b) services offered by ESAs, (c) the organizational structure of ESAs, (d) funding for ESAs, and (e) ESA partnerships.

Description of Educational Service Agencies

At the time of this study, there were 43 of our 50 states with formally created ESAs all of which are marginally different in terms of how their governance, funding, and services are offered ("ESAs by State," n.d.). States mandate the existence of ESAs and their funding resources may come from the state institutions like public schools, tax levy authority, private revenue, state and federal grants, or foundations. Service options differ as well, and how those services are determined can range from rich proactive data driven processes, to immediate reactions, to requests by the member districts.

Educational service agencies began in the United States as early as 1820 with the establishment of an ESA in Delaware and then 1849 in Oregon (Levis, 1983). Since then, the creation and use of ESAs have grown in the United States. Now there are a total of 41 states with ESAs ("ESAs by State," n.d.). The names of each ESA in the various states differ as do the number of ESAs found in each state (Appendix D).

As illustrated in Appendix D, many states use the phrase educational service agency interchangeably with intermediate unit. The National Commission on the Intermediate Administrative Unit Department of Rural Education, in 1955, released a report describing the purpose and authority of the intermediate unit, which read:

The intermediate unit is not a substitute for local community school districts. Local districts are a necessary part of educational organization if control is to be kept as close as possible to the people served. Modification of present intermediate units to better serve education should in no way weaken local districts or retard efforts to reorganize them into desirable community districts. Intermediate units function best when local school districts are strong. Experience shows that effective intermediate units strengthen local districts. Local community school districts are not subordinates of an intermediate unit. They are completely autonomous as defined by state law and full partners with the intermediate unit and state education department in providing educational services. (National Commission, 1955, p. 151)

Educational Service Agencies are among the least studied and comprehended element of K-12 public education. One study in the 2001-2002 academic year reported in the Encyclopedia of Educational Leadership and Administration (2006) concluded that \$3.5 billion were spent to directly support education, \$17 billion was managed as flow-through dollars from the federal and state governments in terms of grants and government funded programming and provided training to over 1.1 million staff members (English, 2006, p. 322).

Servant Leadership. As discussed briefly in the preceding chapter, ESAs are grounded in Servant Leadership. Greenleaf's work (1970) described ten characteristics of servant leadership, of which nine are specifically evident in the work of the ESAs: Listen and emphasize, conceptualization, awareness, persuasion, stewardship, commitment and growth, foresight, and building community. Servant leadership puts the leader in a role building the capacity of his/her followers so they can become independent, knowledgeable, and practice

servant leadership themselves (Northouse, 2016; Rost, 1991). As ESAs work to provide services at the economy of scale necessary to meet the differing needs of their vastly different school districts, servant leadership allows them to help their member school districts grow and evolve while being responsive.

Servant leadership is not a new framework for leadership, but it has gained ground with researchers in more recent years, following the initial work by Greenleaf in the 1970s. Larry Spears, CEO of Greenleaf Center for Servant-Leadership emphasizes 12 characteristics of servant leadership, other researchers have defined their own as illustrated in Figure 2. The nine characteristics best aligned with Educational Service Agencies are described here.

Lamb, 1999	Wong & Davey, 2007	Barbuto & Wheeler, 2006	Dennis & Bocarnea, 2005	Sendjaya, Sarros, & Santora, 2008	Van Dierendonck & Nuijten, 2011
Developing people	Serving and developing others	Altruistic calling Empowerment	Empowerment	Transforming influence	Empowerment
Sharing leadership	Consulting and involving others	Emotional healing	Trust	Voluntary subordination	Humility
Displaying authenticity	Humility and selflessness	Persuasive mapping	Humility	Authentic self	Standing back
Valuing people	Modeling integrity and authenticity	Organizational stewardship	Agapao love	Transcendental spirituality	Authenticity
Providing leadership	Inspiring and influencing others	Wisdom	Vision	Conventional relationship	Forgiveness
Building community				Responsible morality	Courage
					Accountability
				Stewardship	

Figure 2: Characteristics of Servant Leadership Across Researchers (Van Dierendonck,

2011, pp. 1228-1261).

Listen and Empathize. Leaders of ESAs must listen to the needs of their Local Education Agencies (LEAs) and plan their support accordingly. This deep commitment to listening is a servant leader's responsibility. Listening confirms and validates others points of view and leads to the need for seeking additional information for clarification. This process of information gathering, data analysis, and communication is important to building relationships and credibility with LEAs (Spears, 2002). This characteristic is one that exists in the behaviors or skills of the leader, as opposed to an antecedent condition of servant leadership or an outcome of servant leadership (Northouse, 2016).

Conceptualization. Servant leaders are visionary, have a clear direction, and consistently problem solve in terms of systemic possibilities (Spears, 2002). This is exemplified in the work ESAs do for the districts they support. Just as the principle of listening is dependent on the servant leader's behaviors, skills, and talents, so is conceptualization. System thinking provides a way of looking at problems and solutions "not isolated events but components of larger but less visible structures that affect each other" (Senge et al., 2012, p. 124). Educational Service Agencies have the perspective of the larger structure. They coordinate and facilitate services and programs across their member district region and find alternatives for services to meet needs efficiently and economically. This characteristic is a result of antecedent conditions of the leaders, or those that exist inherently in the leader (Northouse, 2016).

Awareness. Educational Service Agencies see the bigger picture, the greater context, and are aware of the educational climate relevant to their member school districts. This antecedent condition keeps the ESAs informed, and thinking forward in their work and

planning (Spears, 2006). Without this characteristic, planning would be reactive and restricted.

Persuasion. The characteristic of persuasion is one ESAs need in order to encourage growth of capacity at the member district level, without judgment. The encouragement has better results when there is a strong relationship between the local education agency (LEA) and the ESA. This antecedent condition provides the school district with the confidence to peruse new skills and services offered by the ESA.

Stewardship. Educational Service Agencies are stewards of finances, their organization, and their personnel. They assess the results of these outcomes through organization performance and the impact educational society. In terms of ESAs, society may include the communities, the educational organizations, parents, department of education, and other educational associations.

Commitment to Growth. No work can be done in an ESA without a goal, or some commitment to growth or direction. ESAs are driven to help personnel, teachers, administrators, school districts, and other stakeholders reach their goals. Service planning and design are created intentionally to assist with this continuous growth process.

Foresight. Spears (2006) describes servant leaders as those who predict the needs of the districts and are nimble enough to adapt if necessary. This flexibility puts their school districts first and encourages an attitude of proactive planning. Educational Service Agencies need to see far enough ahead of school districts to not only see where they are going, but to also anticipate the needs they may have. This foresight is necessary for ESAs to remain relevant to school districts as well as to the state agencies and state governments who may assist them in funding and other support.

Building Community. Educational Service Agencies impact the greater education society by providing opportunities for the communities to grow not only in terms of employment opportunities, but also in terms of educational understanding and knowledge. ESAs have membership from multiple school districts in multiple communities. This reach allows ESAs to provide impact to more than any single school building or school district.

Types of ESAs. There are three types of ESAs as described in Stephens (1979), Levis (1983), Stephens and Keane (2005), and English, (2006). Type A are Special District ESAs who provide a layer of school government between the State Education Association (SEA) and a group of Local Education Associations (LEAs). They provide some services to LEAs, but also carry out some functions of the SEA. Type B are Regionalized Agencies who are extensions of the SEA. These agencies “tend to be created and eliminated in response to the fiscal condition of state departments and the reliability of federal funding sources for specific programs (English, 2006, p. 322). Type C are Cooperative Agencies where two or more LEAs are members of an ESA to provide one or more common services. Texas, New York, and Ohio are examples of Type A, Oklahoma, North Carolina and Massachusetts are Type B, and Pennsylvania, Kansas, and Nebraska are Type C (Levis, 1983, p. 2).

Definition of County Offices of Education. Before the establishment of ESAs, many county offices across the country were responsible for some of the services the ESAs provide their member districts now. In the 1930 to 1940s, service agencies were established in two different forms, one was the county office of education, and the other the supervisory union. County offices of education served only the county in which they were located, while the supervisory unions were not confined to those same boundaries (Stephens & Keane, 2005).

The county office of education was in place as an arm of the SEA. The primary officer of the county office of education was known as either county superintendent of education, a county school superintendent, or a county superintendent of public instruction. These primary county officers were established in state constitutions around 1835 and were common in most states by 1870. Some county offices were established after the reorganization and consolidation of other county offices, such as the auditor or probate judge (Cubberley, 1934).

The role of the county offices of education varied, but in general their purpose was to, (1) maintain minimum educational standards, (2) maintain some consistency in educational programs, (3) be a liaison between the SEA and LEA to allow for two-way communication of information, (4) provide for general educational leadership in instructional planning, and (5) advocate for education at the county government level (National Education, 1955, pp. 141-142).

Definition of Supervisory Union Administrative Center. The supervisory union was established largely in the New England states as these states had a fairly weak political position. These units existed by in large to share superintendents between school districts. Knezevich (1984) defined the supervisory union as “a collection or federation of town school districts initially formed by permissive legislation...” (p. 191). The differences between the administrative unions and the county education offices led to disagreements and debate. Largely, the difference was that the unions dealt more with the district boards and the county offices dealt with the districts themselves to promote capacity (Stephens & Keane, 2005, p. 11).

Definition of ESAs. Toward the mid to the end of the 1940s, the county-intermediate unit began to be redesigned. At that time there were “32 of the 50 states...[who] had organizational changes that can reasonably be regarded as having major significance in the operation and functioning of the state system” (Fritzwater, 1968, p. 5). In the 1960s, the county education offices, or intermediate agencies, began a redesign for three reasons: (1) federally driven rural school district reorganization (2) added incentives by the federal government to school districts who collaborated to promote educational services funded by federal dollars, and (3) federal pressures placed on states to address quality and equity (Stephens & Keane, 2005).

It was not long after these pressures, along with the mounting of court cases challenging the funding of school age education as well as equitable education for students with special needs that the ESAs, or intermediate units, were established. Beginning in the mid 1960s, there were three basic types of intermediate units with a three-tier structure. The first tier were supervisory units made up of two or more-member school districts who shared a superintendent. The second tier were county intermediate districts, or county superintendents. The third tier was multi-county or regional intermediate districts (Stephens & Keane, 2005, p. 23). ESAs were created by “enactment of special state legislature or administrative rule to provide programs and services to a collection of schools and local school districts, or to serve state interests in other ways” (Stephens & Keane, 2005, p. 1).

The definition of educational service agencies continues to evolve as they continue to develop into the agencies they are today. The more current definition by Stephens (2001) is, “A regional public elementary-secondary education agency authorized by state statute or administrative code that exists primarily to provide instructional support and management

and planning programs and services to local educational agencies” (p. 13). Stephens and Keane (2005) describe educational service agencies as the invisible partner for school districts. The Individuals with Disabilities statute of the U.S. House of representatives (1997) defines ESAs to be “a regional public multiservice agency authorized by State law to develop, manage, and provide services or programs to local educational agencies” (Education of Children, 1997, para. 1401(5)).

Mission of ESAs. As discussed previously, ESAs differ marginally from state to state, but the common expectations remain similar. Each state’s ESA provides supports and services, which promotes efficiency, quality, and access to programs and services. Every ESA in every state has its own mission, but they all “...contribute to solving the pervasive and challenging issues of assuring equity, efficiency, and quality throughout the state system of elementary-secondary education” (Stephens & Keane, 2005, p. 89).

Services Offered by ESAs

The most successful ESAs are those that offer services more effectively or more efficiently than the school districts could do on their own. Service agencies can provide more cost-effective services to specialized groups than their LEA counterparts simply due to the scale of size, or the economy of scale. When serving school districts, ESAs can “improve staff development and information retrieval, can serve as a link to other resource agencies, and can provide broad organizational support...In general, collaborative functions should involve mandates established by the state education agency” (Levis, 1983, p. 9, 10). Levis further describes services offered by ESAs as accessible, enhancing opportunities for education, interpreting and providing feedback on education policies, and providing cost effective programming and services (1983). Each ESA may also operate specialized schools

in response to requests by LEAs. They may also provide technical assistance for the SEA but will not give the ESA the authority or responsibility to levy sanctions against non-complying LEAs (English, 2006; Stephens & Keane, 2005).

Many states use advisory groups or committees to assist in the service planning process although not a statutory requirement for most. Every state utilizes their ESA for different services, but special education support is among the most common across the states, although not the only service offered, as illustrated in Figure 3 and further described in the subsequent sections herein. Many agencies focus on services that have the most impact on student achievement, these areas are growing in number and content. There is a growing occurrence of state legislative decisions to specify mandated core services provided by ESAs. These core services are often aligned with state school improvement strategies, or efforts to establish research-based systems to support school improvement (Stephens & Keane, 2005).

Administrative/Management Support	High Ability Learner/Gifted and Talented
Career and Technical Education	Leadership Training
Cooperative Purchasing	Learning Resources Library/Media
Crisis Intervention	Migrant Education
Curriculum Development	Pre-Kindergarten
Data Processing	Professional Development
Dropout Recovery Program	Research and Development
Federal Programs	Special Education
General Academic Instruction	Student Testing and Evaluation
Grant Writing	Telecommunications and Technology Support
Health	Vocational and Occupational Support

Figure 3. Services offered to Local Education Agencies by Educational Service Agencies.

(Cook, 2003; Levis, 1983; Stephens, 1979; Stephens & Keane, 2005).

Service agencies serve all sizes of school districts from rural to urban. Although the needs of the rural districts continue to be primary interest for ESAs in general, there is a growing need for services to urban/metropolitan ESAs to address the unique needs evident there (Stephens & Keane, 2005). Levis (1979) explained the roles of ESAs were also to include educational leadership, planning, service delivery, advocating for educational legislation at the federal, state, and local levels, continuous improvement, and coordination of regional services.

The Strengthening and Improvement Law (2015) of the federal government defines an ESA as “a regional public multiservice agency authorized by State statute to develop,

manage, and provide services or programs to local educational agencies” (para. 18). Services provided by ESAs are customized to the LEAs they serve but can be organized into three categories, (1) services to meet the needs of students with special educational needs, (2) services that require specialized personnel or facilities, and (3) services allowing for economy of scale.

Services to Meet the Needs of Students with Special Educational Needs. In 1965, the United States Congress provided, by declaration of the Elementary and Secondary Education Act (ESEA), financial assistance to local educational agencies who serve children with special education needs (Elementary and Secondary Education Act, 1965). The United States then passed Education for All Handicapped Children Act of 1975, later to be renamed to Individuals with Disabilities Act in 1997, which ensured a free and public education to all students, specifically students with special needs (Education for All Handicapped Children Act, 1975). This additional requirement, ten years following the passage of ESEA, provided more relevancy to ESAs across the country.

Every school district in the United States has students whose educational experience require addition support. These supports are provided by the school district either with district hired and trained personnel, or by contracting theses services out to external agencies. ESAs have the authority to provide these special services ranging from special education to high ability learner support.

Each ESA is autonomous to the others and have the flexibility to provide the support that best meet the needs of the districts they support. Special education services offered by ESAs tend to be those that support low incidence disabilities and with whom the certificated personnel are limited in number and difficult to recruit. These personnel are most typically

provided to school districts by contracting the staff hired by the ESA to provide the service at the school districts. In smaller school districts, there is not a need for full time providers. In these situations, ESAs often schedule the contracted personnel in multiple school districts in order to first, meet the needs of the school districts, and second, to do so in the most efficient manner keeping the costs to the school districts more manageable than if those districts were to hire full time personnel. Services accessed may include speech language pathology, school psychology, deaf education, teacher of the visually impaired, brailist, resource teacher, occupational or physical therapy, or early childhood special education. There is a growing need for behavior specialists, mental health practitioners, counselors, and services for students who are high ability learners.

The state of Iowa established by law the Area Education Agencies (AEA) in 1975 with the passage of Iowa's Chapter 1172, S.F. 1163. This statewide system provides a core set of services to its school districts, especially services necessary to support students with special needs. These services in Iowa's AEAs are aimed at "improving effectiveness and efficiency" (Fielder & Stephens, 2016, para. 1).

Services that Require Specialized Personnel or Facilities. ESAs offer programming to school districts in addition to personnel which may be on the campus at the local education agency or may be a separate program on its own campus. Small rural school districts in particular, do not have the resources to create this type of program for the very small number of students it may affect at any time. ESAs have the ability to create a cooperative with multiple school districts with similar needs at a scale that is appropriate to the districts. These programs may be alternative school for students who are not in special education, but need programming more customized to their needs, school for students who

are deaf, programs to support students who have dropped out and have re-enrolled, life skills programs for students with severe disabilities to learn vocational and life skills, mental behavioral health programs anywhere from day school to residential program, and preschool/pre-kindergarten. Schools are also accessing their ESAs to support them in career and technical education, crisis intervention, school safety and security. Highly specialized personnel are required for development, consultation, and design of school district technology infrastructure, telecommunication systems, data processing, data storage, and digital citizenship/security training.

Specialized professional development may include curriculum development, assessment literacy, leadership training, administrative and management training, technology integration, research and development. Missouri's Regional Professional Development Centers, nine in all, are responsible for educator quality and development. Each regional center has its own menu of professional development but all address English and language arts, math, English language learners, and technology. The degree to which each of the centers address the academic areas of professional development is dependent upon the districts they support ("Regional Professional," n.d.).

Services that Allow for Economy of Scale. ESAs are charged with providing services that emphasize economy and efficiency. While each school district may have the staff available to research vendors for specific goods or products, the more rural districts do not have the numbers in terms of students, teachers, or revenue to exercise economy of scale. This is where the regional ESA can help. The ESA may negotiate on behalf of several rural schools collectively to gain a lower price whether it be for a specific product, a license fee, a training opportunity, or registrations. This economy of scale is very useful for all districts,

regardless of size, but most opportunistic for the smallest. Some supports ESAs provide as a result of their ability to access economy of scale would be E-rate filing (a Federal Communications Commission program whereas school districts apply for discounts to telecommunications and internet costs) (E-rate: Universal, 2018), cooperative purchasing (a competitive bid catalog of school supplies ranging from pencils to roofs for schools and track surfacing), copy/production (copying, laminating, binding, poster printing, and other print shop services), product/licensing consortiums (computer software), grant writing, online digital media licensing, volume technology purchasing, and construction management.

Nebraska's ESUs have a statewide organization, Educational Service Unit Coordinating Council (ESUCC), who works to make available to ESUs supports and services with economy of scale in mind. The ESUCC provides a cooperative purchasing program to its ESUs, repository of courses for distance learning, as well a variety of educational software solutions. The ESUCC is able to use the total number of students when working with vendors to access a more economic pricing structure for the school districts in the state ("Overview of ESUCC", n.d.).

Organizational Structure of ESAs

Governance of ESAs. The governance structure of each state's ESA is markedly different. As reported by Levis (1983) and Stephens and Keane (2005), the board of directors of ESAs are comprised of member district superintendents, elected members, and/or appointed members. Figure 4 describes how the selection of these members differs. Nebraska elects their board members during the general election schedule by eligible voters within the service area. Each service area is divided into districts with a specific number of members representing each district (Educational Service, 2012).

Member District Superintendents	Election of Members	Appointed Members
Automatic appointment of all superintendents of member school district to serve on the board	Voted on by eligible voters within the service area of the agency	Automatic appointment of both president of member school district boards and superintendent of member school districts
Superintendents of all member school districts elect, from their members, members to serve on board	Voted on by members of member school district boards sitting in convention – equal vote	Automatic appointment of one representative from each member organization
	Voted on by members of local school district boards sitting in convention – weighted vote based on enrollment of school district	Appointed by members of service agency board from non-education community members
	Voted on by members of member school district boards sitting in convention – weighted vote based on population of school district	

Figure 4. Selection Methods of ESA Governing Boards (Stephens & Keane, 2005, p. 63).

Governing boards of ESAs have similar responsibilities as those of other public education organizations such as school districts. The duties in common are the appointment of the chief executive officer, hiring or appointing of the other staff upon recommendation of the chief executive officer, budget adoption, and oversight of the operation of the ESA (Stephens & Keane, 2005). There are some very specific areas of responsibility for some ESAs. In California, the county superintendent is the employer of the staff in their ESA, rather than the ESA board. The Iowa Area Education Agency (AEA) boards have mandated collaboration meetings with the regional community colleges to coordinate programs. Oregon's Educational Service District (ESD) boards have the authority to audit, revise, and

approve school district budgets, and levy taxes or appropriate school district funds (Stephens & Keane, 2005, pp. 64-65).

Staffing. As mentioned in an earlier section, all service agencies are different and need to be in order to effectively meet the expectations set upon them, either by their state, county, or school districts. When staffing the service agencies, the methods of hiring and who to hire are also different. The chief executive officer, also referred to as the administrator or chief administrator, is appointed by the board in most states, but may be elected by registered voters in others. In three states, Arizona, Illinois, and California, the voters of the counties decide if the CEO will be elected or appointed (*Association of Educational*, 2000). The CEO, in general, has the responsibility of serving as the executive officer on the board, preparing the budget, recommending staff for board approval, and assuring state and federal compliance. In Nebraska, however, the chief administrator is not an officer on the governing board, and in California the CEO can appoint certified staff and the county superintendent is the employer of all employee negotiations (*Association of Educational*, 2000; Educational Service, 2018). New York ESAs have tremendous oversight authority over the school districts as they serve as a representative of the state education commissioner (Stephens & Keane, 2005).

Funding for ESAs

Educational Service Agencies are funded with similar mechanisms: levy local taxes, state aid, service contracts with districts, and state/federal grants. Some ESAs may benefit from state funding, while others are funded largely by contracts with their LEAs (Stephens & Keane, 2005). Funding for ESAs are significantly different from state to state, but can be

categorized into four sources, state, local/regional, federal, and other. Each source of funding contains vast differences as to how the funds are appropriated, as illustrated in Figure 5.

State Sources	<ul style="list-style-type: none"> • Appropriation – administration of state-mandated administrative functions • Appropriation – general ESA administration • Appropriation – general ESA programs/services • Appropriation – ESA capital improvements • Categorical – specific ESA programs/services to LEAs • Service contracts/grants – specific ESA programs/services to LEAs
Local/Regional Sources	<ul style="list-style-type: none"> • Local tax – general ESA administration • Local tax – general ESA programs/services to LEAs • Membership dues • Service contract – specific ESA programs/services to LEAs
Federal Sources	<ul style="list-style-type: none"> • Categorical grants/contract – specific ESA programs/services to public and nonpublic schools
Other Sources	<ul style="list-style-type: none"> • Service contracts – specific ESA programs/services to other public and nonpublic entities • Gifts and grants – specific ESA use • Entrepreneurial – product sale; broker role; partnerships with other public and nonpublic entities

Figure 5. Types of Funding Sources (Stephens, 2001).

School districts in the Type B service agency are funded with appropriations from the SEA, while Type C are initially funded at the onset of the creation of the ESA and continue to receive a limited state allocation intended for only fundamental expenses or state

initiatives. Type A service agencies experience formula-based state appropriations, or the sale of services and products (English, 2006).

Levy Authority. The authority to levy property tax is not given to every state. Nebraska, Michigan, and Oregon are among the states who can levy taxes in order to cover operating expenses and to implement services approved by member school districts (Educational Service, 1965; Stevens & Keane, 2005, p. 76).

State Aid. Although the specific formula used in states who appropriate state aid to ESAs differ, they are similar in that the amount they get is very specific to the conditions of the formula, and that there are multiple variables contained within each formula. Formula based appropriates are most common when there are state established core services to be carried out by the ESA. Contracted services and grants are not included in the funding formulas as they generate their own dollars. The variables used in these formulas include the student count in the ESA region, a fixed amount appropriated for each ESA, number of member public school districts in the region, costs of the core services, number of schools, number of nonpublic school students, geographic size, and dollars necessary for rental of facilities (Stephens & Keane, 2005). Each state appropriating dollars uses a combination of different variables. Iowa's Area Education Associations, for example, use core service expenses and student enrollment to calculate the amount of state aid they will receive (*School Aid Formula*, 2012).

States who provide state aid use a formula to:

...provide equal state funds for each child who will benefit from the efforts of the service agency...However, the absence in most of the state aid formulas is consideration of the wealth of a service unit, or recognition of the other contextual

differences... (Stephens & Keane, 2005, p. 94)

These funds may be aligned to the school improvement agenda or needs as part of an accreditation process. In some states, additional funds were allocated to ESAs who address the needs of struggling schools as a result of No Child Left Behind Act of 2001.

ESA Partnerships

Many school districts using the supports of ESAs are rural. These districts are either too small or too rural or both to provide the necessary services their district needs on their own, therefore, they rely on partnerships. This opportunity for partnering is one reason why ESAs were created. Partnerships within an ESA structure typically take one of two forms: intra-education partnerships and inter-agency partnerships. The former includes opportunities for school improvement resources and support, technology collaboratives and consortiums, professional development alliances and consortiums, special education cooperatives and supports, and business affairs cooperatives for purchasing and other school infrastructure supports. These partnerships are facilitated by the ESAs and designed to provide efficiencies between school districts. The latter type of partnership, inter-agency, is where partnerships are facilitated between agencies and organizations with common needs. These may include partnerships with industry and business, human services/resources, and general governmental agencies (Stephens & Keane, 2005).

Summary

County offices of education, along with the educational landscape, began to change between 1940s and 1960s. These changes led to the establishment of ESAs across the country. Although ESAs are different in terms of specific processes for governance, funding and services, there are some general similarities. Each is charged with providing cost

effective services and support to promote efficiency, quality and access to programs and services. The differences allow for autonomy and the ability to address districts within states that best meets their needs. Although the members of the governing board are selected in various ways, each is established to provide a foundation for their work, supported by regulation at the ESA level. The funding for ESAs are generally by levy authority, contracts with LEAs, federal/state grants, or state aid. Funding is reflective of the services and operational cost needs of the ESA. Finally, service options are just as different as the school districts the ESAs support. Although the methods used to identify the services offered by the ESAs are also different, the services are a reflection of the needs of the member districts. ESAs are a vital part of the educational service delivery, for both rural and urban districts. In an era of growing concerns for education spending, ESAs offer an equitable alternative to provide needs based educational support at a cost-efficient manner to school districts of all sizes.

CHAPTER 3

Methodology

Historical Case Study

This qualitative research study was conducted using a case study design and the historical methods approach. Ritchie (2011) explains the difficulty of defining qualitative research. In fact, this type of research is rigorous, robust, and in-depth so much that the term itself is over-arching and expansive. Qualitative research is more easily defined by what it is not, results of statistical findings and other quantification methods (Corbin & Strauss, 1998). Methods used in qualitative research are those that “require explanation or understanding of social phenomena and their contexts” (Ritchie, 2011, p. 5). Merriam and Tisdell (2016) define qualitative case study as an “intensive investigation of a specific phenomenon of interest” (p. 264). Silverman (2016) stipulates qualitative research to be of interest to policy makers in order to have the necessary information to make well-informed decisions at a governmental level. Qualitative research is crucial to the enlightenment or knowledge for understanding as is necessary for policy makers (Scott & Shore, 1979). More recently, Marshall and Rossman (1999) discussed the use of qualitative research when the study is exploratory or descriptive, and when the research focuses on the importance of “context, setting, and the participants’ frames of reference” (p. 58).

Case study is “a qualitative approach in which the investigator explores a real-life, contemporary bounded system...over time, through detailed, in-depth data collection involving multiple sources of information...and reports a case description and case themes” (Creswell & Poth, 2018, pp. 96-97). Historical methods approach to research is best suited for this study, even though there is very little literature describing this type of case study in

depth. Merriam (2001) writes, “Historical case studies have tended to be descriptions of institutions, programs, and practices as they have evolved in time” (p. 35). Case study finds its origin in political science and has been useful across many disciplines from medicine to law (Creswell & Poth, 2018). Merriam (2001) describes case study to be a type of research design intended to gain an in-depth understanding of a case with the emphasis on the process rather than the outcome itself. The case for which this study focused is (1) the enactment of the Educational Service Unit Act (ESU Act) of 1965, (2) the revisions and modification of the ESU Act through legislative actions, (3) and the process by which the ESU Act evolved. This study began with the year 1992 through the 2018 Legislative Session.

Yin (2014) described how case study and historical research complement each other by emphasizing case studies to be the method for examining multiple sources of evidence such as documents and interviews, while histories tell the story of those artifacts as they were in the past. McDowell (2002) explained historical research as the “art of looking at the evidence of the past to produce an account of events which will take note of the motives of the individuals, the role of wider social influences and the interplay of chance” (p. 26).

Role of the Researcher

There are several expectations of a historical researcher as McDowell (2002) summarized. The researcher must have curiosity and critical thinking in order to find the evidence necessary for the research, master the language and concepts of the area of study, analyze the topic, manage time and resources, learn and adapt to new research techniques, confidence to work independently and adhere to confidentiality where it is justified, ability to communicate and contribute knowledge to the topic, and produce competent and credible work. In any research study, attention must be given to the rigor, credibility, confidentiality,

ethics, and integrity of the work (McDowell, 2002; Tracy, 2010). Merriam (2001) described the researcher to have three specific traits, tolerance for ambiguity because there is no predetermined set procedure to follow for a qualitative study, sensitivity to the topic and to biases, a good communicator who is empathetic and listens actively.

As a qualitative researcher, this writer viewed the evidence as an outsider using an objective lens, however as an employee of an Educational Service Unit, she had knowledge of the impact policy changes had, or may have as the Nebraska Unicameral addresses the need for policy change and revision. Tracy (2010) defines credibility as the “trustworthiness, verisimilitude, and plausibility of the research findings” (p. 842). The connection this writer has as a researcher to this subject matter allows for dependability of the information and deep, thick description of the evidence studied (Lincoln & Guba, 1985). In this study, every attempt was made to adhere to the expectations of a qualitative researcher as have been described. Ethical considerations remained central to the work, just as they should in any research study. Confidentiality was maintained when it was justified to protect the personal privacy of those interviewed. Biases were identified if and when they persisted, and facts were reported and interpreted based on the evidence presented. Even with these assurances, the readers will make their own judgments and interpretations of the information as with any other type of research.

Collection of Procedures and Sources

Merriam and Tisdell (2016) described documents to be the best data to use in a historical case study especially when individuals are not available to be interviewed. Further, when research involves the study of detailed and complex reports, documents are an excellent source. Documents can either be primary or secondary sources. Carey (2012)

distinguishes between these sources as primary data being those generated directly from interviews and experiences requiring the researcher to subjectively interpret the findings. Secondary data are those that have already been studied, researched, and reported in previous studies (Carey, 2012). Primary sources, when they relate to historical case studies, are those that “originate in the time period that historians are studying” (Storey, 1999, p. 19).

This study used the following primary sources, (1) Nebraska Unicameral session laws published at the conclusion of each legislative session, (2) official transcripts of Nebraska’s legislative standing committee hearings and floor debates, (3) the Nebraska Revised Statutes along with any supplemental documents related to the statute, (4) Nebraska Unicameral Session Reviews, (5) the Introducer’s Statement of Intent and Purpose Statements, (6) Nebraska Legislative Journals, and (7) interviews from a non-random, purposive sample of nine key executives of educational agencies in Nebraska. In addition to these, primary data included findings from ESU service studies conducted under the direction of the Legislature or the Department of Education, original dissertation documents published prior to the enactment of the ESU Act, and official statements and other documents issued by standing committees of the Legislature.

The database accessed for the legislative documents 1992 through 2018 in this study maintained all the documents including copies of introduced bills, standing committee hearing transcripts, committee statements, executive session summaries where applicable, statements of intent, full floor transcripts including general file, select file, the final reading, and the slip law if the bill became law. This complete legislative record was available through the Nebraska Clerk of the Legislature’s office.

A small pilot study was conducted in the fall of 2017 in which four individuals with

some knowledge of Educational Service Units (teachers and other educators) were provided the questions in the interview protocol. They were to respond to the questions and give feedback as to the question content, flow, and anticipated responses. As a result of the pilot, seven questions were revised, three questions were removed, and one question was added to the interview protocol (Appendix C).

For this study, prior to the interview, the researcher U.S. mailed the twelve participant candidate(s) a cover letter describing the study and the interview (Appendix A), the consent to participate form to sign prior to the interview (Appendix B), and a copy of the interview protocol (Appendix C). When the participant candidate failed to respond to the U.S. mailed consent form, it was emailed to him/her along with the cover letter. Continued failure to reply was considered a declination to participate. Nine of the 12 participant candidates provided consent to take part in this study. As was identified on the consent to participate form (Appendix B), participants were allowed to arrange for electronic submission of responses rather than a face to face interview. This option was attractive when there were scheduling conflicts, when the participant elected to have more time to respond to questions, or when the participant felt more at ease with the process by responding in writing. If the electronic submission was the option selected by the participant, he/she was provided a digital copy of the interview protocol (Appendix C) and his/her responses were submitted electronically. Two individuals participated in this manner. The questions for both face to face and digital submissions were identical. The researcher, after receiving the electronic responses, followed up with the participants under the following conditions: (1) responses were incomplete, (2) responses were not related to the question, (3) responses led the

researcher to ask an additional question in order to understand the written response, or (4) if the response was blank.

Seven individuals participated in the face to face interview which took place in a previously arranged private office/conference room. The interviewer welcomed the participant, explained that the session was to be digitally recorded, began recording, introduced herself, explained the purpose of the study, asked for any preliminary questions, and then began the interview. The participant was encouraged to indicate, if at any time, he/she did not wish to answer the question(s). At the conclusion of the interview, participants were invited to ask any additional questions, or to provide any additional feedback to the interviewer. The interviewer then thanked the participants for their engagement, provided them with a timeline for the study, and showed them out. The interviewer then remained in the office/conference room for a short time to document any reflections of the meeting.

Interpretation of Data

A coding system was developed and deployed to organize and analyze the data. The codes were a combination of a priori, pre-set from research questions, and emergent, from the interview data. The initial keywords coded were: federal actions, changes/revisions to ESU Act, support for ESUs, opposition to ESUs, role of ESUs, funding, potential changes, service planning, implementation, governance, legal action, related legislation, challenges, term limits, other ESAs, county superintendents, and ESU Coordinating Council. The researcher used the constant comparative process throughout the research. This process led the researcher to first code the initial themes, continue to code primary and secondary source documents including interview transcripts, then go back to the code book to revise code themes. Constant comparative methods allowed the researcher to further refine the codes into

specific sub sets of themes and patterns establishing stronger relationships between the studied documents. These codes eventually narrowed from the initial 17 themes to the final set of five.

The interviews were transcribed and interpreted without identifying information and the recordings were destroyed after transcription. After data analysis, the document with the link/key to the interviewee ID and name of the interviewee was also destroyed.

Verification Methods

Obtaining valid and reliable results is central to any research study. Qualitative case studies have a reputation for not being rigorous enough, so therefore biases can exist (Merriam, 2001). Some strategies were employed in this study to increase validity and decrease bias. One such strategy was using interviews as well as document data in the analysis. Multiple sources of data provided a broader variety of data to analyze. Internal validation deals with “how research findings match reality” (Merriam, 2001, p. 254). Researchers must tell the story of the data, since data cannot do that on its own. It is for this reason interpretation can differ from one researcher to another. The more emphasis that can be placed on increasing validity of the data and the research, the better quality the findings. Merriam (2001) also explains that as humans are the interpreters of qualitative data, we are close to the reality itself. Information was also validated through member checking. After the study was completed, the researcher provided the findings to three ESU stakeholders to validate information. Among these individuals were past chief executive officers of ESUs and ESU board members. Any information they found to be in error or conflict was researched and corrected as was found to be necessary.

Other strategies to bolster internal validity included triangulation (the use of multiple data sources and/or methods), member checks (asking those who were involved in the study to confirm accuracy of the findings), long-term observations (over a period of time), peer examination (pulling colleagues in to provide feedback), participatory or collaborative modes of research (across all aspects of the research), researcher's biases (identify them from the start) (Merriam, 2001).

Limitations of Design

Case studies, with or without a historical approach, have limitations. One such limitation is that case studies seem to have, to a lesser degree, a methodological structure to systematic research. As was described earlier in this chapter by Merriam (2001), case studies are more concerned with the process and information gathered throughout that process, than that of the outcome itself. In addition to the free-form nature of the research structure in case studies, this type of research also is criticized by the attention, or lack thereof, to reliability and replicability of the findings. These limitations impact my study, and the researcher has taken steps to minimize these before they occur. The methods described in this chapter provide a detailed description of the processes used in this study. Even with these measures and descriptions, it is up to the reader to make his/her own judgements and interpretations of the information as with any other type of research.

Assumptions of Design

Historical research design assumptions, coupled with the limitations of the case study structure, added an interesting element to this study. The researcher of historical case study assumes the participants remember and recount experiences accurately, that the information provided is interpreted objectively and without bias, and that the member checks are done by

qualified individuals. These were certainly considerations the researcher had in analyzing the data, but some steps were taken to minimize their affect. Primary and secondary sources of data were accessed, not simply one or the other, allowing for a more robust triangulation of data. Multiple member checks were completed by more than one individual allowing for a more diverse member analysis.

Ethical Considerations

Ethical data collection tells us to keep the names of those participating anonymous, have no identifiable information in the study, obtain the necessary permissions, maintain the findings in a secure location, and maintain confidentiality. The individuals who were interviewed and participated in this study were from a small group, so they may be in very easily identifiable roles. In order to assure anonymity, they were identified as executive directors of educational agencies and other stakeholders. The agencies themselves were not included in the descriptions, so as to avoid the possibility of inadvertently identifying them. This type of ethical dilemma is common for qualitative research. The participants may feel their privacy will be invaded, or they may be embarrassed or reluctant to answer some questions and may reveal information they never would otherwise (Merriam, 2001). Prior to the interview, the researcher provided the participant(s) with a cover letter describing the study and the interview (Appendix A), the consent to participate form to sign prior to the interview (Appendix B), and a copy of the interview protocol (Appendix C). Interviews took place in a private meeting room at each participant's office and recorded on a digital recording device.

The most extensive data this study emphasized were documents. Although there are fewer instances of ethics violations when using documents as data, there were some for

which this researcher was cognizant. First, most of the information used in this study were public records documents open to anyone, so the information itself was not private. The researcher did, however, need to follow the rules and guidelines for obtaining these records in an ethical manner. Secondly, when utilizing data obtained from another researcher, it is important to keep in mind the purpose for which the data was obtained in the first study. In order to keep an ethical interpretation of those data, this researcher considered the purpose of the original data (Merriam, 2001).

Summary

This chapter introduced historical case study as the guiding research design for research related to the legislative policy history of the Educational Service Unit Act of 1965. Nine of the 12 stakeholders who were invited to participate in the interview process did so. Each were given the option to participate either live interview or in writing. Two completed the process via written submission, while the remaining seven elected to be interviewed face to face. Multiple sources of written documentation including legislative documents, Nebraska statutes, dissertations, and other primary sources of data were analyzed using an a priori and emergent coding system. The participant consent and interview protocol are located in Appendices B and C. Findings from this research are described in Chapter 4 of this document.

CHAPTER 4

Findings

The Educational Service Units (ESUs), in cooperation with the Nebraska Department of Education (NDE) authored a document in 1991 titled, *Assisting Nebraska's Schools and Children*. This historical document is not an account of legislation and ESU policy but is the only published account of the first twenty-five years of the operations of the Educational Service Units. There is no published account of the years following. The research surrounding the current work embodied in this legislative policy history begins where *Assisting Nebraska's Schools and Children: Nebraska Educational Service Units 25th Anniversary* (1991) document leaves off, the 1992 Second Session of the 92nd Legislature (Appendix F).

Chapter 4 provides foundational groundwork as to the contents of the original statute establishing Educational Service Units. Following the recapitalization, the remainder of the chapter provides findings in evidence from 1992 through 2018 organized according to a priori patterns, those predicted to be evidenced as a result of the research questions, as well as emergent patterns, in the enacted legislation during the years of the study.

Many bills contained in these findings have themes that cross from one theme area to another. For example, LB 806 (1997) contains components related to the role of ESUs, core services, as well as funding. The researcher determined placement of the bill within the theme most impacted by the contents of that bill. The legislative bills emphasized in this chapter represent those bills of which have the biggest impact on ESUs, not those with ESUs as collateral impact. These collateral bills are numerous and are included in the timeline in Appendix O, but not discussed and studied in this research.

The evidence analyzed represents an extensive review of pages, print and digital, of legislative summaries and journals, proposed bills, hearing transcripts, floor debate transcripts, committee reports, enacted bills, published and unpublished reports, and over 10 hours of interviews with nine stakeholders to the ESUs. This chapter presents the themes and patterns identified through the research. Each section explores Legislative Bills, enacted statutes, anecdotal remarks of supporters or opposers, and input from stakeholders relative to that specific theme.

LB 301, Educational Service Unit Act of 1965

In the late 1940s, the County Superintendent Association had concerns about the efficacy of its own County Superintendent Offices in providing education for students, especially those in sparsely populated areas of Nebraska. These concerns led to studies and dissertation research between 1954 and 1965 (Anderson, 1959; Ellison, 1959; McKenzie, 1964; McPherran, 1954; National Education, 1954; Turner, 1959). This research initiated the drafting of LB 301, later named Educational Service Unit Act.

The Educational Service Unit Act was introduced to the Education Committee of the 75th Legislature on February 23, 1965 and heard testimony that same day (see Appendix E for Nebraska's Legislative process). Senator Ross Rasmussen of District 15 and Richard Marvel of District 33 introduced the bill (Legislative Chamber, 1965). In his opening Statement of Purpose, Senator Marvel said,

In order to provide equal educational opportunity to Nebraska school children, the creation of 20 educational service units is proposed for the purpose of providing supplementary educational services – such as, special education, guidance, library and instructional material centers, vocational education and counseling, not otherwise

available to local school districts. (*Ed. Comm. Hearings on LB 301*, 1965, p. 1) (see map of the 20 ESUs in Appendix K)

This statement to the Education Committee (Figure 6) introduced the notion of need for equity in educational access and opportunities across Nebraska. Senator Marvel further explained in his statement that although there are services available to other school districts, they were difficult to access and had no coordination.

Ross Rasmussen, Chairperson, District 15	Lester Harsh, Vice-Chairperson, District 38
H. C. Crandall, District 46	M. A. Kremer, District 34
Pat Moulton, District 8	Arnold Ruhnke, District 31
George Syas, District 13	Jerome Warner, District 25

Figure 6. Education Committee of Nebraska’s 75th Legislature (“Senator Rasmussen,” 1965, p. 5).

The Nebraska County Superintendent Association under the leadership of Dr. Rosalie Farley, Professor of Education Administration at the University of Nebraska supported the bill (Kelley, 1969). The Superintendent of Douglas County Schools at the time of the hearing, Frank Knapple, and Betty Majors, Polk County Superintendent testified in support of the bill. The endorsement of the county superintendents was largely in the area of furnishing services to the county schools. The County Superintendent Office was not equipped to deliver the supplemental supports necessary. Although there was an unwritten stipulation in the bill that ESUs would replace the County Superintendent Office, their association continued to show support (*Ed. Comm. Hearings on LB 301*, 1965).

School districts and educational agencies identified in Figure 7 among which were representatives from larger school districts were other supporters of the bill. The United States passed the Elementary and Secondary Education Act, PL 89-10, in 1965 that provided states with assistance to help educate children with disabilities (Elementary and Secondary Education Act, 1965). School districts of every size were preparing for what could be an incredible increase in resources spent on students with special needs. Smaller, more rural school districts did not have the resources available to them. Large school districts, such as Millard and Lincoln, supported the establishment of ESUs stating the extra strain on larger districts to provide services to students whose families move to the larger school districts in order to receive the services, places undue burden on them (*Ed. Comm. Hearings on LB 301, 1965*).

Testifier	Organization	Support/Oppose
Frank Knapple	Douglas County Superintendent	Support
Betty Majors	Polk County Superintendent	Support
Rosalie Farley	Nebraska Educator	Support
Carol Seevers	Waverly Superintendent	Support
Don Stroh	Millard Superintendent	Support
Richard Brown	Nebraska State School Boards Association	Support
Rudolph Fredstrom	Lincoln School Assistant Superintendent	Support
Irvin Yaffe	District 66 (Omaha) School Board Member	Support
Bernard Gyger	Omaha School Assistant Superintendent	Oppose
Morris George	Rural School Boards Association	Oppose
S. H. Brauer, Jr.	Nebraska School Improvement Association	Oppose
Glenn Rader	Nebraska Farm Bureau Federation	Oppose
John Wagoner	Grand Island	Oppose

Figure 7. Testifiers for LB 301 (Ed. Comm. Hearings on LB 301, 1965).

Opposition to LB 301 (Figure 7) consisted of large and small school districts, alike. Bernard Gyger, the Omaha Assistant Superintendent, had concerns related to areas where services were already provided, what was to become of the County Superintendent Office, and concerns that the expense accompanying this legislation was too much. A representative of the Nebraska School Improvement Association echoed these concerns. Others in the Rural School Boards Association felt it would be wrong for Nebraska to have a formal agency accept Federal money and was opposed due to that reason. There was considerable discussion around the state's two largest school districts, Lincoln and Omaha. These were Nebraska's only Class IV and Class V school districts and were examined closely as to their need for exemption from this bill, as the opinion was these school districts were large enough to take care of the resources on their own. This opposition was held in common with some smaller schools in the north central part of Nebraska. Senator Brauer of Stuart, Nebraska led this opposition. Terry Carpenter of Scottsbluff was also among those opposed to LB 301.

The authority to give closing statements at the hearing were given to Dr. Farley, a Nebraska Educator and member of the University of Nebraska Board of Regents, who expressed the bill did not directly address the issue of eliminating County Superintendents and that this would be a topic for further discussion. She emphasized the ESU system would provide better programming for children who are most needful, provide programming to schools in counties where finances were limited, and would establish a structure with which the ESU would work with the member school boards to determine services they need.

On May 11, 1965, LB 301 (Appendix H) was moved to General File with a vote of five ayes, two nays, and one no vote after a special Executive Session of the Education Committee (*Ed. Comm. Hearings on LB 301, 1965*).

Floor debate for LB 301 began July 2, 1965. The floor activity led to numerous amendments, bracket motions, advancements to the Enrollment and Review Committee, and motions to go back to Select File. LB 301 contained many specific details related to governance, funding, geographical area, and rules and regulations. Among these, the county superintendents were to have a meeting within 30 days of the enactment of the act to submit board member names to the governor for possible appointment to the board of education of the ESU in which the county was located. Such appointment would occur within 90 days of the passage of the bill. The ESU board along with the school district board was to provide

(1)...supplementary services such as guidance and counseling, remedial instruction, school health, adult education include area vocational technical schools, special education, and instructional material centers, (2) planning and coordinating educational services within its geographical area wherever such services are offered on a cooperating basis between local school districts, and (3) contract for educational services with the board of any other ESU, any other educational agency, or with other appropriate state or federal officer or agency. (Legislative Chamber, 1965, p. 2597)

The bill allowed counties to become excluded from the ESU by general election with favorable majority vote and could be readmitted with application signed by 50 percent of school board presidents within that county (Legislative Chamber, 1965). Boards consisted of one member from each county for two-year term, four members at large who were residents of the counties the ESU supported for a two-year term, while no more than two could be elected/appointed from the same county.

LB 301 advanced to Final Reading on August 9, 1965 and was voted on by the 75th Legislature with the emergency clause attached. Emergency clauses require two-thirds

majority vote, but LB 301 failed with 26 ayes, 17 nays, and six no votes. Immediately following that failed motion, the question was called to pass LB 301 without the emergency clause. Senator Terry Carpenter, District 48, Vice Chairperson of Revenue Committee had the most vocal opposition throughout the debate process. He shared concerns related to ongoing sustainability of funds in debate on the floor. His vote cast for the first question was nay. After the first motion failed, on the final day of the 75th Legislative Session, Senator Carpenter swung his vote to the side favoring the bill and it passed by only one vote, 25 ayes, 17 nays, and seven no votes (Figure 8) establishing 19 ESUs (Appendix L). LB 301 was presented to Governor Frank Morrison for approval and thereafter signed on August 10, 1965.

Senators Voting Aye, 25			
Bauer	Fleming	Lysinger	Rasmussen, R
Bowen	Gerdes	Mahoney	Skarda
Budd	Harsh	Marvel	Stromer
Burbach	Hughes	Matzke	Syas
Carpenter	Kjar	Moulton	Warner
Carstens	Klaver	Orme	Whitney
Crandall			
Senators Voting Nay, 17			
Adamson	Knight	Paxton	Ruhnke
Brauer	Kokes	Payne, D.	Stryker
Claussen	Nelson	Proud	Wallwey
Craft	Nore	Rasmussen, E.	Wylie
Hasebroock			
Senators Not Voting, 7			
Batchelder	Holmquist	Moylan	Pedersen
Danner	Kremer	Paine, I	
Constitutional Majority result, 51%			

Figure 8. Record Vote in Passage of LB 301, 1965 (Legislative Chamber, 1965, p. 2975).

After the passage of LB 301, there continued to be some discussion of opposition to the establishment of ESUs. William Kelley (1969) recorded in his research that the Omaha World Herald believed a group known as Black Hats controlled the state board. This group was opposed to any type of school reorganization forced upon them by Legislature. The Omaha World Herald on November 23, 1965 initially referred to ESUs as Super School Districts (Kelley, 1969). This term heightened opposition to the intermediate unit concept even after the passage of the bill. Within LB 301 was a direction as to how counties could go about withdrawing from their ESU. Opposition and campaigns such as those around the Super School District concept led to a number of counties voting to leave their ESU. Some small schools were opposed to the establishment of ESUs because they felt if struggling schools with limited resources were to supplement their educational offerings with the ESU's services, it would encourage them to remain open, when they should consolidate or reorganize.

Adding to the complexity of the opposition, the Nebraska Department of Education "refused to take an active part in the development of rules and regulations as required by the original statute" (Kelley, 1965, p 31) as prescribed in the bill (Appendix I). Commissioner Floyd Miller and the Black Hat group did not agree on reorganization, so the Nebraska Department of Education decided to remain neutral and passive in the development of rules and regulations. The ESUs, needing leadership direction, looked to the language in the statute requiring programs of service to be requested by local school boards and by 1967 were operating programs and services without state leadership support. In an effort to provide leadership at a statewide level, the ESUs formed the Educational Service Unit Administrators

Association in 1967 (Kelley, 1969). Although this group was not a product of the statute itself, it met monthly, discussed and solved problems they had in common.

Themes and Patterns

The researcher began exploration of themes and patterns in legislative policy beginning with the 92nd Legislature of 1992. Enacted laws in the years 1965-1992, prior to the scope of this study, are listed in Appendix O. The sections to follow identify the a priori and emergent themes and the corresponding legislative policy. Figure 9 illustrates, in italicized type, the themes predicted to be found in the study. The bold type indicates those themes confirmed through this research.

A Priori (predicted from research questions)			Emergent (confirmed through research)
Role of ESUs	Funding	Governance	Coordinating Council Bold = themes confirmed or discovered <i>Italicized = themes predicted, however not evident after study.</i>
County Superintendents	<i>Changes/Revisions to ESU Act</i>	<i>Related Legislation</i>	
<i>ESU Support/Opposition</i>	<i>Legal Action</i>	<i>Term Limits</i>	
<i>Federal Actions</i>	<i>Implementation</i>	<i>Other ESAs</i>	
<i>Potential Changes</i>	<i>Service Planning</i>	<i>Challenges</i>	

Figure 9. A Priori and Emergent Findings.

Funding. Several policy changes occurred with regard to funding in the years 1992-2018. This subsection includes discussion of the bills found in Figure 10.

Telecomputing	LB 452 (1993)	LB 348 (1993)	LB 860 (1995)
Decrease Levy Authority	LB 1114 (1996)		
State Appropriations	LB 1110 (1998)		
General Fund for Technology	LB 386 (1999)		

Figure 10. Funding Policies Studied.

Telecomputing. LB 452 was introduced by Senator Withem to the Revenue Committee (Figure 11) on January 28, 1993 in the first regular session of the 93rd Legislature. It authorized ESUs to levy an additional property tax of up to one half cent on each \$100 of taxable value in order to provide telecomputing resources, internet, for their member school districts. This increased the ESUs taxing authority from three and a half cents to four cents. In his opening statement, Senator Withem upon admitting to be “technically illiterate...and enthralled with the prospects of what is available [in the area of educational technology]” (*Rev. Comm. Hearings on LB 452*, 1993, p. 1) discussed the advances occurring in technology from the satellite rental, the video capabilities, to the development of the Internet. Senator Withem described the Internet as interlinking computers through a system in order to have their data and information shared. Senator Withem added, “If a school has the ability to hook up to Internet almost literally, all of the information that is available in the world is available to those students” (*Rev. Comm. Rev. Comm. Hearings on LB 452*, 1993, p. 2). This bill was a solution to the financial obstacle school districts had in obtaining the necessary equipment to bring their school up to the required technology standards to support the Internet. Senator’s opening statement described the origin of this bill to be from the schools and ESUs themselves. This bill would allow the ESUs to maintain the school

district's connection to the Internet by exceeding the levy lid by one half cent to pay for this service and revise the role and mission of the ESUs to include providing Internet connectivity support (*Rev. Comm. Hearings on LB 452*, 1993).

Jerome Warner, Chairperson, District 25	George Coordsen, Vice-Chairperson, District 32
Douglas Kristensen, District 37	Stan Schellpeper, District 18
William Wickersham, District 49	Eric Will, District 8
Ron Withem, District 14	David Landis, District 46

Figure 11. Revenue Committee of Nebraska's 93th Legislature (Legislative Chamber, 1993).

The Commissioner of Education, Joe Lutjeharms, spoke in support of this bill at the hearing on January 28, 1993. He said, in part

...in Nebraska, as we all know, we have quite a variety in how schools conduct their business and we have very small schools to very large schools and some in very isolated areas, and this, the advent of new technologies such as those used through Internet, will, I believe, in the future relieve us of many of the problems we have in providing equity in programming in view of the fact that it's much harder to do the conventional thin in some areas than it is in another. (*Rev. Comm. Hearings on LB 452*, 1993, p. 4)

Commissioner Lutjeharms felt technology needed to find its way into the areas of the state that were the most isolated, who have less capacity to use traditional methods of educating children. He was as a strong supporter of this bill (Figure 12).

Testifier	Organization	Support/Oppose
Commissioner Joe Lutjeharms	Nebraska Department of Education	Support
June Remington	ESU Association	Support
Larry Lindquist	ESU 6, ESU Administrator Association	Support
Mel Thornton	Nebraska Math and Science Coalition	Support
Melodee Landis	Nebraska Department of Education Instructional Technology	Support
Martha Fricke	Nebraska Association of School Boards	Support

Figure 12. Testifiers for LB 452, 1993 (Rev. Comm. Hearings on LB 452, 1993).

June Remington, an ESU Lobbyist, testified in support of this bill. During Ms. Remington's and Commissioner Lutjeharms's testimonies, Senator Coordsen asked for clarification on the oversight of ESU budgets. He wanted to ensure there was a monitoring system for how ESUs spend their dollars. Commissioner Lutjeharms explained the governance structure of the ESUs and the authority their Boards of Education have over the budgeting process. Senator Coordsen described the significant increase in land valuations occurring in the early 1990s. He inquired as to which of the ESUs, during this time, continued to access their levy limit, and which accessed below the limit as a result of the high valuations.

The Administrator of ESU 6 in Milford, NE, Larry Lindquist, explained in his testimony that some of the more rural ESUs struggle with technology, primarily due to the cost associated. The ESUs, however, cooperated their resources in order to accommodate that need. Following his testimony, Mel Thornton shared statistics of usage. He stated in 1993, the use of the Internet had increased a hundred thousand percent since 1986 (*Rev. Comm. Hearings on LB 452, 1993*).

The ESUs had billing structures in place, were able to work closely with their school districts, and have the benefit of economy of scale when looking at numbers. Martha Fricke of the Nebraska Association of School Boards testified that due to these reasons, it was apparent the ESUs were the right outlet for this service (*Rev. Comm. Hearings on LB 452, 1993*).

Having heard from the proponents to LB 452, no one spoke in opposition to it. LB 452 advanced to General File on the same day, January 28, 1993, and later to Select File. During testimony on a different bill in the Education Committee, there was discussion to hold off on this LB 452 as there were other technology related bills that legislative session, and there was fear that too much was occurring at one time without the opportunity to evaluate how all parts play together. The Education Committee did not, however, make any attempts to block LB 452 (*Ed. Comm. Hearings on LB 452, 1993*).

Floor debate related to LB 452 were similar to the hearing testimonies. Concerns regarding oversight and equity management of the equipment and networks were debated and an amendment, AM 9983, was added to the bill. This amendment gave the Nebraska Department of Education the authority to coordinate the purchasing and planning for equipment as well as the alignment to the statewide technology plan (Legislative Chamber, 1993; Nebraska Legislature Floor Debate Rec., 1993).

March 25, 1993, the Nebraska Unicameral voted to pass LB 452 (Figure 13) and the bill was presented to Governor Ben Nelson on the same day. He signed the bill and delivered it to the Secretary of State six days later.

Senators Voting Aye, 43			
Abboud	Ashford	Avery	Baack
Bernard-Stevens	Beutler	Bohlke	Bromm
Byars	Chambers	Coordsen	Cudaback
Day	Dierks	Elmer	Fisher
Haberman	Hall	Hartnett	Hillman
Hohenstein	Horgan	Jannsen	Jones
Landis	Lindsay	Lynch	McKenzie
Moore	Pedersen	Pirsch	Preister
Rasmussen	Robak	Robinson	Schellpeper
Schmitt	Vrtiska	Wehrbein	Wesely
Will	Witek	Withem	
Senators Voting Nay, 0			
Senators Not Voting, 6			
Crosby	Hudkins	Kristensen	Schimek
Warner	Wickersham		
Constitutional Majority result, 88%			

Figure 13. Record Vote in Passage of LB 452, 1993 (Legislative Chamber, 1993, pp. 1181-1182).

LB 452 passed without an emergency clause, which meant the stipulations set forth in the bill would not go into effect immediately. This was troublesome to many ESUs as they were preparing to move forward but could not without the funding in place. As a creative solution, Senator Withem introduced AM2582 to the 93rd Legislative Sessions' educational clean-up bill, LB 348. This amendment authorized ESUs to do what LB 452 described but had an emergency clause attached allowing the service to begin immediately. There was no opposition or lengthy debate on the floor regarding this amendment and was subsequently adopted on June 3, 1993. LB 348 and its companion appropriations bill, LB 348A, were passed by the legislature on June 8, 1993 (Figure 14 and 15) with an emergency clause and were signed by Governor Ben Nelson on June 10, 1993.

Senators Voting Aye, 47			
Abboud	Ashford	Avery	Baack
Bernard-Stevens	Beutler	Bohlke	Bromm
Byars	Coordsen	Crosby	Cudaback
Day	Dierks	Elmer	Fisher
Hall	Hartnett	Hillman	Hohenstein
Horgan	Hudkins	Jannsen	Jones
Kristensen	Landis	Lindsay	Lynch
McKenzie	Moore	Pedersen	Pirsch
Preister	Rasmussen	Robak	Robinson
Schellpeper	Schimek	Schmitt	Vrtiska
Warner	Wehrbein	Wesely	Wickersham
Will	Witek	Withem	
Senators Voting Nay, 0			
Senators Not Voting, 2			
Chambers	Haberman		
Constitutional Majority result, 96%, requiring two-thirds majority affirmative			

Figure 14. Record Vote in Passage of LB 348, 1993 (Legislative Chamber, 1993, p. 2829).

Senators Voting Aye, 46			
Abboud	Ashford	Avery	Baack
Bernard-Stevens	Beutler	Bohlke	Bromm
Byars	Coordsen	Crosby	Cudaback
Day	Dierks	Elmer	Fisher
Hall	Hartnett	Hillman	Hohenstein
Horgan	Hudkins	Jannsen	Jones
Kristensen	Landis	Lindsay	Lynch
McKenzie	Moore	Pedersen	Pirsch
Preister	Rasmussen	Robak	Robinson
Schellpeper	Schimek	Schmitt	Vrtiska
Wehrbein	Wesely	Wickersham	Will
Witek	Withem		
Senators Voting Nay, 0			
Senators Not Voting, 3			
Chambers	Haberman	Warmer	
Constitutional Majority result, 94%, requiring two-thirds majority affirmative			

Figure 15. Record Vote in Passage of LB 348A, 1993 (Legislative Chamber, 1993, p. 2830).

Two years after the passage of LB 452, LB 860 was introduced by Senator Robinson to the General Affairs Committee (Figure 16). This bill addressed apparent inequities in LB 452's distribution of funding support to K-12 school districts as were evident in the hearings (Figure 17).

Stan Schellpeper, Chairperson, District 18	Eric Will, Vice-Chairperson, District 8
Jim Cudaback, District 36	Owen Elmer, District 44
Timothy Hall, District 7	Paul Hartnett, District 45
Carol Hudkins, District 21	Bud Robinson, District 16

Figure 16. General Affairs Committee of the 94th Legislature (*Gen. Affairs Comm. Hearing on LB 860*, 1995; Unicameral Clerk of the Legislature, 1995).

Testifier	Organization	Support/Oppose
Marth Fricke	Nebraska Association of School Boards	Support
Commissioner Doug Christensen	Nebraska Department of Education	Support
Gary Rex	Lincoln Telephone	Support
Doug Harris	Lincoln Telephone	Support
Chuck Larsen	Minden Board of Education	Support
Randy Moody	Nebraska State Education Association	Oppose
Mary Campbell	ESU Administrators Association	Neutral
Wayne Dolezal	Nebraska Lottery	Neutral
Ivan Simpson	ESU 5	Neutral

Figure 17. Testifiers for LB 860, 1995 (*Gen. Affairs Comm. Hearing on LB 860*, 1995).

Most school districts had connected to the Internet by 1995, but only a fraction of every school building had this capability. The equipment, connectivity, and professional

development costs were quite extensive and ongoing, so LB 860 created the School Technology Fund allowing school districts to apply for additional dollars for technology. This fund was supported in part by the Nebraska lottery proceeds and was a point of deep discussion both in the hearings and on the floor. This bill did not have any direct impact on ESUs but did raise the question multiple times as to if ESUs were doing their due diligence after given the authority to levy one half of a cent for technology, while not being successful in getting all K-12 school buildings connected. LB 860 passed the 94th Legislature on June 1, 1995 (Figure 18) and Governor Ben Nelson signed it on June 7, 1995.

Senators Voting Aye, 31			
Bernard-Stevens	Bohlke	Brashear	Brown
Chambers	Crosby	Day	Elmer
Engel	Fisher	Hall	Hartnett
Hudkins	Janssen	Kristensen	Landis
Lynch	Matzke	Maurstad	McKenzie
Pedersen	Robinson	Schellpeper	Schimek
Schrock	Stuhr	Vrtiska	Warner
Wehrbein	Will	Withem	
Senators Voting Nay, 16			
Abboud	Avery	Beutler	Bromm
Coordsen	Cudaback	Dierks	Jensen
Lindsay	Pirsch	Preister	Robak
Schmitt	Wesely	Wickersham	Witek
Senators Not Voting, 2			
Hillman	Jones		
Constitutional Majority result, 63%			

Figure 18. Record Vote in Passage of LB 860, 1995 (Legislative Chamber, 1995, p. 2339).

Decrease Levy Authority. Additional funding legislation related to ESUs came about in the second regular session of the 94th Legislature with the introduction of LB 1114 to the Revenue Committee (Figure 19) on January 9, 1996. This was a complicated and contentious bill placing comprehensive limits on school districts' and ESUs' abilities to levy property

taxes. As the property taxes in Nebraska began and continued to rise, LB 1114 worked to establish maximum property tax levy limits for various units of local government in Nebraska. Because of this bill, ESUs would move from their levy of three and a half cents to only one and a half cents per one hundred dollars of taxable valuation, to begin in fiscal year 1998-1999.

Jerome Warner, Chairperson, District 25	George Coordsen, Vice-Chairperson, District 32
Eric Will, District 8	Stan Schellpeper, District 18
Douglas Kristensen, District 37	Paul Hartnett, District 45
William Wickersham, District 49	David Landis, District 46

Figure 19. Revenue Committee of Nebraska's 94th Legislature (Unicameral Clerk of the Legislature, 1997).

George Kilpatrick, council for the Revenue Committee, introduced LB 1114 on behalf of the sponsors, Senators Coordsen, Warner, Hartnett, and Will. Typically, senators introduce their bills, but this being a large bill with many potentially legal questions, it was determined Mr. Kilpatrick would begin. No testifiers supporting this bill were present (see Figure 20). However, many including the Nebraska Association of School Boards (NASB) opposed the bill because of its lack of replacement revenue. The cost of educating students and operating school buildings was not declining, so when this bill was introduced without replacement funding, there were many questions as to how to fill the funding gap. Although Mr. Hale of NASB did not directly represent ESUs in his testimony, the ESU's rationale for opposition was consistent with his.

Testifier	Organization	Support/Oppose
Brian Hale	Nebraska Association of School Boards	Oppose
Robert Doyle	Walsh, Fullencamp, & Doyle Attorneys at Law	Oppose
Dennis Baack	Nebraska Community College Association	Oppose
Mary Campbell	ESU Administrators Association, Nebraska Educational Service Unit Board Association	Oppose
Jerrell Gerdes	Franklin Hospital	Oppose
Bruce Kevil	Nebraska State Home Builders Association	Oppose
Gerri Linn	Kimball County Hospital	Oppose
Lynn Rex	League of Nebraska Municipalities	Oppose
John Roberts	Nebraska Association of Hospitals and Health Systems	Oppose
Jerry Mathiasen	Nebraska Association of Resources Districts	Neutral
Lou D'Ercole	Finance Director of Omaha	Neutral
Steve Oltmans	Papio-Missouri River Natural Resources District	Neutral
Jerry Stilmock	Nebraska State Volunteer Firefighters Association	Neutral
Larry Hamilton	Millard Suburban Fire Protection District	Neutral
Jack Mills	Nebraska Association of County Officials	Neutral

Figure 20. Testifiers for LB 1114, 1996 (Rev. Comm. on LB 1114, 1996).

During his testimony, Senator Coordsen, who made LB 1114 his priority bill, asked, “Do you feel that our current, not only Nebraska but statewide system, of measuring the wealth of a district predominantly on property value per student is an appropriate measure of wealth for 1996, for the purposes of state aid distribution” (Legislative Chamber, 1996, p. 38)? This question was one that was asked in a variety of ways throughout the hearing and the floor debates after LB 1114 moved to General and Select File. Other testifiers were

representatives of city and county subdivisions, community colleges, hospitals, sanitary and improvement districts, municipalities, and ESUs. Mary Campbell, as the Lobbyist for ESUs and their boards, spoke in opposition with many of the same concerns shared by the community college. If there were to be a cut in levy, there would need to be cuts in services or more charges passed on to school districts.

The ESUs felt that although it was positive that this policy change was not directed at eliminating the ESU's ability to tax all together, it continued to place the ESUs and the supports they provided to school districts in jeopardy. The bill would place a 71 percent decrease in the maximum possibly levy which at the time was three and a half cents and was proposed to be one and a half cents. Although the ESUs levied only 1.92 percent of the total state tax revenues for all primary and secondary education, there were an incredibly large number of services provided to each school district across the state in return (*Nebraska Educational*, 1995). The committee's concerns were that the levied dollars would be used for construction. They did not feel construction was an expense the levy dollars ought to cover. After a very long day of testimony, the hearing for LB 1114 concluded. The bill advanced to General File on March 11, 1996 where it later advanced to Select File.

On the floor, the debate was long and deep, but nothing was specific to the impact of this change on ESUs. The debate was geared at the other local entities with proposed decreases in levy authority. LB 1114 passed and was presented to Governor Ben Nelson on April 11. He subsequently signed it on April 16, 1996 (Figure 21).

Senators Voting Aye, 36			
Abboud	Avery	Bohlke	Brashear
Bromm	Brown	Coordsen	Crosby
Dierks	Elmer	Engel	Fisher
Hartnett	Hilgert	Hillman	Janssen
Jensen	Jones	Kristensen	Landis
Lindsay	Lynch	Matzke	McKenzie
Pedersen	Pirsch	Preister	Robak
Robinson	Stuhr	Vrtiska	Warner
Wehrbein	Wickersham	Witek	Withem
Senators Voting Nay, 12			
Bernard-Stevens	Beutler	Chambers	Cudaback
Hudkins	Klein	Maurstad	Schellpeper
Schimek	Schmitt	Schrock	Wesely
Senators Not Voting, 1			
Will			
Constitutional Majority result, 73%			

Figure 21. Record Vote in Passage of LB 1114, 1996 (Legislative Chamber, 1996, pp. 2031-2032).

State Appropriations. The 95th Legislative Session passed LB 806 that created provisions for the delivery of core services by the ESUs. After the passage of that bill, there was a need to codify how the appropriations were to be distributed. LB 1110 was introduced in the Second Session on January 13, 1998 by Senators Hartnett, Bohlke, and Wehrbein to the Appropriations Committee (Figure 22) (Unicameral Clerk of the Legislature, 1999).

Roger Wehrbein, Chairperson, District 2	Donald Pederson, Vice-Chairperson, District 42
Pam Brown, District 6	Shelley Kiel, District 9
Patrick Engel, District 17	Chris Beutler, District 28
LaVon Crosby, District 29	Gerald Matzke, District 47

Figure 22. Appropriations Committee of Nebraska's 95th Legislature (Unicameral Clerk of the Legislature, 1999).

This bill was to fund core services provided by ESUs to school districts with dollars from Nebraska's General Fund. The hearing for LB 1110 was on Tuesday, February 10, 1998. The ESU's levy at the time of this bill was three and a half cents and would change to one and a half cents later in 1998 as was part of the levy limit passed two years prior with LB 1114. When LB 806 passed in 1997, the appropriations for ESUs was included, but it was based on a student population formula which did not allow for enough funding to funnel to the smallest ESUs. LB 1110 as introduced in Senator Hartnett's opening statement, required each ESU to receive at least 2.5 percent of the funds appropriated to them for the purpose of providing core services. Additionally, LB 1110 as introduced had a formula built in which allowed for that total appropriated amount to grow each year as the fall membership numbers grew in the state (*App. Comm. Hearing for LB 1110*, 1998).

Testimony began with Rod Smith representing the ESUs and ESU Boards (Figure 23). He reminded the committee of LB 1114 in 1996 that put a lid on the ESU levy authority from three and a half cents to one and a half cents, while in 1998 the Legislature passed LB 806 that required ESUs to provide core services to include professional development, technology, and instructional materials. LB 806 also required the Appropriations Committee to determine an appropriation level to support core services provided by ESUs beginning fiscal year 1998-1999. Mr. Smith went on to say the bill before the committee now was a result of that recommendation from the prior year's legislation state (*App. Comm. Hearing for LB 1110*, 1998). Other supporters spoke to the innovation and cutting-edge support they received as a part of the ESU, and that the funding was integral to the ESUs ability to continue the supports necessary. Bev Peterson of the State Board of Education spoke in the affirmative position, her testimony was favorable to the bill. She emphasized the work that

had been completed in the time between sessions with an ESU study, and the core services were a result of that work. She said, “These [core services] are necessary to fulfill obligations that you [Nebraska Legislature] have set before the Educational Service [Units] to provide for our students of Nebraska” (*App. Comm. Hearings of LB 1110*, 1998, p. 12). No one rose to speak in either opposition or in neutral position on this bill. It advanced to General Session on March 6, 1998.

Testifier	Organization	Support/Oppose
Rod Smith	ESU 11, ESU Administrators’ Association, and ESU Board Association	Support
Teresa Stitcher Fritz	Nebraska Governor’s Developmental Disabilities Planning Council	Support
Bev Peterson	Nebraska State School Board of Education	Support

Figure 23. Testifiers for LB 1110, 1998 (App. Comm. Hearings for LB 1110, 1998).

Senator Hartnett opened floor debate for LB 1110 providing a brief history of the bill. He indicated the 1998 Revenue Committee estimated the cost to fund core services to be \$9.7 million which was funded with LB 806 in 1997 on a per pupil basis but was found to be inadequate for the smaller ESUs. LB 1110 would allow for at least 2.5 percent of that \$9.7 million for each ESU to provide the services defined in LB 806. The bill was very specific that only the core services defined in LB 806 would be covered by the state appropriated funding, so other services, such as nursing, would need to be covered with the one and a half cent levy. Senators Suttle, Schellpeper, and other in the floor debate, were concerned that while the funding was necessary to cover the core services, the school nurse program was not specifically written into the bill, so the fear he and his constituents had was

that that program would be eliminated. They were inclined to have an amendment added to include school nurses. Senator Hartnett continued to refer to the study that was done and LB 180 from 1997 that stipulated the core services to be the recipient services for funding and was unwavering in that message. Other bills and funding sources would need to be introduced to specifically address nurses. The question regarding LB 1110 was called on March 25, 1998 and passed with an emergency clause, 40-2-7 (Figure 24) and was then sent to the governor to sign. (Nebraska Legislature Floor Debate Rec., 1998).

Senators Voting Aye, 40			
Beutler	Bohlke	Brashear	Bromm
Brown	Chambers	Coordsen	Crosby
Cudaback	Elmer	Engel	Hilgert
Hillman	Hudkins	Jones	Kiel
Kristensen	Landis	Matzke	Maurstad
Pedersen, Dw.	Pederson, D.	Peterson, C.	Raikes
Robak	Robinson	Schellpeper	Schimek
Schmitt	Schrock	Stuhr	Suttle
Thompson	Tyson	Vrtiska	Wehrbein
Wesely	Wickersham	Willhoft	Hartnett
Senators Voting Nay, 2			
Bruning	Witek		
Senators Not Voting, 7			
Abboud	Dierks	Janssen	Lynch
Preister	Will		
Constitutional Majority result, 82%, requiring two-thirds majority affirmative			

Figure 24. Record Vote in Passage of LB 1110, 1998 (Legislative Chamber, 1998).

The accompanying appropriations bill, LB 1110A was also approved with an emergency clause (Figure 25). This bill actually provided the dollars defined its partner bill, LB 1110. Although Governor Ben Nelson signed LB 1110A on March 31, 1998, he vetoed and returned its companion LB 1110 to the floor on the same day. Governor Nelson understood there to be a need to fund ESUs to provide core services but did not want to pay

for those appropriations out of the General Fund. He sent LB 1110 back to the Appropriations Committee and urged them to keep the Property Tax Reduction Incentive Fund created in prior legislation intact to fund the appropriation to the ESUs (Legislative Chamber, 1998). The Appropriations Committee and the Legislators needed to decide if they were going to amend LB 1110 and send it back for the governor's signature or attempt a veto override. In Nebraska, in order for a veto override, there must be affirmative vote of 30 senators. Senator Hartnett motioned to override the veto on April 1, 1998. Eight days later, April 9, 1998, the motion to override the veto passed 33-7-9 (Figure 26) and LB 1110 became law notwithstanding Governor Nelson's veto.

Senators Voting Aye, 40			
Beutler	Bohlke	Brashear	Bromm
Brown	Chambers	Coordsen	Crosby
Cudaback	Elmer	Engel	Hilgert
Hillman	Hudkins	Jones	Kiel
Kristensen	Landis	Matzke	Maurstad
Pedersen, Dw.	Pederson, D.	Peterson, C.	Raikes
Robak	Robinson	Schellpeper	Schimek
Schmitt	Schrock	Stuhr	Suttle
Thompson	Tyson	Vrtiska	Wehrbein
Wesely	Wickersham	Willhoft	Hartnett
Senators Voting Nay, 3			
Bruning	Jensen	Witek	
Senators Not Voting, 6			
Abboud	Dierks	Janssen	Lynch
Preistler	Will		
Constitutional Majority result, 82%, requiring to-thirds majority affirmative			

Figure 25. Record Vote in Passage of LB 1110A, 1998 (Legislative Chamber, 1998).

Senators Voting Aye, 33			
Beutler	Bohlke	Brashear	Bromm
Brown	Coordsen	Crosby	Cudaback
Dierks	Elmer	Engel	Hartnett
Hillman	Hudkins	Jones	Kiel
Lynch	Matzke	Maurstad	Pedersen, Dw.
Pederson, D.	Peterson, C.	Raikes	Robinson
Schellpeper	Schimek	Schrock	Stuhr
Thompson	Tyson	Wehrbein	Wickersham
Willhoft			
Senators Voting Nay, 7			
Abboud	Bruning	Jensen	Landis
Robak	Will	Witek	
Senators Not Voting, 9			
Chambers	Kristensen	Preister	Schmitt
Suttle	Vratsa	Wesely	Hilgert
Janssen			
Constitutional Majority result, 67%, requiring three-fifth majority affirmative			

Figure 26. Record Vote in Passage of LB 1110 Veto Override, 1998 (Legislative Chamber, 1998).

General Fund for Technology. As the use of technology in education continued to expand, so did the needs to fund these programs. In 1999, Senator Bohlke introduced LB 386 to the Education Committee (Figure 27) in the First Session of the 96th Legislature on January 13. In her Statement of Intent (1999), Senator Bohlke explained the bill as eliminating the additional one-half cent levy that allowed the ESUs to address technology infrastructure needs and provide those appropriations through the state's General Fund. For this reason, there was accompanying appropriations bill, LB 386A. The bill also provided definitions of technology, technical training, and technology infrastructure so there was no confusion as to how these dollars are used. In order to be mindful of the future needs in the area of technology, LB 386 provided for an additional appropriation each year to accommodate for the fall membership and allowable growth rates.

Ardyce Bohlke, Chairperson, District 33	Deborah Suttle, Vice-Chairperson, District 10
Kermit Brashear, District 4	Elaine Stuhr, District 24
Marian Price, District 26	Chris Beutler, District 28
George Coordsen, District 32	William Wickersham, District 49

Figure 27. Education Committee of Nebraska's 96th Legislature (Unicameral Clerk of the Legislature, 1999).

Gil Feis, representing the Nebraska ESUs, began his testimony (Figure 28) by explaining how previous legislation, LB 452 and LB 806 did provide for technology funding, but not the type of technology needs this bill was referring. This is why the definitions are necessary in the bill. In 1997, legislation passed to create the Nebraska Information Technology Commission, whose responsibility was to study the technology needs in Nebraska and make recommendations to the Unicameral, one of which was to continue funding for ESUs and telecomputing. By eliminating the one-half cent additional levy funding established in 1994 and replacing it with state dollars, the ESUs could continue to support an effective, efficient technology system, and to allow for upgrades to that system without taxing their patrons (*Ed. Comm. Hearings on LB 386*, 1999).

Testifier	Organization	Support/Oppose
Gil Feis	ESU 9, ESU Boards Assoc'n	Support
Alan Wibbels	ESU 10	Support
Doug Christensen	Nebraska Board of Education	Support
Sue Burch	Grand Island Public Schools	Support
Written: Mike Dulaney	Nebraska Council of School Admin	Support
Written: Virgil Horne	Lincoln Public Schools	Support
Written: Brian Hale	Nebraska Association of School Boards	Support

Figure 28. Testifiers for LB 386, 1999 (Education Committee, 1999).

Allan Wibbels provided to the Education Committee several handouts to reference from a map of the internet connections in the state, to a spreadsheet for each senator as to their specific ESU, the dollars they have spent, the technology supports and services provided, and what this bill would do for them. The descriptions in the testimony were very specific and detailed. There were no questions for him after he was finished.

Others present, and those who submitted written testimony, echoed the sentiment of the first testifiers. There was discussion as to how the ESUs needed to do this service and the funding was necessary to enable them to do it.

Among the questions the senators had was that of money from Senator Raikes. He recalled that there was the additional one-half of one cent levy authority, as well as the additional appropriations from the state with LB 1110 provided to the ESUs. He was concerned that there was not a need for those additional dollars since ESUs were given the additional funding in the recent past. Commissioner Christensen explained the LB 1110 dollars were not intended for technology, and the remaining dollars would not be sufficient to support what was at the time, 650 school districts in Nebraska (*Ed. Comm. Hearings on LB 386, 1999*).

Grand Island Public School representative said her greatest need, in 1999, was technical support and continued assistance. She said, "Our goal was for the computer to be as a pencil in the classroom, a tool...and keeping the computer running isn't quite as simple as keeping a pencil sharpened" (*Ed. Comm. Hearings on LB 386, 1999, p. 18*). LB 386 would have provided the dollars necessary to do that. Lincoln Public Schools also testified. Having the larger schools testify was an advantage to ESUs as they were often seen as districts who did not use ESUs as much. Their support on this bill was important. There were no

individuals, groups, or agencies in opposition or in neutral position, LB 386 advanced to General Session on February 2, 1999.

Senator Bohlke opened debate on LB 386 by explaining past legislation. LB 452 allowed ESUs to levy one-half of one cent to provide telecomputing resources to school districts. LB 806 provided state appropriations to allow for technical training of the technology. This bill was to provide funding support for hardware issues (Nebraska Legislature, 1999).

There were no senators who spoke in opposition to this bill, so its time in debate was short. LB 386 advanced to Select File after Final Reading on the floor on May 20, 1999 passed with a vote of 48-0-1 (Figure 29) and was sent to the governor that day. One week later, May 26, Governor Nelson signed it into law. The accompanying appropriations bill, LB 386A followed the same trajectory on the floor with an approval by the governor the same day.

Senators Voting Aye, 48			
Baker	Beutler	Bohlke	Bourne
Brashear	Bromm	Brown	Bruning
Byars	Chambers	Connealy	Coordsen
Crosby	Cudaback	Dickey	Dierks
Engel	Hartnett	Hudkins	Janssen
Jensen	Jones	Kiel	Kremer
Kristensen	Landis	Lynch	Matzke
Pedersen, Dw.	Pederson, D.	Peterson, C.	Preister
Price	Quandahl	Raikes	Redfield
Robak	Schimek	Schmitt	Schrock
Smith	Stuhr	Suttle	Thompson
Tyson	Vrtiska	Wehrbein	Wickersham
Senators Voting Nay, 0			
Senators Not Voting, 1			
Hilgert			
Constitutional Majority result, 98%			

Figure 29. Record Vote in Passage of LB 386, 1999 (Legislative Chamber, 1999).

Role of ESUs. The original Educational Service Unit Act of 1965 stipulated that each ESU provide supplementary services, plan and coordinate cooperative educational services between school districts, and contract for other educational services. The Act provided examples of supplemental services to be guidance and counseling, remedial instruction, school health, adult education, special education, and instructional materials (See Appendix I, Sec. 8). Since 1992, changes and refinements have been made to the statutory role of ESUs. This section briefly reviews the interim study on ESUs conducted in 1995 that directly informed the bills found in Figure 30.

Core Services	LB 419 (1997)	LB 806 (1997)	
County Superintendent	LB 663 (1997)	LB 808 (1997)	LB 789 (1997)
Distance Learning	LB 1208 (2006)		

Figure 30. Policies Studied Describing the Role of ESUs.

Interim Study of 1995. During the First Session of the 94th Nebraska Legislature, many questions were asked and suggestions were made regarding Nebraska's ESUs. None of these proposed bills came to fruition but emphasized to the Nebraska Department of Education and the Education Committee of the Nebraska Legislature that there was a need for a policy study of the ESUs. The study was intended begin discussion with policy makers regarding the ESU's mission, service, financial, and governance structure. The ESUs were involved in this study and contributed to the findings.

There were two phases of the study. Phase I was to replicate a similar study done in 1986 by the Legislative Research Division of the Nebraska Unicameral. This phase entitled

“Staff papers and Documents” was a comprehensive study documenting the review of national literature, history of Nebraska ESUs, statistical information, and information from those who participate in the services delivered by ESUs. Phase I was completed in September of 1995. Phase II was conducted by an independent researcher, Dr. Robert Stephens of the Institute for Regional and Rural Studies in Education, Edmond, OK and was completed in December 1995. In the opening letter to Phase I of the project, Nebraska’s Commissioner of Education, Doug Christensen, wrote “It is our desire that the information provided within this document will be useful and provide a basis of sound information regarding an important part of Nebraska’s educational system” (Nebraska Department of Education School Finance and Organization services, 1995, Sept., n.p.) The study brought results to the Legislature that led to many discussions and proposed legislation around ESU’s role and mission, governance, boundaries and participation, finances, services, and accountability.

Phase II brought perspectives of stakeholders including those on the ESU Study Policy and Advisory Panel, the administrators of the 19 ESUs, three randomly selected superintendents from each ESU, and members of the NDE Leadership Council. Seven policy issues were studied within this work, (1) quality of services delivered by ESUs, (2) responsiveness, (3) equity, (4) cost-efficiency, (5) statewide effectiveness in terms of school improvement advancements, (6) accountability to districts, NDE, and the public, and (7) accountability to the ESUs from the districts and NDE (Nebraska Department of Education School Finance and Organization Services, 1995, Dec.). Recommendations from this study are illustrated in Appendix G and were categorized into work around mission, establishment which were those rules related to districts participation in the ESUs and the ESU boundaries,

governance, programs and services, finance, facilities, and collaboration with NDE. These recommendations led to the introduction of bills to the Nebraska Legislature in 1997. One such bill was LB 419 related to core services.

Core Services. LB 419 was introduced to the Education Committee (Figure 31) by Senators Hartnett and Bohlke on January 17, 1997 with a hearing on February 24. This bill was in response to the study initiated by the Nebraska Department of Education in 1995 to study the ESUs. NDE commissioned an outside contractor to complete that work after the First Session of the 94th Nebraska Legislature. This bill was to, by June 30, 1998, eliminate the opt-out provision currently in statute, allowing school districts a process to opt out of taking part in their regional ESU and defined the services ESU were to provide. In his opening statement, Senator Hartnett, who was a member of the task force for the 1995 ESU study, defined those services as core services including staff development as the number one priority, technology as the second priority, and instructional materials as the third. Other services were provided if identified and deemed necessary by member school districts. These additional services needed approval by two-thirds of the school districts representing a majority of the students in that ESU region (*Ed. Comm. Hearings on LB 419, 1997*).

Ardyce Bohlke, Chairperson, District 33	Janis Johnson McKenzie, Vice Chairperson, District 34
Deborah Suttle, District 10	Curt Bromm, District 23
Jerome Warner, District 25 upon his death was replaced by appointed Senator Ronald Raikes for same district	Elaine Stuhr, District 24
Chris Beutler, District 28	William Wickersham, District 49

Figure 31. Education Committee of Nebraska's 95th Legislature (*Unicameral Clerk of the Legislature, 1997*).

Although the task force did not specifically discuss funding, Senator Hartnett felt the core services as defined in LB 419 needed to be funded by the state through NDE as they would benefit all public-school students. Additionally, LB 419 allowed for contracting with nonpublic schools, other ESUs, and other political subdivisions under the Interlocal Cooperative Act. It also allowed for consolidations and mergers of ESUs in a restructuring solution, although would not eliminate Omaha and Lincoln's ESUs. All of the items in LB 419 were directly related to recommendations made by the 1995 study. Senator Suttle asked questions related to the non-public schools and how that would work from a publicly funded ESU. Senator Harnett responded that the private schools would pay full cost of the services but would have the ability to participate in cooperative activities.

Testimony for LB 419 (Figure 32) was limited as the weather that day was cold and icy, so travel was not favorable. The State Board of Education representative, Bev Peterson, enthusiastically testified in favor of this bill, even though she drove on icy roads to get there. She stated there was a need for core service funding, and an importance that every school district is a part of an ESU in their region. Commissioner Christensen was pleased with the work the task force did on LB 419. He spoke specifically to the importance of the ESUs and the importance of this bill. He acknowledged and complemented Senator Hartnett for bringing this legislation to the committee, as it was only two years ago when he introduced legislation to eliminate the ESUs with LB 780 in 1995. That bill, having no interest, was indefinitely postponed.

Testifier	Organization	Support/Oppose
Bev Peterson	State Board of Education	Support
Commissioner Doug Christensen	NDE	Support
Rodney Smith	ESU 11, ESU Administrators Association	Support
John Bonaiuto	Nebraska Association of School Boards	Support
Mike Dulaney	Nebraska Council of School Administrators	Support
John Habben	Newman Grove, Nebraska Rural Council of School Administrators	Support
Gary Oxley	Tri County Schools	Support
Ron Winninghoff	Otoe County Office	Oppose

Figure 32. Testifiers for LB 419, 1997 (*Ed. Comm. Hearings for LB 419, 1997*).

The Commissioner's supporting statements of the ESUs came specifically from the work the ESUs had done in assisting 70 percent of the school districts in writing and developing their school improvement plans. The work they do to move districts forward is necessary and supported by the schools. Commissioner Christensen, in his 1997 testimony, explained the ESUs importance was evident even to the Legislature because they passed statute allowing for an extra half-cent levy for the ESUs to get virtually every school district connected to the Internet. He felt that if there were schools allowed to opt-out of their ESU, the statewide initiatives would be far weaker. Commissioner Christensen said,

LB 419 will cause a greater level of accountability than we now have and it will make sure that we maintain a viable ESU structure and don't get into the situation again 10, 15, or 20 years because we'll have the accountability in place. (*Ed. Comm. Hearing on LB 419, 1997, p. 17*)

Today, 20 years later, accountability continues to be an area ESUs struggle as was reported

by an interviewed stakeholder participating in this study. LB 419 was a start to this work, he recalled.

Gary Oxley testified in support and stated he was a part of the 1986 study of the ESUs where first consideration was given requiring every school district to belong to an ESU. At that time, he had some very angry people in districts who did not agree with requiring schools participate in an ESU. He felt LB 419 “came at the right time with impending financial constrictions coming to school district in one form or in many forms, this [LB 419] seems logical...” (*Ed. Comm. Hearing of LB 419*, 1997, p. 28). He felt the issue of funding core services, and those funds coming from the state would not solve the issue of inequality, rather it would widen the gap of the haves and the have nots, because a cent and half levy across the state can mean different things to different valuation areas.

The testimony of Rodney Smith explained that the method of determining services at the time was driven by the school district in requesting them. LB 419 was to eliminate that method and have a set of core services that each ESU would provide to their schools across the state. He discussed the purpose of core services to be something schools needed, and could provide efficiently, cooperatively, and to provide for equity across the state. One interview explained the service planning today to be even more proactive as it was then. ESUs are using data to inform their decisions with regard to services provided. Mr. Smith also discussed funding of core services, and the need to have a core unit or set criteria to determine how much was necessary. He also supported the notion that every school district belongs to an ESU. In his concluding remarks, he wanted to make clear the 1995 study led to the understanding there was indeed a need for ESUs from not only the senators who were on the task force, but for school patrons, and for State Board of Education members. The

ongoing strain on school district levies meant an even greater need for ESUs. This need was vocalized also by three of the interviewed stakeholders in this study. One individual stated that NDE cannot do their work without ESUs.

Ron Winninghoff, Otoe County Superintendent, testified to his support of ESUs, but felt by adding legislated requirements that school districts would need to belong to an ESU to receive the services identified in the bill as core was not a positive decision. He felt that by mandating the schools to use the core services, it would be a duplication of services. This was making the government bigger, not smaller and diminishing local control. Senator Hartnett found his comments to be valid. With that final testimony, the hearing for LB 419 closed and it moved to General File with amendments where it became part of LB 806.

LB 806 was regarded as one of the “most sweeping, comprehensive modification to TEEOSA [Tax Equity and Educational Opportunities Support Act] since its inception in 1990” (Dulaney, 2007, p. 421). The members of the committee introduced the bill to the Education Committee (Figure 31) on January 22, 1997. It moved to General and then Select File where it was debated on the floor prior to the floor amendment (FA) 193 included provisions from LB 419. Senators Hartnett and Wickersham offered the amendment which would provide state funding for core services provided by ESUs. These services were defined in LB 419 and were included in this amendment as professional development, technology, and instructional materials. Additionally, LB 806 included provisions encouraging ESUs to restructure, looking at student population as criteria to determine boundaries. Senator Hartnett spoke to this aspect of LB 806 when asked about it on the floor by Senator Schellpeper. He described this bill was to also allow for ESUs to do more cooperative work between ESUs. Senator Hartnett continued to describe the need for ESUs to work

cooperatively. During his time in listening to the hearing testimony and discussions around this topic, he changed his mind from introducing a bill to eliminate ESUs in 1995 to supporting them in a bill to appropriate dollars two years later. In his debate comments on May 15, 1997 Senator Harnett said,

I've changed my opinion. I was convinced by the people, not basically from my area, because my school district kind of had bad experiences with [the ESU]. But talking to the ESU administrator and school people across the state, that [ESUs] have provided valuable cooperative services to the local school district. (Legislative Chamber, 1997, p. 7096)

Further floor debate revealed clarification on how the appropriations would be distributed. Senator Bromm inquired of Senator Hartnett as to the use of the core services. Should a school district choose to not use one of three services described as core, would they simply have opted out of the service, and the dollars remain as part of the whole core service allocation to the ESU, or would the dollars for that core service become the school's proportionate allocation. Senator Harnett felt these unused core services would become credits for the school district to use for their purposes. The final bill contained language that allowed ESUs to distribute the dollars for core services directly to the school district if there is evidence the district would provide the core services in a cost-effective manner. After more than 33 hours of debate and discussion, the question was called for LB 806 on May 28, 1997 and passed with 36 ayes, 13 nays, and 0 not voting (Figure 33) (Legislative Chamber, 1997; Nebraska Legislature Floor Debate Rec., 1997).

Senators Voting Aye, 36			
Abboud	Beutler	Bohlke	Brashear
Brown	Bruning	Chambers	Crosby
Cudaback	Elmer	Engel	Hartnett
Hilgert	Hillman	Hanssen	Jensen
Kiel	Kristensen	Landis	Lynch
Maurstad	McKenzie	Pedersen, Dw.	Pederson, D.
Preister	Raikes	Robinson	Schimek
Schrock	Suttle	Wehrbein	Wesley
Wickersham	Will	Withem	
Senators Voting Nay, 13			
Bromm	Coordsen	Dierks	Hudkins
Jones	Matzke	Robak	Schellpeper
Schmitt	Stuhr	Tyson	Vrtiska
Witek			
Senators Not Voting. 0			
Constitutional Majority result, 73%			

Figure 33. Record Vote in Passage of LB 806, 1997 (Legislative Chamber, 1997).

Governor Ben Nelson received LB 806 on May 28, 1997 and subsequently signed on June 3. Upon its enactment, LB 806 created an equalized formula to appropriate funding for the core services ESUs were now required to deliver. The core services enacted were the same as were described in the introduced legislation, staff development, technology, and instructional material support. Specifically, these services were to

- (1) Improve teaching and learning by enhancing school improvement efforts, (2) meet statewide requirements, and (3) achieve statewide goals...the services must be: identified as necessary by the ESU and the member district; difficult for the individual districts to provide effectively and efficiently; adequately funded to ensure the services are provided equitably; designed so that the effectiveness and efficiency can be evaluated on a statewide basis; and minimize the cost of administration and service delivery. (Legislative Research, 1997, p. 39)

The bill also allowed ESUs to provide contractual services supporting nonmember or nonpublic schools, other ESUs, and other political subdivisions. The final aspect of LB 806 affecting ESUs directly was its provision for ESU reorganization and restructure which allowed ESUs 12 and 13 to begin the process of merging the following year.

County Superintendent. The 95th Legislature was not finished with LB 806 yet and it became a terminal year for Nebraska's County Superintendents. On the heels of LB 419, three bills were heard by the Education Committee (Figure 31) regarding the future of the office of county superintendent, LB 663, 808, and 789. Each bill was heard on the same day, February 24, 1997 with testimony provided by county superintendents, educational organizations representing county superintendents, and the Nebraska Department of Education (Figures 34, 35, and 36).

Testifier	Organization	Support/Oppose
Robert Hallstrom	Nebraska Association of County Superintendents	Oppose
Harold Koch	Scottsbluff County Office, Nebraska Association of County Superintendents, and State County Superintendent's Association	Oppose
John Bonaiuto	Nebraska Association of School Boards	Support
Ed Aden	Gage County Office	Oppose
Brian Halstead	NDE	Neutral

Figure 34. Testifiers for LB 663, 1997 (*Ed. Comm. Hearing for LB 663, 1997*).

LB 663 proposed by Senator Schellpeper was to eliminate the office and give duties relative to the operation of the school district to the local district. All other duties would be the responsibility of the Commissioner of Education to assign them, as he felt necessary.

Senator Stuhr's LB 808 was also to eliminate the county superintendent office but suggested distributing the duties to the ESU for three years. During this time, the duties would be permanently distributed by NDE and the ESUs.

Testifier	Organization	Support/Oppose
Robert Hallstrom	Nebraska Association of County Superintendents	Oppose
Memo	ESU Administrators Association	Support
Harold Koch	Scottsbluff County Office, Nebraska Association of County Superintendents, and State County Superintendent's Association	Oppose
Russel Hoppner	Hamilton County Office	Support
John Bonaiuto	Nebraska Association of School Boards	Support
Ed Aden	Gage County Office	Oppose
Brian Halstead	NDE	Neutral
Richard Halvorsen	Not specified	Support

Figure 35. Testifiers for LB 808, 1997 (Ed. Comm. Hearing for LB 808, 1997).

These bills were to be a solution to property tax relief and improved efficiencies. In her testimony, Senator Stuhr quoted Dr. Leonard Gregory of the Nebraska Center for Rural Education and Small Schools,

In Nebraska 83 counties have only part time County Superintendents right now.

There are only nine county superintendents that are full time. One person was county superintendent in two counties. Nearly one-third of the county superintendents spend less than 25 percent of their time on the job. Another 30 county superintendents spend less than 25 to 50 percent of their time on the job. Nearly all county superintendents are only part time and nearly a third of them spend less than a quarter of already part-

time position on the job. (*Ed. Comm. Hearing on LB 808, 1997, pp. 35-36*)

When interviewed for this study, one stakeholder recalled his attendance at this hearing and said the county superintendents were not opposed to the transition. They were of the age to retire and felt the timing was right.

Senator Bohlke introduced the final bill of the trio, LB 789. She emphasized the need for more efficiency and suggested regionalizing the county superintendents rather than eliminating them. This restructure of the county office would have reduced spending. Robert Hallstrom's LB 789 restructured the county superintendent offices from 93 to 16, so significantly reducing the costs, bureaucracy, and increase efficiencies.

Testifier	Organization	Support/Oppose
Robert Hallstrom	Nebraska Association of County Superintendents	Support
Ron Winninghoff	Otoe County Office	Support
Lavonne Mrazek	Perkins County Office	Support
Harold Koch	Scottsbluff County Office, Nebraska Association of County Superintendents, and President of State County Superintendent's Association	Support
Russell Hoppner	Hamilton County Office	Oppose
John Bonaiuto	Nebraska Association of School Boards	Support
Jack Mills	Nebraska Association of County Officials	Support
Mike Dulaney	Nebraska Council of School Administrators	Support
Ed Aden	Gage County Office	Oppose
Brian Halstead	NDE	Neutral
Richard Halvorsen	Not specified	Oppose

Figure 36. Testifiers for LB 789, 1997 (Ed. Comm. Hearing for LB 789, 1997).

ESUs were discussed as an agency who could perform the responsibilities of professional development and school improvement, but as ESUs were not a regulatory arm, there was a perception by the seated County Superintendents that there was a need for their office to resolve the compliance and regulatory responsibilities. This continued to be the role of ESUs, as was shared by a stakeholder during the interviews. Those who participated in this study reported ESUs are service providers and have no regulatory authority, even today.

As testimony continued, it was evident the County Superintendents supported each one of these three bills, with strong support toward LB 789 which was to regionalize the county offices of superintendent. In the end, however, testimony revealed the county superintendent's office to be a level of regulation that had outlived its usefulness, and held responsibilities that could be distributed to NDE, ESUs, or even the County Clerk's office.

LB 808 was the only part of this trio to make it out of the Education Committee, but not in its original form. Portions of LB 808 were amended out and placed into the enacted legislation of LB 806. This bill, upon its enactment, eliminated the elective office of County Superintendent effective June 30, 2000. The provisions to LB 806 related to county superintendents met with approval and signed into law by the governor in its entirety on June 3, 1997 (See Figure 33 on page 81).

Distance Learning. As technology became an educational tool, the schools were able to benefit from the course offerings of other school districts by using the statewide distance learning network. This work began in 2003 when the legislature enacted LB 680 that created the Distance Education Enhancement Task Force charged with the development of a statewide plan for distance learning coordination. This work led to the introduction of LB 1208 in 2006 during the Second Session of the 99th Legislature.

LB 1208 was introduced to the Education Committee (Figure 37) by Senator Raikes on January 20, 2006. In general, this bill would have given the ESUs the responsibility of providing distance learning to the school districts, where it had been a coordinated effort between educational institutions.

Ron Raikes, Chairperson, District 25	Dennis Byars, Vice Chairperson, District 30
Patrick Bourne, District 8	Gwen Howard, District 9
Gail Kopplin, District 3	Vickie McDonald, District 41
Ed Schrock, District 38	Elaine Stuhr, District 24

Figure 37. Education Committee of Nebraska's 99th Legislature (Ed. Comm. Hearing on LB 1208, 2006).

The hearing for LB 1208 was February 13, 2006 in what must have been a full room by the number of testifiers (Figure 38). Senator Raikes opened with his statement describing the reasons and purposes of the bill. The bill contained six recommendations of the Distance Learning Task Force. These were (1) including transferring the distance education services from distance education consortia to the ESUs, (2) the creation of Network Nebraska which would be a network of contracts for access to reliable, (3) high speed telecommunications, (4) the creation of a Distance Education Council to coordinate course offerings, (5) a funding incentive system using Nebraska lottery proceeds, and (6) description of the impact on state aid formula to schools (Raikes, 2006). The questions asked of Senator Raikes prior to opening the room for further testimony were centered on the funding aspect of this bill. The lottery funds, at the time this bill was heard, were divided into two parts, educational and environmental. This bill was to use the part earmarked for education.

Testifier	Organization	Support/Oppose
Robert Evnen	State Board of Education	Support
Commissioner Doug Christensen	Nebraska Department of Education	Support
Nigel Buss	ESU 8, ESU 2, ESU 7, Northeast Nebraska Network Consortium, Eastern Nebraska Distance Learning Consortium, and Crossroads Distance Learning Education Consortium	Support
Suzan DeCamp	Nebraska Association of School Boards, St. Paul Public school Board	Support
Marchall A. Hill	Coordinating Commission for Postsecondary Education	Support
Milfort L. Smith	Nebraska Coalition for Education Equity and Adequacy	Support
Walter Weir	University of Nebraska	Support
Dennis Linster	Wayne State College	Support
Thomas O'Neill	Association of Independent Colleges and Universities of Nebraska	Support
Terry Haack	Nebraska Council of School Administrators	Support
Art Tanderup	Tekamah-Herman Community Schools	Support
Jay Sears	Nebraska State Education Association	Support
Justin Brady	INTRALOT USA	Support
Brenda L. Decker	State of Nebraska Chief Information Officer	Neutral

Figure 38. Testifiers for LB 1208, 2006 (Education Committee Statement, LB 1208, 2006).

Testimony from the State Board of Education related to this bill addressed equity of course offerings across the state. It was thought, as Robert Evnen stated, “that this type course offering would improve the breadth and the frequency of the important instructional offerings throughout the state, especially in school districts that lack the resources to provide them” (*Ed. Comm. Hearing on LB 1208, 2006, p. 10-11*). ESUs were to provide equity in

resources, so it was natural to think ESUs could be responsible for this service as well. Others who testified voiced similar sentiments. Commissioner Christensen commented on how the type of network proposed in this legislature would also be a means of aggregating costs promoting equity. By having the ESUs coordinate the service, the service itself was less costly for districts.

After an affirmative filled testimony, LB 1208 advanced to General File March 7, 2006 where floor debate began. Again, the topic of debate was not that of whether or not the ESUs were the right entity to coordinate, as much as it was the funding. After advancing to Select File, LB 1208 was passed by the Legislature on April 5, 2006 with a vote of 40-2-7 (Figure 39). Governor Ben Nelson signed it on April 11, 2006.

Senators Voting Aye, 40			
Aguilar	Baker	Beutler	Brown
Burling	Byars	Connealy	Cudaback
Cunningham	Engel	Erdman	Flood
Foley	Friend	Howard	Hudkins
Janssen	Jensen	Johnson	Kopplin
Kremer	Kruse	Landis	Langemeier
Louden	Mines	Pahls	Pedersen, Dw.
Pederson, D.	Preister	Price	Raikes
Redfield	Schimek	Schrock	Smith
Stuhr	Stuthman	Thompson	Wehrbein
Senators Voting Nay, 2			
Bourne	Chambers		
Senators Not Voting, 7			
Brashear	Fischer	Heidemann	Synowiecki
Combs	Cornett	McDonald	
Constitutional Majority result, 82%			

Figure 39. Record Vote in Passage of LB 1208, 2006 (Legislative Chamber, 2006).

As enacted, LB 1208 created Network Nebraska that enabled schools to access reliable, high-speed network for distance learning. Representatives from each ESU populated

the Distance Education Council, also created by this bill, whose charge was to coordinate course offerings in the distance learning network across the state. The bill detailed a mechanism to fund the project relying on Nebraska lottery proceeds.

Governance. The governance structure of ESUs relates to the board of ESU, as well as the ESU Coordinating Council. Original legislation did not give great detail as to the operation and duties of governance, so later legislation was found to be necessary. Figure 40 is a listing of the bills found in this section addressing these additional areas.

ESU Coordinating Council	LB 600 (2007)	LB 601 (2007)	LB 602 (2007)	LB 603 (2007)
Board Meetings	LB 465 (2009)	LB 361 (2009)		
Political Subdivision	LB 1069 (2010)	LB 1071 (2010)		
Single District ESU	LB 446 (2011)			

Figure 40. Governance Policies Studied.

ESU Coordinating Council. The 2006 Education Committee, under chairmanship of Senator Ron Raikes conducted an interim study of the ESUs and their structure. An emailed survey (Sen. R. Raikes, personal communication, October 4, 2006) was distributed to each public school in the state regarding the services felt to be priorities as well as the effectiveness of those services. In addition to the survey, the school districts were asked a variety of questions related to the structure of the ESUs. The results of this study led to the introduction of LB 603 to the Education Committee (Figure 41) by Senator Cornett in the First Session of the 100th Legislature, on January 19, 2007.

Ron Raikes, Chairperson, District 25	Gail Kopplin, Vice Chairperson, District 3
Gwen Howard, District 9	Brad Ashford, District 20
Greg Adams, District 24	Bill Avery, District 28
Carroll Burling, District 33	Joel Johnson, District 37

Figure 41. Education Committee of Nebraska's 100th Legislature (Unicameral Clerk of the Legislature, 2007).

Senator Raikes, in his Statement of Intent (2007), made a recommendation to combine the ESU's core services and technology infrastructure. Among the funding details was an additional funding allowance for the responsibilities necessary to have a satellite office for the cooperation and operation of the distance learning network. Amendments were added to LB 603 that addressed ESU boundaries, ESU Coordinating Council, ESU election districts, ESU funding formula, and distance education incentives.

Senator Raikes introduced clarification of boundary changes following school district or ESU mergers in LB 600. As part of LB 603, boundary changes required the State Board of Education to make the adjustment. These new boundaries were to be reported annually. Brian Halstead testified that this bill was simply a clarification bill so boundaries were drawn correctly. There was very little testimony for this bill, so the committee moved quickly to the next item, LB 601 (Figure 42).

Testifier	Organization	Support/Oppose
Michael Ough	ESU 2	Support
Brian Halstead	NDE	Support

Figure 42. Testifiers for LB 600, 2007 (Education Committee Statement, LB 600, 2007).

LB 601, introduced by Senator Raikes, was amended into 603 that created an Educational Service Unit Coordinating Council. This Council would assume the powers, duties, assets, and liabilities of the Distance Education Council enacted by LB 1208 only one-year prior. The ESU Coordinating Council was to be made up of one ESU Administrator per ESU. This Council would receive a portion of the ESU appropriations and would not only work with the coordination of the distance learning network, but also coordination of statewide services for the most cost-effective services. The Council was to function under the Open Meetings Act. (Legislative Research, 2007). In his statement to the Committee when introducing LB 601, Senator Raikes stated “there are broader more substantive changes we need to make in the organization structure to make the [ESUs] work better, fit the time, and so on and so forth” (*Ed. Comm. Hearing on LB 601*, 2007, p. 18). He felt the Coordinating Council would provide a structure for coordination and collaboration between ESUs. The Council would follow the Open Meeting Act, which would, Senator Raikes mentioned, take care of issues raised by some. NDE’s role with ESUs had been in the manner of partnership and a close working relationship. Senator Raikes explained ESUs help NDE deliver services to individual schools, but he wanted a look at the organization duties and how they could be better outlined. There were questions as to the potential for inserting a layer of bureaucracy, but Senator Raikes did not believe that to be the case. Affirmative testimony (Figure 43) included that of the ESUs and the Nebraska Council of School Administrators. Each felt the Coordinating Council was a positive step and giving authority to the Council for coordination of Distance Learning was critical.

Testifier	Organization	Support/Oppose
Wayne Bell	ESU 10	Support
Mike Dulaney	Nebraska Council of School Administrators	Support

Figure 43. Testifiers for LB 601 (Education Committee Statement, LB 601, 2007).

LB 602, also introduced by Senator Raikes, became part of 603 as well. It established election districts for their board members. Prior to this change, ESU board members were established in the original 1965 ESU Act which consisted of one member from each county for two-year term, four members at large who were residents of the counties the ESU supported for a two-year term, and while no more than two could be elected/appointed from the same county. LB 602 divided each ESU, excluding the two-single district ESUs, into five to 12 election districts. Supporters of LB 602 felt the bill more clearly defines who the board members were and who they represented. Those in opposition felt the district lines defining the ESUs should be set by the Legislature or Secretary of State, not left to the ESUs. Others in opposition were less reluctant when they understood the number of ESU board members could be five to 12, rather than the original introduced language in LB 603 which stipulated the board must have 12 members (Figure 44).

Testifier	Organization	Support/Oppose
Brian Halstead	NDE	Support
William Ragan	Self	Oppose
Brian Hale	Nebraska Association of School Boards	Oppose
Jim Stock	ESU 3, Nebraska Association of School Board	Oppose

Figure 44. Testifiers for LB 602, 2007 (Education Committee Statement, LB 602, 2007).

The hearings for LB 600, 601, and 602 led up to the testimony for LB 603. Although these bills were amended into LB 603, this researcher felt it necessary to include hearing information for them in order to give LB 603 a clear picture. LB 603 provided an equalization formula to the appropriations funding the ESUs receive. This formula established a means to address the needs of telecommunications, satellite offices, sparsity, and student count. Proponent testimony (Figure 45) was in response to a need for adjustments according not only to need but also student count. Opposition testimony was concerned that there would be some ESUs who would lose funds as a result of this formula. This was true, but they also supported of the idea of an equalization formula. Some would come out ahead, some would not.

Testifier	Organization	Support/Oppose
Randy Peck	ESU 8	Support
Virgil Horne	Lincoln Public School	Neutral

Figure 45. Testifiers for LB 603, 2007 (Education Committee Statement, LB 603, 2007).

There was lengthy discussion about the equalization aspect of LB 603, but after much debate and discussion, it advanced to General File with the amendments, on March 27, 2007. The floor of the Unicameral began debate on the bill on April 24, 2007. The debate was short. Senator Raikes began his statement with a history of how LB 603 came to be, beginning with the original ESU Act of 1965, continuing throughout the interim work he was involved with in 2006, and concluding with the other bills that made up the amendments to LB 603. He explained that services such as special education, technology, media, professional development, cooperative purchasing, and assessment were used most often. He described the funding structure as it existed before the bill and then what it would look like after. There

was a brief discussion as to the governance and the need for a Coordinating Council. During the debate, there was an amendment offered by the State Auditor's Office making the Coordinating Council subject to audit and the Budget Act, which had no opposition.

Senator Raikes responded to questions during the debate regarding rationale for the change in ESU boards to election district. He explained, "It's mostly to make those boards correspond to the one person, one vote principle" (Nebraska Legislature, 2007, p. 11). There was concern brought to the debate that this principle would cause some smaller school district to have less representation. Although that was a possibility, Senator Raikes emphasized the ESUs would draw their own district lines, and this change would provide a consistent governance method to education agencies.

Debate continued for a short time discussing, largely, the funding structure after which the question was called. After advancing to Select File, LB 603, with an emergency clause, passed to the governor on May 24, 2007 with a vote of 42-0-7 (Figure 46). Governor Dave Heinemann signed the bill the same day.

Senators Voting Aye, 42			
Adams	Aguilar	Ashford	Avery
Burling	Carlson	Chambers	Christensen
Cornett	Dierks	Dubas	Engel
Erdman	Fischer	Friend	Fulton
Hansen	Harms	Howard	Janssen
Johnson	Karpisek	Kopplin	Kruse
Langemeier	Lathrop	Louden	McDonald
McGill	Mines	Nankes	Nelson
Pahls	Pankonin	Preister	Raikes
Rogert	Schimek	Stuthman	Synowiecki
White	Wightman		
Senators Voting Nay, 0			
Senators Not Voting, 7			
Flood	Gay	Pedersen	Pirsch
Wallman	Heidemann	Hudkins	
Constitutional Majority result, 86%, requiring two-thirds majority affirmative			

Figure 46. Record Vote in Passage of LB 603, 2006 (Legislative Chamber, 2007).

Board Meetings. LB 465 was a little bill that became attached to LB 361 before the governor in the First Session of Nebraska's 101st Legislature approved it. LB 465 was introduced to the Government, Military and Veteran Affairs Committee (Figure 47) by Senator Christensen on January 22, 2009. The hearing for LB 465 was held February 19, 2009. The bill, simply put, allowed ESU boards to hold meetings by telephone or videoconference (Legislative Research, 2009). Senator Avery, in his Introducer's Statement of Intent (2009), explained that no more than one-half of the meetings in one calendar year could be held in this manner. He continued in his opening statement explaining with the geographic distance some board members must travel, this bill would be a welcome solution to occasion travel obstacles.

Bill Avery, Chairperson, District 28	Pete Pirsch, Vice Chairperson, District 4
Robert Giese, District 17	Charlie Janssen, District 15
Russ Karpisek, District 32	Rich Pahls, District 31
Scott Price, District 3	Kate Sullivan, District 41

Figure 47. Government, Military and Veterans Affairs Committee of Nebraska's 101st Legislature (*Gov., Mil., & Vet. Affairs Comm.* 2009).

Testimony was in the affirmative with those present sharing that the technology already exists in the ESUs, so no funding was necessary (Figure 48). This bill would allow greater access to the meetings. There would be a cost savings, as was pointed out by Mr. McMurtey when answering a question from Senator Pirsch. Board members were provided a mileage reimbursement, so by allowing some meetings via technology, there would be a

savings. The only testimony not in support was from the Media of Nebraska organization. Mr. Peterson urged the committee to be cautious when approving any additional bills that would allow a public meeting to occur over technology in order to preserve the integrity of the meeting and its interpretive content.

Testifier	Organization	Support/Oppose
Brent McMurtey	ESU 15	Support
Matt Blomstedt	ESU Coordinating Council	Support
Alan Peterson	Media of Nebraska	Neutral

Figure 48. Testifiers for LB 465, 2009 (Education Committee Statement, LB 465, 2009).

LB 465 did not advance to General File, although it was amended into LB 361 which did, in fact, move to General then Select File where the question was called on April 17, 2009 and passed with a vote of 48-0-1 (Figure 49). Governor Dave Heineman signed the bill into law on April 22, 2009.

Senators Voting Aye, 48			
Adams	Ashford	Avery	Campbell
Carlson	Christensen	Coash	Cook
Council	Dierks	Dubas	Fischer
Flood	Friend	Fulton	Gay
Giese	Gloor	Haar	Hadley
Hansen	Harms	Heidemann	Howard
Janssen	Karpisek	Langemeier	Lathrop
Lautenbaugh	Louden	McCoy	McGill
Mello	Nantkess	Nelson	Nordquist
Pahls	Pankonin	Pirsch	Price
Rogert	Schilz	Stuthman	Sullivan
Utter	Wallman	White	Wightman
Senators Voting Nay, 0			
Senators Not Voting, 1			
Cornett			
Constitutional Majority result, 98%			

Figure 49. Record Vote in Passage of LB 361, 2009 (Legislative Chamber, 2009)

Political Subdivision. Education Committee Chairperson, Greg Adams introduced legislation in 2010 during the Second Session of the 101st Legislature that was to change the provision of the ESU Coordinating Council, core services and technology infrastructure funding, and distance learning. Specifically, this LB 1069 would declare the Council a political subdivision, but without the authority to levy taxes. It also clarified provisions in the ESU funding formula as to ESUs who reorganize, as well as eliminating obsolete language related to distance education, and clarification of the role of Nebraska Information Technology Commission with regard to purchasing technology (Adams, 2010). This research focuses on the first aspect of this bill, declaring the ESU Coordinating Council a political subdivision.

LB 1069 was introduced to the Education Committee (Figure 50) on January 21, 2010 and had its hearing on February 2. Senator Adams explained in his opening statement to the Committee that LB 1069 developed out of conversations with the Coordinating Council's Executive Director, Matt Blomstedt, and the ESU Administrators. After the legislation in 2007 that created the Coordinating Council and imposed the requirements of Open Meetings Act upon them, there continued to be questions by the state auditor and the attorney general as to whether they were or were not a political subdivision who had to adhere to the Open Meetings Act, the Budget Act, and public disclosure. By stipulating via statute, the Council was indeed a political subdivision, so therefore they must comply with the Open Meetings Act.

Greg Adams, Chairperson, District 24	Gwen Howard, Vice Chairperson, District 9
Brad Ashford, District 20	Bill Avery, District 28
Abbie Cornett, District 45	Robert Giese, District 17
Ken Haar, District 8	Kate Sullivan, District 41

Figure 50. Education Committee of Nebraska's 101st Legislature (*Ed. Comm. Hearing on LB 1069, 2010*).

Mr. Blomstedt began testimony (Figure 51) with the rationale for the changes. He felt this bill was necessary for the Council to make structural clarification. The Nebraska State Auditor began auditing the Council annually in 2008 and as a result, had questions as to the fiscal management of programs. Prior to the Council, different ESUs acted as fiscal agent for different projects. The Auditor wanted all the projects under one management structure. The establishment of a political subdivision was thought to help with this restructure (*Ed. Comm. Hearing on LB 1069, 2010*).

Testifier	Organization	Support/Oppose
Matt Blomstedt	ESU Coordinating Council	Support
Don Ferneding	Southeast Nebraska Distance Learning	Support
Gordon Roethemeyer	Distance Education Council	Support
Walter Weir	University of Nebraska, Nebraska Information Technology Commission	Oppose
Ken Clipperton	Midland Lutheran College, Network Nebraska	Neutral
Brenda Decker	State of Nebraska Chief Information Officer	Neutral

Figure 51. Testifiers for LB 1069, 2010 (*Ed. Comm. Hearings on LB 1069, 2010*).

LB 1069 did not advance to General or Select File in its original form, but it was amended into LB 1071 when Senator Adams opened the floor for debate. Although there were many questions related to the aspects of 1071 that did not relate to ESUs, there were no questions regarding ESU Coordinating Council becoming a political subdivision. The question for LB 1071 was called on April 12, 2010 with a vote of 49-0-0 (Figure 52) (Legislative Chamber, 2010) with an emergency clause.

Senators Voting Aye, 49			
Adams	Ashford	Avery	Campbell
Carlson	Christensen	Coash	Conrad
Cook	Cornett	Council	Dierks
Dubas	Fischer	Flood	Fulton
Gay	Giese	Gloor	Haar
Hadley	Hansen	Harms	Heidemann
Howard	Janssen	Karpisek	Krist
Langemeier	Lathrop	Lautenbaugh	Louden
McCoy	McGill	Mello	Nelson
Nordquist	Pahls	Pankonin	Pirsch
Price	Rogert	Schilz	Stuthman
Sullivan	Uttter	Wallman	White
Wightman			
Senators Voting Nay, 0			
Senators Not Voting, 0			
Constitutional Majority result, 100%, requiring two-thirds majority affirmative			

Figure 52. Record Vote in Passage of LB 1071, 2010 (Legislative Chamber, 2010).

Single District ESU. ESU 18, Lincoln, and ESU 19, Omaha were established in 1997 as parts of LB 419 were amended into LB 806 (Appendix M). These school districts were, and are at the time of this study, Nebraska's only Class IV or Class V school districts and, due to their size, have resources allowing them to provide many of the services any other ESU may offer their member schools. Statute language was to eliminate single district ESUs in 2013. That was, of course, unless the Legislature decided otherwise. Senator Adams

introduced LB 446 after many questions arose as to the feasibility of these two ESUs to continue as single district ESUs. His bill authorized these single district ESUs to continue, however they were to participate in one or more statewide projects through the ESU Coordinating Council. By so designating these as single district ESUs, the bill also extended their authority to levy property tax. The bill also addressed some funding formula clarifications.

LB 446 was introduced to the Education Committee (Figure 53) on January 19, 2011 and was heard there on February 14. Testimony began with Senator Adams sharing his statement (Figure 54). It detailed the provisions for single district ESUs to be those only consisting of Class IV and V school districts. He explained that due to the existing statute, if the Legislature did nothing, ESUs 18 and 19, Lincoln and Omaha, would no longer exist. He went on to describe, however, that in order to do their work, they would find another school district to join with them so they could then be an ESU again. He felt that although this was legally possible, it was not in the best interest of the ESUs, as it encouraged what he referred to as “cherry picking” school districts to be a part of their ESU rather than remaining a part of their own (*Ed. Comm. Hearing on LB 446*, 2011, p. 20). This bill would not allow that to occur, as the bill required four or more school districts in its boundaries in order to be an ESU, unless large enough to be Class IV or V. This solution encouraged cooperation and collaboration. Senator Adams also added into LB 446 that the single district ESUs must participate in at least two statewide projects; that is, they cannot function entirely on their own. They had to collaborate and cooperate. The funding aspect of the bill reduced the single district ESUs core service dollars by five percent.

Greg Adams, Chairperson, District 24	Gwen Howard, Vice Chairperson, District 9
Bill Avery, District 28	Abbie Cornett, District 45
Brenda Council, District 11	Ken Haar, District 8
Ken Schliz, District 47	Kate Sullivan, District 41

Figure 53. Education Committee of Nebraska's 102st Legislature (*Unicameral Clerk of the Legislature*, 2011).

A stakeholder to the ESUs shared with the researcher that there was a need for the large districts to remain as their own ESUs, simply due to the political benefit. The two ESUs in reference, ESU 18 and 19, together account for nearly 20 of the 49 state senators. This political presence is an asset to the ESUs. Another stakeholder shared; however, there is still confusion as to why there is a need for the single districts. More communication and education are necessary to be clear with policy makers on this aspect.

Testifier	Organization	Support/Oppose
Matt Blomstedt	ESU Coordinating Council	Support
Mark Shepard	Lincoln Public School	Support
Liz Standish	ESU 19	Support
John Bonaiuto	Nebraska Association of School Boards	Support
Jay Sears	Nebraska State Education Association	Support

Figure 54. Testifiers for LB 446, 2011 (*Ed. Comm. Hearings on LB 446*, 2011).

Matt Blomstedt, the ESU Coordinating Council Executive Director began, proponent testimony sharing the statewide projects in progress including ESU professional development, statewide student record system for special education records, distance

education, cooperative purchasing, and instructional online materials. Senator Haar asked a very pointed question when he said, “Do you think this is really a good idea or are you just scared because money is tight” (*Ed. Comm. Hearing on LB 446, 2011, p. 23*)? Mr. Blomstedt responded by saying he was not worried about the money. Rather he was “really looking at what we can truly accomplish and build our capacities on top of...their own... to collaborate and work together to accomplish good things” (*Ed. Comm. Hearing on LB 446, 2011, p. 24*).

With regard to funding, Senator Sullivan was interested in knowing whether or not all ESUs were at their cent and a half levy lid. Mr. Blomstedt felt most were. When asked about cash reserves being high, he answered with the reasons why they must be high. The ESUs must carry the cash flow when funding a grant until the reimbursements come in, and they must cover cost of special education until the districts pay their invoices. These were two reasons ESUs hold a cash reserve.

A representative from Lincoln Public School said, “The future of our school district and the future of this ESU are imperative to be able to meet the growing needs of our student population” (*Ed. Comm. Hearing on LB 446, 2011, p. 26*). He felt the council was looking for ways to be more efficient. His school supported the single district ESU concept and did not feel joining with another school district, or three more school districts would be reasonable. There would be a need to redraw boundaries, establish board district, and ensure equal representation. These are already in place in the structure laid out in LB 446.

There being no testimony in opposition or in the neutral position, LB 446 moved to General File as a carryover bill in the Second Session of the 102nd Legislature. It moved to Select File on February 13, 2012. Senator Gloor asked Senator Adams in debate why he felt there was a need for single district ESUs. Senator Adams shared that the student population

of ESU 18 and 19 is more than that of the other ESUs total count combined. If there were to be statewide projects, and ESUs 18 and 19 were not involved, there would be a sizable gap in the actual statewide effort. In order for the ESU concept to work, there needed to be a statewide collaboration that could only occur when all students are represented (Nebraska Legislature, 2012). There was little other discussion regarding the single district concept. Consistent with other floor debates with bills contain funding elements, the discussion focused largely on the funding aspect of the bill. The question to vote on this bill was called on March 8, 2012 and passed with a vote of 46-0-3 (Figure 55). Governor Dave Heineman signed the bill on March 14, 2012.

Senators Voting Aye, 46			
Adams	Avery	Bloomfield	Brasch
Campbell	Carlson	Christensen	Coash
Cook	Cornett	Council	Dubas
Fischer	Flood	Fulton	Gloor
Haar, K.	Hadley	Hansen	Harms
Harr. B.	Heidemann	Howard	Janssen
Karpisek	Krist	Lambert	Langemeier
Larson	Lathrop	Louden	McCoy
McGill	Mello	Nelson	Nordquist
Pahls	Pirsch	Price	Schilz
Schumacher	Seiler	Smith	Sullivan
Wallman	Wightman		
Senators Voting Nay, 0			
Senators Not Voting, 3			
Ashford	Conrad	Lautenbaugh	
Constitutional Majority result, 94%			

Figure 55. Record Vote in Passage of LB 446, 2012 (Legislative Chamber, 2012)

Summary

This final section provides a summary of the highlights of the findings from Chapter 4 and provides a transition to Chapter 5. Findings of this research clearly demonstrate the majority of the legislative policy enacted from 1992 to 2018 has a great emphasis on the funding structure of ESUs and their services. This researcher upon initiating this work, anticipated there to be a greater number of patterns found in the research. After analysis, there were three themes. These were funding, roles of the ESU, and governance.

The research gathered here was extensive but limited to enacted legislation. The final legislative bill analyzed and included in this study was enacted in 2012. Since that time, the researcher found there to be no substantive enacted legislative bills signed by the governor through 2018. Appendices J and N provide the ESU Act and ESU map as is current at the conclusion of this research. There is much more available to study, and it is the responsibility of those interested in policy decisions related to ESUs to continue this work. With regard to the changing demands of education and the need for periodic study and review, Robert Isenberg in 1968 said,

Although probably never completed, reorganization is a job which is the only systemic way of trying to keep the structure in tune with the job that must be done. It is the only way by which the state system can avoid the possibility of becoming obsolete, inadequate, and weak. (*Nebraska Educational*, 1977, p. 1)

This ongoing reorganization and assessment may be what keeps the ESUs from losing their seat at the educational table in Nebraska.

Although term limits were not specifically discussed in the findings of this study, they need to be considered in the overall view of this work. Four of the stakeholders interviewed

for this study felt this research was necessary in order to have a foundation for policy makers to reference in terms of enacted legislation. Term limits have not only limited the time the senator serves Nebraska's Unicameral, they more importantly limit the historical perspective in the lawmaking process.

Chapter 5 will be a condensed representation of this study in a policy paper format. It is the researcher's intention to present the information discovered through this study in a format palatable to policy makers. Chapter 5 will be that work.

CHAPTER 5

Introduction

Chapter 5 contains recommendations for future study as well as chapters one through four in a condensed policy paper. Although the formatting follows those guidelines necessary for submission to Association of Educational Service Agencies' professional journal, *Perspectives*, this is not the primary intent of the document. The target design of this chapter is to impart the findings of this historical case study in a format that can be easily referenced by Educational Service Unit (ESU) Administrators, lobbyists, state legislators and their staff, ESU board members, school district administration, or any other stakeholder to the ESU. Because this is the audience and purpose of this policy paper, the researcher has included recommendations for further study as part of the document. Traditional policy papers may not include this element, but it is necessary for the stakeholders to reflect on the need for future, ongoing research on this topic.

**NEBRASKA EDUCATIONAL SERVICE UNITS:
A STUDY OF LEGISLATIVE POLICY HISTORY
1992-2018**

by

Larianne Polk

Abstract

Nebraska's Educational Service Units (ESUs) are under threat of de-funding, consolidation, and even elimination. For too long, the ESUs have been an invisible asset to school districts, providing equity to our rural schools, and expertise to our more urban schools. ESUs work from the expectation of efficiency and effectiveness, to be good stewards of taxpayers' dollars, to provide to school districts what is needed and necessary, to be on the cutting edge in ways school districts cannot, use economy of size to drive costs down, to innovate, and to provide best practice education to school districts, administrators, teachers, and students. This study addresses the need for a detailed history of the Nebraska Educational Service Unit Act beginning in the year 1992 in the 92nd Legislative Session to the end of Nebraska's 2018 105th Legislative Session and identifies themes or patterns throughout this time.

Findings of this research clearly demonstrate the majority of the legislative policy enacted during this time has a great emphasis on the funding structure of Educational Service Units and their services. This researcher upon initiating this work, anticipated there to be a greater number of patterns found in the research. After analysis, there were only three main categories or themes: funding, role of ESUs, and governance. These three themes were further disaggregated for deeper analysis. The funding theme emphasized dollars associated with telecomputing, core service appropriations, decreased levy authority, state appropriations, and general fund specifically for technology. The role of ESUs focused on core services, county superintendents, and distance learning. Finally, governance patterns related to the ESU Coordinating Council, ESU board meetings, political subdivision, and single district ESUs. Decisions at the Legislative level are complex. Without comprehensive historical information, policy decisions are not only difficult to make, but potentially

inaccurate and incomplete. This study fills the gap that presently persists with regard to a historical reference for the Nebraska Educational Service Unit Act of 1965 since 1992.

Keywords: ESU, Policy, History, Legislature

Introduction

ESUs are a vital part of Nebraska education and continue to come under scrutiny in the Nebraska Unicameral as a potential means to solving a financial crisis. The ESUs receive funding from the State of Nebraska and use these funds to provide a variety of services to schools of all sizes across the state. State statute defines how these dollars are distributed, what services must be provided, what the governing structure is, and where these ESUs are located. Although the role of ESUs were defined in its original statute in 1965, clarifying legislation continued and a broader level of refinement took place in the years following. Governance of the ESUs including the board member election process and the statewide ESU Coordinating Council, underwent a detailed rewrite and revision in statute. These changes are among others since the 1965 Educational Service Unit Act. Only after term limits were enacted in 2006 did this become concerning, as so much institutional history was lost when senators ended their legally allowed term limit, and a new freshman senator started. This term limit challenge, coupled with the desperate need to resolve the Nebraska's revenue shortage, leads to decisions made and legislative policy drafted, without the complete necessary information. In absence of a formal, documented, comprehensive policy history of the Educational Service Unit Act, decisions could be made that will impact Nebraska's neediest school districts, and ESUs could be jeopardized.

Three themes emerged from the research surrounding ESU legislative policy in the years 1992 through 2018, funding, role of ESUs, and governance (Figure 1). The sections to follow herein identify these patterns and the legislative policy corresponding to each. A foundational grounding is first necessary to assist with the understanding of the contents of the original statute establishing Educational Service Units.

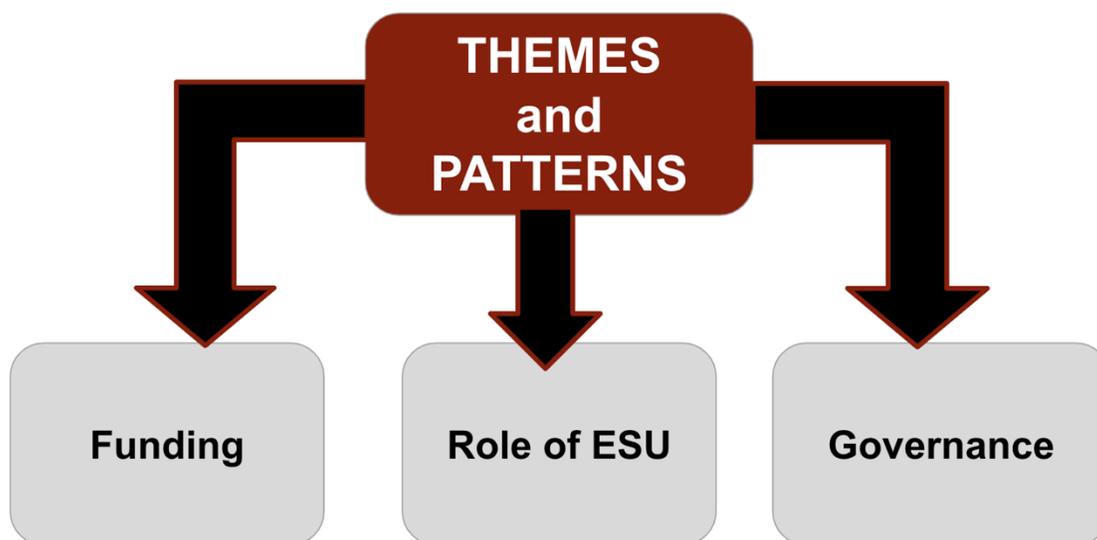


Figure 1. Themes Identified Through Enacted Legislation 1992-2018.

Educational Service Unit Act of 1965

In the late 1940s, the County Superintendent Association had concerns about the efficacy of its own County Superintendent Offices in providing supplemental education for students, especially those in sparsely populated areas of Nebraska. These concerns led to studies and dissertation research between 1954 and 1965 (Anderson, 1959; Ellison, 1959; McKenzie, 1964; McPherran, 1954; National Education, 1954; and Turner, 1959). This research initiated the drafting of LB 301, later named the Educational Service Unit Act. The

bill was introduced to the Education Committee of the 75th Legislature on February 23, 1965 by Senator Ross Rasmussen of District 15 and Senator Richard Marvel of District 33 and was signed by Governor Frank Morrison on August 10, 1965 (Legislative Chamber, 1965).

Statements supporting the establishment of ESUs.

- ESUs would provide equal educational opportunity to Nebraska school children.
~ Senator Marvel (*Ed. Comm. Hearings on LB 301, 1965*)
- ESUs would coordinate services that are otherwise difficult to access. ~ Senator Marvel (*Ed. Comm. Hearings on LB 301, 1965*)
- ESUs would furnish supplemental supports and services to county schools that the County Superintendent Office was not equipped to deliver. ~ County Superintendents (*Ed. Comm. Hearings on LB 301, 1965*)
- ESU system would provide better programming for Nebraska's neediest children, provide programming to schools in counties where finances were limited, and would establish a structure with which the ESU would work with the member school boards to determine services they need. ~ Rosalie Farley, Professor of Education Administration, Nebraska Board of Regents (*Ed. Comm. Hearings on LB 301, 1965*)
- Because the United States passed the Elementary and Secondary Education Act, PL 89-10, in 1965 to provide states with assistance to help educate children with disabilities, school districts of every size were preparing for what was potentially an incredible increase in resources spent on students with special needs. Smaller, more rural school districts did not have the resources available to them. Large school districts were concerned the extra strain on their districts to provide

services to students whose families move to the larger school districts in order to receive the services, places undue burden on them. ~ Millard and Lincoln Public Schools (*Ed. Comm. Hearings on LB 301, 1965*)

Statements opposing the establishment of ESUs.

- There was concern in the areas where services were already provided by county superintendents, that ESUs would provide duplication. ~ Bernard Gyger, Omaha Assistant Superintendent (*Ed. Comm. Hearings on LB 301, 1965*)
- The expense accompanying this legislation was too much. ~ Nebraska School Improvement Association (*Ed. Comm. Hearings on LB 301, 1965*)
- There were concerns that it would be wrong for a formal state agency in Nebraska to accept Federal money. ~ Nebraska Rural School Boards Association (*Ed. Comm. Hearings on LB 301, 1965*)
- There was discussion as to the need for the largest school districts to be exempt from the bill entirely as they were large enough to provide their own supports. ~ Senator Brauer (*Ed. Comm. Hearings on LB 301, 1965*)
- Questions emerged related to ongoing sustainability of funding the ESUs. ~ Senator Carpenter (*Ed. Comm. Hearings on LB 301, 1965*)
- The appearance of forced school reorganization and heavy government involvement was a concern for some. ESUs were referred to as Super School Districts which heightened opposition to the intermediate unit concept even after the passage of the bill. ~ Black Hats, a private organization who was reported in the Omaha World Herald to control the state school board (*Ed. Comm. Hearings on LB 301, 1965*)

- Some small schools were opposed to the establishment of ESUs because they felt if struggling schools with limited resources were to supplement their educational offerings with the ESU's services, it would encourage them to remain open, when they should consolidate or reorganize ~ Senator Brauer (*Ed. Comm. Hearings on LB 301, 1965*)

LB 301 contained many specific details related to governance, funding, geographical area, and rules and regulations. The ESU board along with the school district boards were to provide (1) supplementary services such as guidance and counseling, remedial instruction, school health, adult education including area vocational technical schools, special education, and instructional material centers, (2) planning and coordinating educational services, and (3) contracts for educational services outside the ESU area (Legislative Chamber, 1965). The bill allowed counties to become excluded from the ESU by general election. Boards were to consist of one member from each county for two-year term, four members at large who were residents of the counties the ESU supported for a two-year term, and while no more than two could be elected/appointed from the same county (Legislative Chamber, 1965).

The sections that follow describe the enacted legislation impacting the ESUs from 1992 through 2018 (Figure 2). This legislative summary provides a brief description of the bill(s) introduced, statements in support of or in opposition to the legislation, and information resulting in a passed bill.

Year	Bill #	Description
1965	LB 301	Establishment of Educational Service Unit Act
1993	LB 452	Allowed ESUs to provide Internet to school districts. Provided procedure for ESUs to levy for Internet expenses up to .5 cents
1993	LB 348	With emergency clause, required ESUs to provide school districts with Internet immediately after passage of bill
1995	LB 860	School Technology Fund and ESU levy to assist development of telecomputing networks
1996	LB 1114	Decrease in levy authority from 3.5 cents to 1.5 cents
1997	LB 806	Core Services defined and funding established, service approval by 2/3 of school districts representing 50% of student population, allowed for contracting under Interlocal Cooperative Act, provisions for consolidations and mergers.
1998	LB 1110	Core Services funding
1999	LB 386	Provides Ongoing Technology Funding for ESUs
2006	LB 1208	Gave ESUs responsibility of providing DL to school districts
2007	LB 603	Creation of ESU Coordinating Council, aligns the boundaries of each ESU with the member school district boundaries, change in election provisions of board members
2009	LB 361	Provisions authorizing boards of ESUs to hold meetings by telephone or video conference
2010	LB 1071	Designates the ESU Coordinating Council as a political subdivision without taxing authority
2012	LB 446	Authorizes ESU to continue to have single district ESUs, Class IV or Class V, modifies the funding formula for core services and technology infrastructure

Figure 2. Timeline: Nebraska Educational Service Unit Legislation, 1992-2018.

Funding

Several policy changes occurred with regard to funding in the years 1992-2018 with distinct patterns (Figure 3). This subsection includes discussion of LB 452 (1993), 348 (1993), 860 (1995), 1114 (1996), 1110 (1998) and 386 (1999).

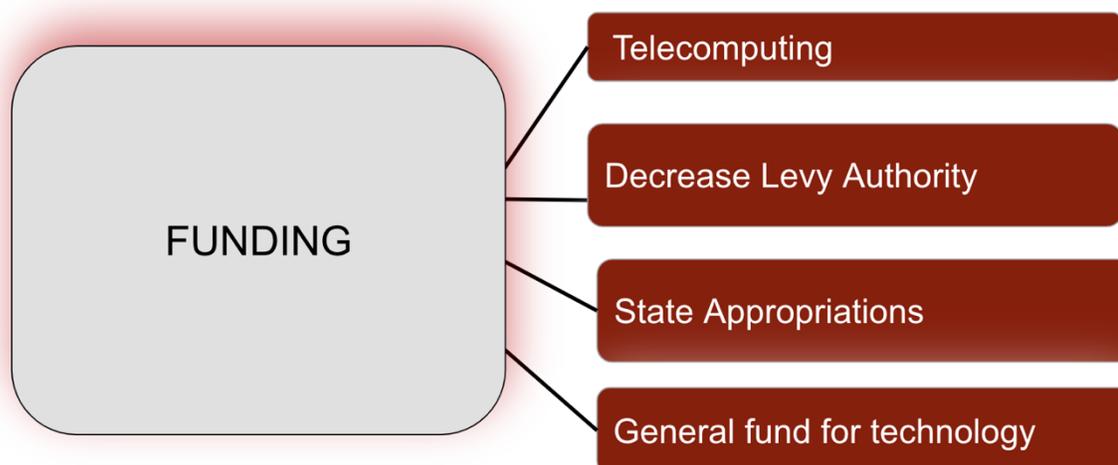


Figure 3. Patterns Found Within the Funding Theme.

Telecomputing. LB 452 was introduced by Senator Withem to the Revenue Committee on January 28, 1993 in the first regular session of the 93rd Legislature. It authorized ESUs to levy an additional property tax of up to one half cent on each \$100 of taxable value in order to provide telecomputing resources, Internet, for their member school districts. This increased the ESUs taxing authority from three and a half cents to four cents (*Rev. Comm. Hearings on LB 452, 1993*).

Statements supporting the funding for telecomputing.

- The bill allowed for interlinking computers to have their data and information shared, via the Internet. ~ Senator Withem (*Rev. Comm. Hearings on LB 452, 1993*)
- This bill was a solution to the financial obstacle school districts had in obtaining the necessary equipment to bring their school up to the required technology standards to support the Internet (*Rev. Comm. Hearings on LB 452, 1993*).

- This bill allowed the ESUs to maintain the school district's connection to the Internet by exceeding the levy lid by one half cent to pay for this service and revise the role and mission of the ESUs to include providing Internet connectivity support (*Rev. Comm. Hearings on LB 452, 1993*).
- School districts were relieved of the problems of providing equity in programming to school district across the state, especially in the areas most isolated with less capacity to use traditional methods of education. ~ Joe Lutjeharms, Commissioner of Education (*Rev. Comm. Hearings on LB 452, 1993*)
- ESUs have the ability to use economy of scale to deploy technology supports to the smaller school districts at a lower cost. ~ Larry Lindquist, ESU 6 Administrator (*Rev. Comm. Hearings on LB 452, 1993*)
- Billing structures were in place between ESUs and school districts, so this bill was felt to be a natural fit. ~ Martha Fricke, Nebraska Association of School Boards (*Rev. Comm. Hearings on LB 452, 1993*)

Statements opposing the funding for telecomputing. No one spoke in opposition to LB 452 during the Revenue Committee Hearing, but some opposition was heard on the floor.

- Concerns regarding oversight and equity management of the equipment and networks resulted in an amendment that gave the Nebraska Department of Education the authority to coordinate the purchasing and planning for equipment as well as its alignment to the statewide technology plan (*Rev. Comm. Hearings on LB 452, 1993*).

The bill was presented to Governor Ben Nelson on March 25, 1993, where it was subsequently signed without an emergency clause. This meant the stipulations set forth in the

bill would not go into effect immediately. This was troublesome to many ESUs as they were preparing to move forward but could not without the funding in place. As a creative solution, Senator Withem introduced AM2582 to the 93rd Legislative Sessions' educational clean-up bill, LB 348. This amendment authorized ESUs to do what LB 452 described but had an emergency clause attached allowing the service to begin immediately. There was no opposition or lengthy debate on the floor regarding this amendment and was subsequently adopted on June 3, 1993. LB 348 and its companion appropriations bill, LB 348A, were passed by the legislature on June 8, 1993 and were signed by Governor Ben Nelson on June 10, 1993 (Legislative Chamber, 1993).

Two years after the passage of LB 452, LB 860 was introduced by Senator Robinson to the General Affairs Committee Legislature (*Gen. Affairs Comm. Hearing on LB 860*, 1995). This bill addressed apparent inequities in LB 452's distribution of funding support to K-12 school districts as were evident in the hearings. Most school districts had connected to the Internet by 1995, but only a fraction of every school building had this capability. The equipment, connectivity, and professional development costs were quite extensive and ongoing, so LB 860 created the School Technology Fund allowing school districts to apply for additional dollars for technology. This fund was supported in part by the Nebraska lottery proceeds and was a point of deep discussion both in the hearings and on the floor. This bill did not have any direct impact on ESUs but did raise the question multiple times as to if ESUs were doing their due diligence after given the authority to levy one half of a cent for technology, while not being successful in getting all K-12 school buildings connected. LB 860 passed the 94th Legislature on June 1, 1995 and Governor Ben Nelson signed it on June 7, 1995 (Legislative Chamber, 1995).

Decrease Levy Authority. Additional funding legislation related to ESUs came about in the second regular session of the 94th Legislature with the introduction of LB 1114 to the Revenue Committee on January 9, 1996. This was a complicated and contentious bill placing comprehensive limits on school districts' and ESUs' abilities to levy property taxes. As the property taxes in Nebraska began and continued to rise, LB 1114 worked to establish maximum property tax levy limits for various units of local government in Nebraska. Because of this bill, ESUs would move from their levy of three and a half cents to only one and a half cents per 100 dollars of taxable valuation, to begin in fiscal year 1998-1999. There were no testifiers at the hearing in support of this bill (*Rev. Comm. on LB 1114, 1996*).

Statements opposing the decrease in levy authority.

- The bill contained no replacement for the revenue lost. ~ Mr. Hale, Nebraska Association of School Boards (*Rev. Comm. on LB 1114, 1996*)
- There were concerns that if revenue was cut, so would services provided. ~ Mary Campbell, ESUs (*Rev. Comm. on LB 1114, 1996*)

The ESUs felt that although it was positive that this policy change was not directed at eliminating the ESU's ability to tax all together, it continued to place the ESUs and the supports they provided to school districts in jeopardy. The bill would place a 71 percent decrease in the maximum possible levy which at the time was three and a half cents and was proposed to be one and a half cents. Although the ESUs levied only 1.92 percent of the total state tax revenues for all primary and secondary education, there were an incredibly large number of services provided to each school district across the state in return (*Nebraska Educational, 1995*). The bill advanced to the floor and was later signed by Governor Ben Nelson on April 16, 1996.

State Appropriations. The 95th Legislative Session passed LB 806 that created provisions for the delivery of core services by the ESUs and funding based on student count. LB 1110 was introduced in the Second Session on January 13, 1998 by Senators Hartnett, Bohlke, and Wehrbein to the Appropriations Committee to fund those core services. These funds were to be provided to the ESUs from Nebraska's General Fund. The ESU's levy at the time of this bill was three and a half cents and would change to one and a half cents later in 1998 as was part of the levy limit passed two years prior with LB 1114 (Unicameral Clerk of the Legislature, 1999).

When LB 806 passed in 1997, the appropriations for ESUs was included, but it was based on a student populations formula which did not allow for enough funding to funnel to the smallest ESUs. LB 1110 as introduced in Senator Hartnett's opening statement, would require each ESU to receive at least 2.5 percent of the funds appropriated to them for the purpose of providing core services. Additionally, LB 1110 as introduced had a formula built in which allowed for that total appropriated amount to grow each year as the fall membership numbers grew in the state (*App. Comm. Hearing for LB 1110, 1998*).

Statements supporting the state appropriations.

- LB 1114 in 1996 put a lid on the ESU levy authority from three and a half cents to one and a half cents. Two years later, statute required ESUs to provide core services including professional development, technology, and instructional materials. This bill allowed for the funding for these services. ~ Rod Smith, ESUs and ESU Boards (*App. Comm. Hearing for LB 1110, 1998*)
- The innovative and cutting-edge support received by ESUs required funding in order to continue the work (*App. Comm. Hearing for LB 1110, 1998*).

- In order to do the work of the core services established by the state's legislature, state funding was necessary. ~ Bev Peterson, State Board of Education (*App. Comm. Hearing for LB 1110*, 1998)

Statements opposing the state appropriations. No one rose to speak in either opposition or in neutral position on this bill during the hearing. While debated, the most vocalized concern was that of core services not including the school nurse program. Although Senators Suttle and Schellpeper felt state appropriations were necessary, they questioned why nursing was not included (Nebraska Legislature Floor Debate Rec., 1998). This having little to do with the content of this bill, was discussed briefly, then ended. LB 1110 passed, as was the appropriations companion bill, LB 1110A and was delivered to the Governor Ben Nelson to sign. LB 1110A was signed, but LB 1110 was vetoed and sent back to the floor, because he felt the funding for core services should not come out of the general fund. The 95th Legislature overrode the veto which subsequently enacted the bill on April 9, 1998 (Legislative Chamber, 1998).

General Fund for Technology. As the use of technology in education continued to expand, so did the needs to fund these programs. In 1999, Senator Bohlke introduced LB 386 to the Education Committee in the First Session of the 96th Legislature. This bill was to eliminate the additional one-half cent levy that allowed the ESUs to address technology infrastructure needs and provide those appropriations through the state's General Fund. LB 386 also provided for an additional appropriation each year to accommodate for the fall membership and allowable growth rates (Bohlke, 1999).

Statements supporting the general funds for technology.

- By eliminating the one-half cent additional levy funding established in 1994 and replacing it with state dollars, the ESUs could continue to support and effective, efficient technology system, and to allow for upgrades to that system without taxing their patrons. ~ Gil Feis, Nebraska ESUs (*Ed. Comm. Hearings on LB 386, 1999*)
- There was discussion as to the need for the service, and that ESUs required the funding necessary (*Ed. Comm. Hearings on LB 386, 1999*).
- Some felt the need for the dollars was not for the technology, but for the training and technical support. This bill accomplished that. ~ Grand Island Public School (*Ed. Comm. Hearings on LB 386, 1999*)

Lincoln Public Schools also testified. Having the larger schools testify was an advantage to ESUs as they were often seen as districts who do not use ESUs as much. Their support on this bill was important.

Statements opposing the funding for telecomputing. There were no comments in opposition during the hearing, no one spoke in opposition to the bill, however there were questions raised by Senator Raikes. He felt that there was not a need for those additional dollars since ESUs were given the additional funding in the recent past. Commissioner Christensen explained these previous dollars Senator Raikes referred to were not intended for technology, but rather the Internet, and the remaining dollars would not be sufficient to support over 600 schools who were not yet connected (*Ed. Comm. Hearings on LB 386, 1999*). Having no concerns voiced in debate on the floor of the legislature, LB 386 passed and was signed by Governor Ben Nelson on May 26, 1999 (Legislative Chamber, 1999).

Role of ESU

The original Educational Service Unit Act of 1965 stipulated that each ESU provide supplementary services, plan and coordinate cooperative educational services between school districts, and contract for other educational services. The Act provided examples of supplemental services to be guidance and counseling, remedial instruction, school health, adult education, special education, and instructional materials. Since 1992, changes and refinements have been made to the statutory role of ESUs. This section reviews LB 419 (1997), 806 (1997), 663 (1997), 808 (1997), 789 (1997), and 1208 (2006). Figure 4 illustrates the patterns found within the role or purpose of ESUs. These patterns are described later in this section.

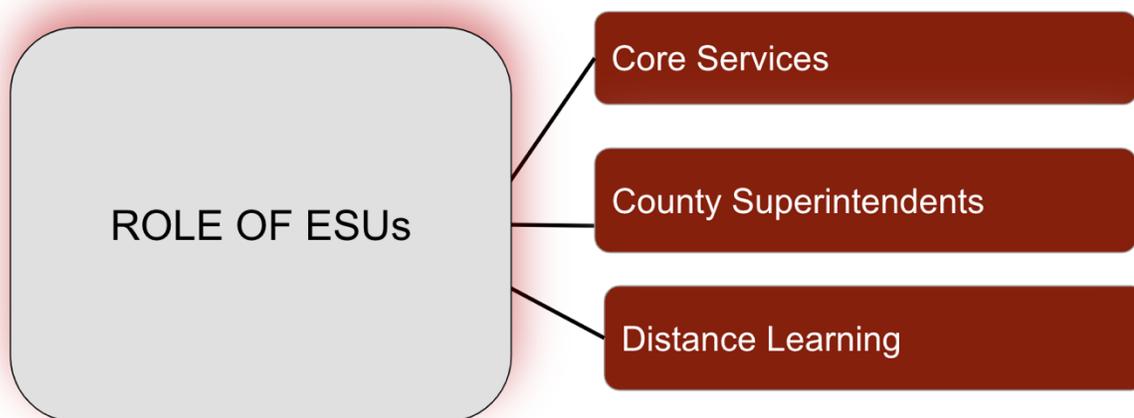


Figure 4. Patterns Found Within the Role of ESUs Theme.

Core Services. LB 419 was introduced to the Education Committee by Senators Hartnett and Bohlke on January 17, 1997. This bill was in response to the ESU study initiated by the Nebraska Department of Education in 1995. This bill was to eliminate the opt-out provision currently in statute, allowing school districts a process to opt out of taking part in their regional ESU, and defined the services ESUs were to provide. Those services were staff

development, technology, and instructional in that order of priority. Other services could have been provided to member school districts if identified and deemed necessary by member school districts. These additional services would need to be approved by two-thirds of the school districts representing a majority of the students in that ESU region.

Additionally, LB 419 allowed for contracting with nonpublic schools, other ESUs, and other political subdivisions under the Interlocal Cooperative Act. It also allowed for consolidations and mergers of ESUs in a restructuring solution, although would not eliminate Omaha and Lincoln's ESUs. Senator Suttle asked questions related to the non-public schools and how that would work from a publicly funded ESU. Senator Harnett responded that the private schools would pay full cost of the services but would have the ability to participate in cooperative activities (*Ed. Comm. Hearings on LB 419, 1997*).

Commissioner of Education, Doug Christensen, acknowledged and complemented Senator Hartnett for bringing this legislation to the committee, as it was only two years ago when he introduced legislation to eliminate the ESUs with LB 780 in 1995. That bill, having no interest, was indefinitely postponed. An interim study regarding ESUs in 1995 study led to the understanding there was a need for ESUs from not only the senators who were on the task force, but also from school patrons, and from State Board of Education members. The ongoing strain on school district levies meant an even greater need for ESUs (*Ed. Comm. Hearings on LB 419, 1997*).

Statements supporting core services.

- There was a need for core service funding, and an importance that every school district is a part of an ESU. ~ Bev Peterson, State Board of Education,

Commissioner Christiansen, Nebraska Department of Education (NDE) (*Ed. Comm. Hearings on LB 419, 1997*)

- Supporting statements of the ESUs came specifically from the work the ESUs had done in assisting 70 percent of the school districts in writing and developing their school improvement plans. ~ Commissioner Christensen, NDE (*Ed. Comm. Hearings on LB 419, 1997*)
- This bill created a higher level of accountability, ensuring a viable ESU structure. ~ Commissioner Christensen, NDE (*Ed. Comm. Hearings on LB 419, 1997*)
- Core services were to be something schools needed, and could provide efficiently, cooperatively, and to provide for equity across the state. ~ Rodney Smith, ESU 11 and ESU Administrators' Association (*Ed. Comm. Hearings on LB 419, 1997*)
- This bill was designed to encourage cooperation between ESUs. ~ Senator Hartnett (*Ed. Comm. Hearings on LB 419, 1997*)

Statements opposing core services.

- Feelings that this bill, requiring school districts to belong to an ESU in order to receive core services a potential duplication of services, would make the government involvement bigger, and resulting in diminished local control ~ Ron Winninghoff, Otoe County Superintendent (*Ed. Comm. Hearings on LB 419, 1997*)

LB 419 eventually was amended into LB 806 which resulted in not only these changes related to core services delivered by ESUs, but also in comprehensive changes to the public school district state funding formula. Additionally, LB 806 included provisions encouraging ESUs to restructure, looking at student population as criteria to determine

boundaries. Further floor debate revealed clarification on how the appropriations would be distributed. Senator Harnett felt when core services were not used by any district, the unused funding would become credits for the school district to use for their purposes. The final bill contained language that allowed ESUs to distribute the dollars for core services directly to the school district if there is evidence the district would provide the core services in a cost-effective manner. LB 806 created an equalized formula to appropriate funding for the ESU core services. Governor Ben Nelson signed the bill on June 3, 1997 (Legislative Chamber, 1997).

County Superintendent. The 95th Legislature was not finished with LB 806 as it became a terminal year for Nebraska's County Superintendents. On the heels of LB 419, three bills were heard by the Education Committee regarding the future of the office of county superintendent, LB 663, 808, and 789. Each bill had elements that would restructure the office of county superintendent, so they were heard on the same day. LB 663 proposed by Senator Schellpeper, was to eliminate the office and give duties relative to the operation of the school district to the local district with all other duties to be the responsibility of the Commissioner of Education to assign as he felt necessary (*Ed. Comm. Hearing for LB 663*, 1997). Senator Stuhr's LB 808 was also to eliminate the county superintendent office but suggested distributing the duties to the ESUs and NDE over a period of three years (*Ed. Comm. Hearing for LB 808*, 1997). Senator Bohlke introduced the final bill of the trio, LB 789, in response to the need for more efficiency, which suggested downsizing by regionalizing the county superintendents rather than eliminating them (*Ed. Comm. Hearing for LB 789*, 1997).

Statements supporting county superintendents.

- These bills were to be a solution providing property tax relief and improved efficiencies. ~ Dr. Leonard Gregory, Nebraska Center for Rural Education and Small Schools (*Ed. Comm. Hearing on LB 808, 1997*)
- ESUs performed the responsibilities of professional development and school improvement, but did not have regulatory arm, there was a perception by the seated county superintendents that there was a need for their office to resolve the compliance and regulatory responsibilities (*Ed. Comm. Hearing for LB 789, 1997*).

Statements opposing county superintendents.

- The county superintendent's office to be a level of regulation that had outlived its usefulness, and held responsibilities that could be distributed to NDE, ESUs, or even the County Clerk's office (*Ed. Comm. Hearing on LB 808, 1997*).

LB 808 was the only part of this trio to make it out of the Education Committee and was amended into LB 806 and was signed into law by the governor on June 3, 1997 (Legislative Chamber, 1997).

Distance Learning. LB 680 of 2003 created the Distance Education Enhancement Task Force charged with the development of a statewide plan for distance learning coordination. This work led to the introduction of LB 1208 to the Education Committee in 2006 during the Second Session of the 99th Legislature. Lead by Senator Raikes, this bill gave the ESUs the responsibility of providing distance learning to the school districts, where it had been a coordinated effort between educational institutions (*Ed. Comm. Hearing on LB 1208, 2006*).

LB 1208 contained six recommendations of the Distance Learning Task Force, (1) transferring the distance education services from distance education consortia to the ESUs, (2) the creation of Network Nebraska which would be a network of contracts for access to reliable, (3) high speed telecommunications, (4) the creation of a Distance Education Council to coordinate course offerings, (5) a funding incentive system using the educational aspect of the Nebraska lottery proceeds, and (6) description of the impact on state aid formula to schools (Raikes, 2006).

Statements supporting distance learning provided by ESUs.

- This bill would address equity of course offerings across the state. ~ State Board of Education, and Doug Christensen, Commissioner of Education (Education Committee Statement, LB 1208, 2006)

There were no opposing comments in hearing testimony or on the floor, so LB 1208 passed and was signed Governor Ben Nelson on April 11, 2006. As enacted, LB 1208 created Network Nebraska that enabled schools to access reliable, high-speed network for distance learning (Legislative Chamber, 2006).

Governance

The governance structure of ESUs relates to the board of ESU, as well as the ESU Coordinating Council. Original legislation did not give great detail as to the operation and duties of governance, so some future legislation was found to be necessary. This section addresses LB 600 (2007), 601 (2007), 602 (2007), 603 (2007), 465 (2009), 361 (2009), 1069 (2010), 1071 (2010), and 446 (2012). Patterns found in the Governance theme are illustrated in Figure 5.

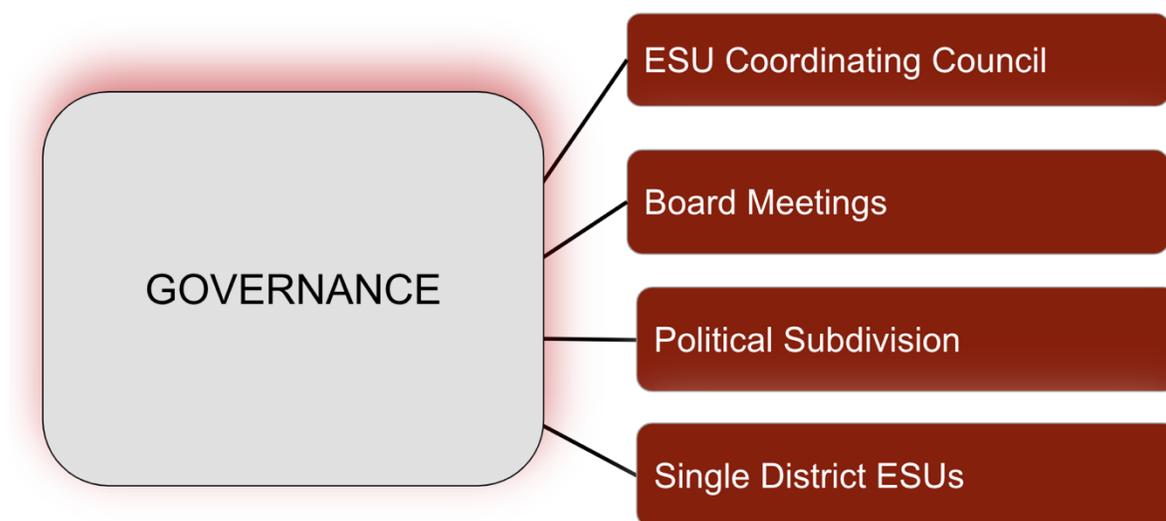


Figure 5. Patterns Found Within the Governance Theme.

ESU Coordinating Council. The 2006 Education Committee, under chairmanship of Senator Ron Raikes, conducted an interim study of the ESUs and their structure. The results of this study led to the introduction of LB 600, 601, 602, and 603 in the First Session of the 100th Legislature, 2007.

LB 600 addressed ESU boundaries, LB 601 created the ESU Coordinating Council, and LB 602 ESU election districts. On its own, LB 603 addressed ESU funding formula, and distance education incentives, and all four bills were introduced by Senator Raikes (Education Committee Statement, LB 600, 2007; Education Committee Statement, LB 601, 2007; Education Committee Statement, LB 602, 2007; Education Committee Statement, LB 603, 2007).

LB 600 was described by Brian Halstead of NDE as simply a clarification bill so boundaries in in the correct place. The bill required the State Board of Education to make the boundary adjustments annually (Education Committee Statement, LB 600, 2007).

LB 601, created an Educational Service Unit Coordinating Council. This Council would assume the powers, duties, assets, and liabilities of the Distance Education Council enacted by LB 1208 only one-year prior. It was to be made up of one ESU Administrator per ESU, receive a portion of the ESU appropriations and would not only work with the coordination of the distance learning network, but also coordination of statewide services for the most cost-effective services. The Council was to function under the Open Meetings Act (Education Committee Statement, LB 601, 2007).

LB 602, established election districts for the ESU board members. The language in the 1965 ESU Act allowed for one member from each county for two-year term, four members at large who were residents of the counties the ESU supported for a two-year term, and while no more than two could be elected/appointed from the same county. LB 602 divided each ESU, excluding the two-single district ESUs, into five to 12 election districts (Education Committee Statement, LB 602, 2007).

LB 603 provided an equalization formula to address the needs of telecommunications, satellite offices, sparsity, and student count. During the debate, there was an amendment offered by the State Auditor's Office making the Coordinating Council subject to audit and the Budget Act, which had no opposition (Education Committee Statement, LB 603, 2007).

Statements supporting ESU Coordinating Council, board member elections, and funding.

- LB 601 - The Coordinating Council would provide a structure for coordination and collaboration between ESUs. ~ Senator Raikes (Education Committee Statement, LB 601, 2007)

- LB 600 - Coordinating Council was seen as a positive step and giving authority to the Council for coordination of Distance Learning. ~ ESUs and Nebraska Council of School Administrators (Education Committee Statement, LB 600, 2007).
- LB 602 – The bill more clearly defines whom the board members were and whom they represented (Education Committee Statement, LB 602, 2007).
- LB 603 - The bill addressed the need for adjustments according not only to need but student count (Education Committee Statement, LB 603, 2007).

Statements opposing ESU Coordinating Council, board member elections, and funding.

- LB 602 - The district lines defining the ESUs, it was felt, should be set by the Legislature or Secretary of State, not left to the ESUs (Education Committee Statement, LB 602, 2007).
- LB 602 - The bill language, prior to amendments stipulated each board to have 12 members. After amendment, with that number becoming a range of five to 12 opposition was lessened (Education Committee Statement, LB 602, 2007).
- LB 602 - By changing the methods to elect board members, some smaller districts may have less representation (Education Committee Statement, LB 602, 2007).
- LB 603 - There would be some ESUs who would lose funds as a result of the equalization formula (Education Committee Statement, LB 603, 2007).

After debate ceased, LB 603 containing elements of 600, 201, and 602 passed and was signed on May 24, 2007 by Governor Dave Heineman (Legislative Chamber, 2007).

Board Meetings. LB 465 was a little bill that became attached to LB 361 before the governor in the First Session of Nebraska's 101st Legislature approved it. As introduced to

the Government, Military and Veteran Affairs Committee by Senator Christensen the bill allowed ESU boards to hold meetings by telephone or videoconference. This method of participation could occur no more than one-half of the meetings in one calendar year (*Gov., Mil., & Vet. Affairs Comm.* 2009).

Statements supporting board meeting video conferencing.

- This bill provided cost savings and time savings to board members who must travel long distances to attend a board meeting. ~ Senator Christensen (*Gov., Mil., & Vet. Affairs Comm.* 2009)
- The technology already existed in the ESUs, so no funding requests were necessary (*Gov., Mil., & Vet. Affairs Comm.* 2009).
- This bill would allow greater access to the meetings (*Gov., Mil., & Vet. Affairs Comm.* 2009).

Statements opposing board meeting videoconferencing.

- Urging to be cautious when approving any additional bills that would allow a public meeting to occur over technology in order to preserve the integrity of the meeting and its interpretive content. ~ Alan Peterson, Media of Nebraska (*Gov., Mil., & Vet. Affairs Comm.* 2009)

LB 465 amended into LB 361 which passed and was signed by Governor Dave Heineman on April 22, 2009 (Legislative Chamber, 2009).

Political Subdivision. Education Committee Chairperson, Greg Adams introduced LB 1069 in 2010 during the Second Session of the 101st Legislature that was to change the provisions of the ESU Coordinating Council, core services and technology infrastructure funding, and distance learning. Specifically, LB 1069 would declare the Council a political

subdivision, but without the authority to levy taxes. It also clarified provisions in the ESU funding formula as to ESUs who reorganize, as well as eliminating obsolete language related to distance education, and clarified of the role of Nebraska Information Technology Commission with regard to purchasing technology (*Ed. Comm. Hearing on LB 1069, 2010*).

Statements supporting public subdivision.

- This bill would provide statute language ensuring ESUs to follow Open Meetings Act. ~ Senator Adams (*Ed. Comm. Hearing on LB 1069, 2010*)
- Provided clarification related to ESU Coordinating Council's fiscal management of programs. ~ Matt Blomstedt, ESU Executive Director (*Ed. Comm. Hearing on LB 1069, 2010*)

LB 1069 was amended into LB 1071 where it passed and was signed by Governor Dave Heineman on April 12, 2010 (Legislative Chamber, 2010).

Single District ESU. Nebraska's Class IV school districts are those with a population of 100,000 or more maintaining both elementary and high school grades under the direction of a single school board. Class V school districts participate in their own retirement system, are located in a metropolitan city, and maintains both elementary grades and high school grades under the direction of a single school board. Lincoln and Omaha were, and are, Nebraska's only Class IV or Class V school districts and, due to their size, have resources allowing them to provide many of the services any other ESU may offer their member schools. Statute language passed in 1997 with LB 806 was to eliminate single district ESUs in 2013, unless new language was introduced.

Senator Adams introduced LB 446, which authorized single district ESUs to continue, however they must participate in one or more statewide project through the ESU

Coordinating Council. By so designating these as single district ESUs, the bill also extended their authority to levy property tax. The bill also addressed some funding formula clarifications. In the statute that was current in 2012, ESUs 18 and 19, Lincoln and Omaha respectively, were to be eliminated in 2013. If this were to happen, they had the option to find another school district to join with them so they could then be an ESU again. This was an unnecessary action as these two districts were already ESUs. This ability to cherry pick districts to join was thought to not be in the best interest of the ESUs. LB 446 would allow single district ESUs when the districts met Nebraska's criteria to be Class IV or Class V. Senator Adams also added into LB 446 that the single district ESUs must participate in at least two statewide projects; that is, they cannot function entirely on their own. They had to collaborate and cooperate. The funding aspect of the bill reduces the single district ESUs core service dollars by five percent (*Ed. Comm. Hearings on LB 446, 2011*).

Statements supporting single district ESUs.

- The two largest ESUs contribute to the statewide projects in progress including ESU professional development, statewide student record system for special education records, distance education, cooperative purchasing, and instructional online materials. ~ Matt Blomstedt, ESU Coordinating Council Executive Director (*Ed. Comm. Hearings on LB 446, 2011*)
- In order to meet growing needs of even the largest districts, the ESUs were felt to be imperative. ~ Lincoln Public School (*Ed. Comm. Hearings on LB 446, 2011*)

There being no testimony in opposition or in the neutral position, LB 446 moved to be debated on the floor. Senator Adams shared with the Legislators that the student population of ESU 18 and 19 is more than that of the other ESUs total count combined. If

there were to be statewide projects, and ESUs 18 and 19 were not involved, there would be a sizable gap in the actual statewide effort. In order for the ESU concept to work, there needed to be a statewide collaboration that could only occur when all students are represented. After questions related to funding were answered, the bill passed and was signed by Governor Dave Heineman on March 14, 2012 (Legislative Chamber, 2012).

Recommendations

The study leading to the information contained in this policy paper provides only part of the historical story of Nebraska's ESUs, between 1992 through 2018. The final legislative bill analyzed and included in this study was enacted in 2012. Since that time, the researcher found there to be no substantive enacted legislative bills signed by the governor through 2018, but more research is necessary.

The most immediate research study recommended would be an expansion of this current work to include enacted legislation between 1965 and 1992. This additional research will enrich the work completed in this study and would provide ESU stakeholders with a complete historical picture.

In the late 1940s and leading up to the enactment of the Educational Service Unit Act of 1965, researchers studied intermediate agencies and the feasibility of such structure in Nebraska. Culminating research around those studies in the years prior to the passage of LB 301 is necessary to find the motivation leading to the establishment of ESUs, what was occurring on the national education scene, and the political drivers.

This current research study examined only the bills that became part of statute. There were many bills introduced and indefinitely postponed or killed after debate and as a result were not included in this research. The hearing testimony and discussion in the debates

would be essential to the ESUs in their future lobbying and advocating so as to not make similar errors, or decisions to lead them down the same path. The advantages, however, do not lie solely with the ESUs. Policy makers, in an effort to be thorough in their preparation and drafting of legislation would then have a historical reference should they be considering legislation similar to policy drafted, heard, and potentially debated in the past.

Technology and the use of technology has evolved since the establishment of the Educational Service Unit Act of 1965. Further study needs to be done to examine the how technology has played a vital role in the relevance of ESUs, and how technology has evolved in ESUs in terms of funding, use by ESUs, and priority.

Finally, the ESUs have gone through four extensive interim studies in 1965, 1986, 1995, and 2005. This researcher recommends an in-depth investigation into these studies and into the work done on and with the recommendations following. There may be patterns future researchers could identify to support the work ESUs are doing, or to discourage similar work to be done in the future.

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Appendix A
Research Study Cover Letter



UNIVERSITY OF
SOUTH DAKOTA
SCHOOL OF EDUCATION

Date: [insert date the letter is sent here]

Dear: [participant]

You are invited to participate in a qualitative research study. The purpose of the study is to determine a comprehensive policy history of the Educational Service Unit Act as it was enacted in 1965. Consideration of changes, revisions, and even the possible removal of the current statute have no policy history available for examination by the Senators of the Unicameral. This study will serve as a mechanism for collecting that history. The procedure will be a historical case study.

I am inviting you to be in this study because you are a stakeholder or key executive to the Educational Service Units. The information you provide will serve as historical and relevant data for this qualitative study.

I obtained your name and address from your work website.

If you agree to participate, I will ask questions about policy making in Nebraska and what information policy makers examine prior to policy changes, the history of Educational Service Units, their role in Nebraska and the role of Educational Service Agencies in other states, to what extent school districts use ESUs, the impact the federal government has on ESUs, and other political implications for ESUs.

I will keep the information you provide confidential, and your name will remain anonymous, however federal regulatory agencies and the University of South Dakota Institutional Review Board (a committee that reviews and approves research studies) may inspect and copy records pertaining to this research.

Your responses will be anonymous to ensure that they cannot be linked to you.

The dissertation about this research will be done in such a way that you cannot be identified.

There are no known risks from being in this study, and you will not benefit personally.

Your participation in this study is completely voluntary. If you decide not to be in this study, or if you stop participating at any time, you will not be penalized or lose any benefits for which you are otherwise entitled.

If you have any questions, concerns or complaints now or later, you may contact me at the number below. If you have any questions about your rights as a participant in this study, complaints, concerns or wish to talk to someone who is independent of the research, contact the Office for Human Subjects Protections at 605/677-6184. Thank you for your time.

Kris Reed, PhD, Project Director
Division of Educational Leadership
School of Education
University of South Dakota
Vermillion, SD 57069
Department Phone #: (605) 677-5815

Larianne Polk, Doctoral Student
Educational Administration Department
University of South Dakota
Phone #: (402) 720-4977

Appendix B
Research Study Human Subject Approval



UNIVERSITY OF
SOUTH DAKOTA
 SCHOOL OF EDUCATION

INFORMED CONSENT

TITLE: Nebraska Educational Service Units: A Study of Legislative Policy History

STUDENT RESEARCHER:

Larianne Polk, Doctoral Student
 ESU 7 Chief Administrator
 P.O. Box 416
 Hooper, NE 68031
 (402) 720-4977

PROJECT DIRECTOR:

Kris Reed, PhD
 Associate Professor
 Division of Educational Leadership
 School of Education
 University of South Dakota
 Vermillion, SD 57069
 (605) 677-5815

WHAT IS THE PURPOSE OF THIS STUDY?

You are invited to participate in a qualitative research study. The purpose of the study is to determine comprehensive policy history of the Educational Service Unit Act as it was enacted in 1965. Consideration of changes, revisions, and even the possible removal of the current statute have no policy history available for examination by the Senators of the Unicameral. This study will serve as a mechanism for collecting that history. The procedure will be a historical case study.

You were selected as a possible participant because you are a stakeholder or key executive to the Educational Service Units. The information you provide will serve as historical and relevant data for this qualitative study.

HOW MANY PEOPLE WILL PARTICIPATE?

Approximately twelve individuals will take part in this study.

HOW LONG WILL I BE IN THIS STUDY?

Your participation in the study will last 45-60 minutes during which you will be asked a series of interview questions.

WHAT WILL HAPPEN DURING THIS STUDY?

You will meet with the interviewer in a previously arranged private office/conference room. The interviewer will welcome you, explain to you that the session will be digitally recorded, begin recording, introduce herself, explain the purpose of the study, ask for any preliminary questions, and then begin with the interview. If at any time, you do not wish to answer the question, please feel free to indicate as such. At the conclusion of the interview, you will be

invited to ask any additional questions, and provide feedback to the interviewer as to the questions and the interview procedure. The interviewer will thank you for your time and participation, will provide you with the timeline on the project, and will show you out. The interviewer will remain for a short period of time to document any reflections of the meeting.

WHAT ARE THE RISKS OF THE STUDY?

There are no foreseeable risks from being in this study.

WHAT ARE THE BENEFITS OF THIS STUDY?

You may not benefit personally from being in this study. However, the experience and feedback you provide the interviewer will benefit the study.

WHAT ARE THE ALTERNATIVES TO PARTICIPATING IN THIS STUDY?

If you choose to not meet physically face to face for this interview, please indicate as such at the end of this consent document. Electronic written feedback is an available option.

WILL I BE PAID FOR PARTICIPATING?

You will not be paid for being in this study.

ARE MY RECORDS CONFIDENTIAL?

The records of this study will be kept confidential to the extent permitted by law. Interview recording will be transcribed without any identifying information and then destroyed.

Any information obtained in connection with this study and that can be identified with you will remain confidential and will be disclosed only with your permission or as required by law. Confidentiality will be maintained by using an ID number on the interview documents tied to your name. Your ID and name will be on a database maintained on a secure external hard drive stored in a locked cabinet of which the interviewer has the only access. Your ID and name will be destroyed immediately after data analysis.

IS THIS STUDY VOLUNTARY?

Your participation is voluntary. You may choose not to participate or you may discontinue your participation at any time without penalty or loss of benefits to which you are otherwise entitled. Your decision whether or not to participate will not affect your current or future relations with the University of South Dakota or the interviewer.

WHOM MAY I CONTACT IF I HAVE QUESTIONS?

You may ask any questions you have now or later. The researcher conducting this study is **Larriane Polk, 402-720-4977**. You may call this number if you have questions, concerns, or complaints about the study.

If you have questions regarding your rights as an interviewee, you may contact the University of South Dakota- Office of Human Subjects Protection at (605) 677-6184.

- You may also call this number about any problems, complaints, or concerns you have about this research study.

- You may also call this number if you cannot reach research staff, or you wish to talk with someone who is independent of the research team.

Participation in the interview indicates that this study has been explained to you, that your questions have been answered, and that you agree to take part in this study. Please retain a copy of this form for your records.

If you would like to discuss participating in this study via electronic submission of responses, rather than face to face interview, please email the researcher at Larianne.Polk@coyotes.usd.edu.

If you would like to participate in the face to face interview, please email Larianne.Polk@coyotes.usd.edu within two weeks of receiving these documents. In the event the researcher does not receive a response, the researcher will email you one more time with the same documents from the email address above.

After receiving your email indicating interest in participating, the researcher will be in touch with your office to arrange for a date/time for the interview. If you need to change your appointment, please contact the researcher at:

Larianne Polk, Phone: 402-720-4977, Email: Larianne.Polk@coyotes.usd.edu

Appendix C
Research Study Interview Protocol



UNIVERSITY OF
SOUTH DAKOTA
SCHOOL OF EDUCATION

Interview Protocol: Nebraska Educational Service Units: A Study of Legislative Policy History

Time of Interview:

Date:

Place:

Interviewer: Larianne Polk

Interviewee:

Position of interviewee:

Brief description of the project: You are invited to participate in a qualitative research study. The purpose of the study is to determine comprehensive policy history of the Educational Service Unit Act as it was enacted in 1965. Consideration of changes, revisions, and even the possible removal of the current statute have no policy history available for examination by the Senators of the Unicameral. This study will serve as a mechanism for collecting that history. The procedure will be a historical case study.

I am inviting you to be in this study because you are a stakeholder to the Educational Service Units. The information you provide will serve as historical and relevant data for this qualitative study.

I am going to begin with some general questions about policymaking and Educational Service Units. Then, we will move into some questions related to your perspective on some historical and policy related areas. Do you have any questions for me before I begin?

Questions:

1. What is your role as it relates to the ESUs? How long have you been in that capacity?
2. To what extent are you involved in policy making in Nebraska?
3. What has been your involvement in the legislation related to Educational Service Units?
4. What is your view of the role of ESUs in Nebraska?
5. How do ESU services impact school districts?
6. Are you familiar with the ESU Coordinating Council?
 - a. What do you understand the responsibility of the ESU Coordinating Council to be?
7. Are you familiar with the County Superintendent structure prior to the 1965 legislation to create Educational Service Units?
 - a. If yes, how would you describe that structure to what we have now in the ESUs?
 - b. If no, I will explain what the County Superintendent structure was and how it was changed following the 1965 legislation.
8. How have changes at the federal level impacted service delivery from ESUs?
9. What groups or stakeholders supported and opposed the creation of Educational Service Units in Nebraska? (Interest groups, school officials, county superintendents, large school districts, small districts, policy makers?)

- a. What were their motives?
10. What factors do you feel were most relevant in motivating state legislative action concerning the Educational Service Units?
11. Since 1965, what other state legislation, pertaining to education, impacted ESUs?
12. What key policy discussions, debates, and changes have impacted Educational Service Units' funding, governance, and structure over time?
13. How would a policy history of ESUs benefit you and how would you utilize it?

Thank you for taking time out of your very busy schedule to talk to me and participate in this interview. What questions can I answer related to this study?

The information you shared with me here will remain confidential and will be used only for the purpose of this study. Should I need to follow up for any reason, I will be in touch with your office.

Appendix D

States with ESAs, Their Name, and Quantity in the State

States with ESAs, Their Name, and Quantity in the State

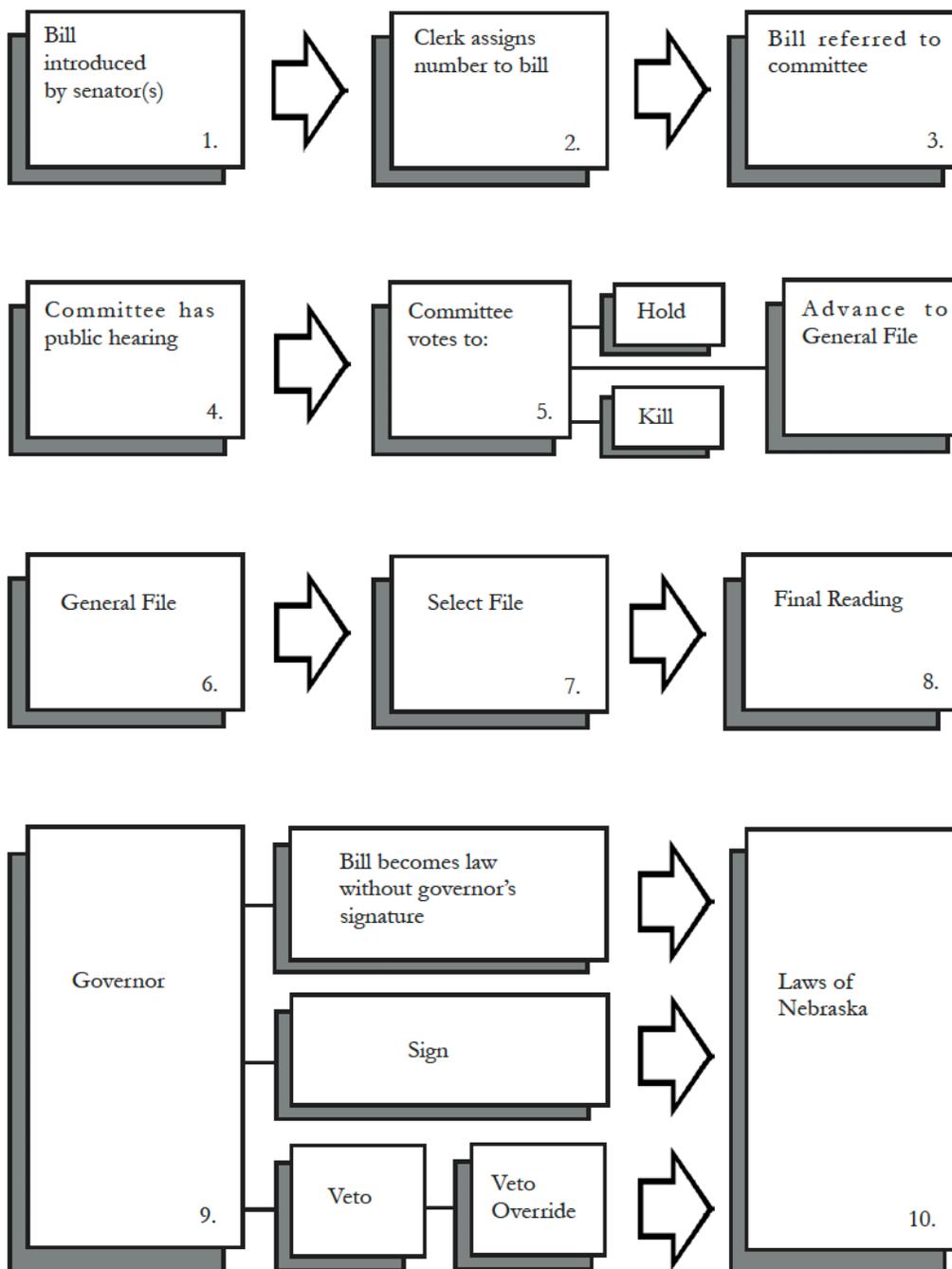
State	Name	Number
Alaska	Southeast Regional Resource Center Special Education Service Agency (SESA) ("ESAs by State," n.d.)	2
Arizona	County Educational Service Agency ("ESAs by State," n.d.)	16
Arkansas	Educational Service Cooperative ("ESAs by State," n.d.)	15
California	County Office of Education ("ESAs by State," n.d.)	49
Colorado	Board of Cooperative Educational Services (BOCES) ("ESAs by State," n.d.)	21
Connecticut	Cooperative Educational Services (CRES) Area Cooperative Educational Services ("ESAs by State," n.d.)	6
Florida	Educational Consortium ("ESAs by State," n.d.)	2
Georgia	Regional Educational Service Agency (RESA) ("ESAs by State," n.d.)	7
Hawaii	Pacific Resources for Education and Learning ("ESAs by State," n.d.)	1
Idaho	Cooperative Service Agency (Title 33 Section, 1967, "Idaho School," 2015)	6
Illinois	Regional Office of Education Intermediate Service Center ("ESAs by State," n.d., (Illinois State Board of Education, 2017.)	56
Indiana	Educational Service Center ("ESAs by State," n.d.)	8
Iowa	Area Education Agency (AEA) ("ESAs by State," n.d.)	9
Kansas	Education Service Center ("ESAs by State," n.d.)	6
Kentucky	Educational Cooperative ("ESAs by State," n.d.)	8
Louisiana	Education Service Agency (Definitions, 1977)	3
Massachusetts	Education Collaborative ("ESAs by State," n.d.)	29
Michigan	Education Service Agency Intermediate School District ("ESAs by State," n.d.)	55
Minnesota	Educational Service Cooperative Intermediate School District ("ESAs by State," n.d.)	14
Mississippi	Association for the Improvement of Schools Center for Educational Development Education Initiative Consortium Regional Education Agency ("ESAs by State," n.d.)	7
Missouri	Education Plus Special School District Center for Educational Excellence ("ESAs by State," n.d.)	3
Montana	Regional Educational Service Area Education Service Region School Services Office of Public Instruction ("ESAs by State," n.d.)	6

Nebraska	Educational Service Unit ("ESAs by State," n.d.)	17
New Hampshire	Educational Services, Regional Services & Education Centers ("ESAs by State," n.d.)	4
New Jersey	Educational Services Commission ("ESAs by State," n.d.)	12
New Mexico	Region Education Cooperative ("ESAs by State," n.d.)	9
New York	Board of Cooperative Educational Services (BOCES) ("ESAs by State," n.d.)	37
North Carolina	Education Alliance ("ESAs by State," n.d.)	3
North Dakota	Education Cooperative ("ESAs by State," n.d.)	9
Ohio	Educational Service Center ("ESAs by State," n.d.)	53
Oregon	Education Service District (ESD) ("ESAs by State," n.d.)	19
Pennsylvania	Intermediate Unit (IU) ("ESAs by State," n.d.)	29
Rhode Island	Educational Collaborative ("ESAs by State," n.d.)	4
South Carolina	Research and Education Center ("ESAs by State," n.d.)	1
Texas	Region Education Service Center ("ESAs by State," n.d.)	20
Utah	Educational Services Educational Development Center Education Service Center ("ESAs by State," n.d.)	4
Vermont	Educator Development Center Professional Development Academy Learning Collaborative ("ESAs by State," n.d.)	3
Virginia	Public Education Consortium ("ESAs by State," n.d.)	4
Washington	Educational Service District ("ESAs by State," n.d.)	10
West Virginia	Regional Educational Service Agency (RESA) ("ESAs by State," n.d.)	8
Wisconsin	Cooperative Educational Service Agency (CESA) ("ESAs by State," n.d.)	12
Wyoming	Board of Cooperative Educational Services (BOCES) ("ESAs by State," n.d.)	4

Appendix E
Nebraska Unicameral Process

NEBRASKA STATE GOVERNMENT

How a Bill Becomes a Law



(Unicameral Clerk of the Legislature, 2017, p. 281)

Appendix F
Nebraska Legislative Sessions
1992-2018

Session	Convened	Adjourned	Days
92nd Leg., 1st Session	Jan. 9, 1991	June 5, 1991	90
92nd Leg., 1st Special Session	July 8, 1991	July 19, 1991	10
92nd Leg., 2nd Session	Jan. 8, 1992	Apr. 14, 1992	60
92nd Leg., 2nd Special Session	July 31, 1992	Aug. 12, 1992	7
92nd Leg., 3rd Special Session	Sept. 21, 1992	Oct. 2, 1992	10
92nd Leg., 4th Special Session	Nov. 5, 1992	Nov. 12, 1992	7
93rd Leg., 1st Session	Jan. 6, 1993	June 8, 1993	90
93rd Leg., 2nd Session	Jan. 5, 1994	Apr. 15, 1994	60
94th Leg., 1st Session	Jan. 4, 1995	June 8, 1995	90
94th Leg., 2nd Session	Jan. 3, 1996	Apr. 18, 1996	60
95th Leg., 1st Session	Jan. 8, 1997	June 12, 1997	90
95th Leg., 2nd Session	Jan. 7, 1998	Apr. 14, 1998	60
95th Leg., 1st Special Session	May 13, 1998	May 20, 1998	7
96th Leg., 1st Session	Jan. 6, 1999	May 27, 1999	89
96th Leg., 2nd Session	Jan. 5, 2000	Apr. 12, 2000	60
97th Leg., 1st Session	Jan. 3, 2001	May 31, 2001	90
97th Leg., 1st Special Session	Oct. 25, 2001	Nov. 8, 2001	9
97th Leg., 2nd Session	Jan. 9, 2002	Apr. 19, 2002	60
97th Leg., 2nd Special Session	July 31, 2002	Aug. 15, 2002	13
97th Leg., 3rd Special Session	Nov. 7, 2002	Nov. 22, 2002	12
98th Leg., 1st Session	Jan. 8, 2003	May 30, 2003	89
98th Leg., 2nd Session	Jan. 7, 2004	Apr. 15, 2004	60

99th Leg., 1st Session	Jan. 5, 2005	May 3, 2005	90
99th Leg., 2 nd Session	Jan. 4, 2006	Apr. 13 2006	60
100th Leg., 1st Session	Jan. 3, 2007	May 31, 2007	90
100th Leg., 2 nd Session	Jan. 9, 2008	Apr. 17, 2008	60
100th Leg., 1st Special Session	Nov. 14, 2008	Nov. 21, 2008	7
101 st Leg., 1st Session	Jan. 9, 2009	May 29, 2009	87
101 st Leg., 2 nd Session	Jan. 6, 2010	Apr. 4, 2010	60
101 st Leg., 1st Special Session	Nov. 4, 2009	Nov. 20, 2009	12
102 nd Leg., 1st Session	Jan. 5, 2011	May 26, 2011	87
102 nd Leg., 1st Special Session	Nov. 1, 2011	Nov. 22, 2011	15
102 nd Leg., 2 nd Session	Jan. 12, 2012	Apr. 18, 2012	60
103 rd Leg., 1st Session	Jan. 9, 2013	June 5, 2013	90
103 rd Leg., 2 nd Session	Jan. 8, 2014	Apr. 17, 2014	60
104 th Leg., 1st Session	Jan. 7, 2015	May 29, 2017	89
104 th Leg., 2 nd Session	Jan. 6, 2016	Apr. 20, 2016	60
105 th Leg., 1st Session	Jan. 4, 2017	May 23, 2017	86
105 th Leg., 2 nd Session	Jan. 3, 2018	Apr. 18, 2018	60

Appendix G

Recommendations from 1995 Study

Category	Recommendation	Rationale
Mission	Clearly establish role of ESUs in addressing equity and adequacy issues	This will provide an important benchmark on which to judge the effectiveness of the ESUs
Establishment Features	Close the opt-out provision	The intent of the state was to have a statewide network, so no schools can be excluded from the system
	Merge Omaha and Lincoln ESUs into a redesigned state network	Although Omaha and Lincoln were their own ESU, they did not have a presence in statewide network
	Create a more balanced network through restructuring	This was an opportunity to reduce the diversity that was present in the state network, using criteria such as drive time, student population, number of member districts
Governance	Have elected member school district boards elect ESU boards from their own members	To provide another procedure to cause ESUs to be more responsive and accountable to the member school districts
	Require that all non-state required programs and services offered be approved by two-thirds of the local boards of	To put a rigorous process in place to strengthen the responsiveness and accountability of ESUs and to

	education who represent a majority of students in the ESU service region	protect the interests of any size member district
Programs and Services	State specify priority core programs that focus on teaching and learning	Teaching and learning was the centerpiece of systemic reform across the country
	State require ESUs to address special needs of rural and small member districts	Many small districts had very little resources to meet their school improvement needs
	State require ESUs to maintain database on condition of their member districts	This information was necessary to make informed decisions and to be effective in the performance of its expanded responsibilities
	Joint NDE-ESU effort to develop a strategic state plan for ESUs	Each ESU had different focus, or areas of excellence. This recommendation was to develop a feasible strategy to optimize that network
	ESUs contract with Class I school districts to perform management support services	To achieve economies of scale for local districts

	State develop guidelines for addressing private sector competition issue	To avoid the conflict with private vendors who had in the past provided the support to the districts
	ESUs proceed to plan to do cost efficiency study	There was not a mechanism in place to answer the question of cost efficiency
Financial Features	Retain general and categorical taxing authority	The general tax was considered to be modest
	General tax revenues to support core programs on an equitable basis, and for ESU maintenance	These dollars were to specifically address the defined core services and needs of the ESU
	State Aid on equitable basis to support core programs	There was no formula for state aid
Facility Features	State develop standards for acquisition of space, and monitor location decisions	There needed to be careful planning should there be a restructuring of ESUs
Department of Education Relations	Strengthen accreditation standards	There were no standards specifically for education agencies
	State Board institutionalize joint NDE-ESU Task Forces	This joint task force needed to be made formal by action of the State Board in order to have sustainability

	NDE-ESU Task Force revise annual ESU reporting procedures	In order to have consistent communication, there needed to be specific areas of reporting from ESUs
	NDE appoint senior official to coordinate ESU-NDE work	There were a lot of statewide efforts both at NDE and ESU, someone was needed to coordinate all of it

(Nebraska Educational Unit Study, 1995).

Appendix H

Legislative Bill 301, 1965

As Advanced from Education Committee to General File

May 11, 1965

LEGISLATURE OF NEBRASKA
-----**SEVENTY-FIFTH SESSION**
-----**Legislative Bill 301**

Introduced by Ross H. Rasmussen, 15th District; Richard D Marvel, 33rd District

Read first time January 20, 1965

Referred to committee on Education

Sent to printer January 22, 1965

-----**A BILL**

FOR AN ACT relating to education; to create educational service units and prescribe the geographical area thereof; to provide a board for each such unit; to provide for the selection, term of office, powers, duties, compensation, organization, and officers of the board; to provide for a tax and the use thereof; and to provide for rules and regulations.

Be it enacted by the people of the State of Nebraska,

Section 1. In order to further the quality of education in Nebraska and to assist each school district of the state in providing comprehensive and balanced curricula, there are hereby established twenty educational service units. The official name of such units shall be Educational Service Unit No.of the State of Nebraska, the individual number thereof to be determined as provided in section 2 of this act.

Sec. 2. The educational service units established by section 1 of this act shall be as follows:

- (1) The counties of Cedar, Dixon, Dakota, Wayne, and Thurston;
- (2) The counties of Cuming, Burt, Dodge, and Saunders;
- (3) The counties of Washington, Douglas, Sarpy, and Cass;
- (4) The counties of Otoe, Johnson, Nemaha, Pawnee, and Richardson;
- (5) The counties of Thayer, Jefferson, and Gage;
- (6) The counties of York, Seward, Lancaster, Fillmore, and Saline;
- (7) The counties of Greeley, Boone, Platte, Colfax, Nance, Polk, and Butler;
- (8) The counties of Knox, Antelope, Pierce, Madison, and Stanton;
- (9) The counties of Adams, Clay, Webster, and Nuckolls;
- (10) The counties of Howard, Merrick, Hall, and Hamilton;
- (11) The counties of Gosper, Phelps, Kearney, Furnas, Harlan, and Franklin;
- (12) The counties of Dawson, Buffalo, and Sherman;
- (13) The counties of Blaine, Loup, Garfield, Custer, and Valley;
- (14) The counties of Keya Paha, Boyd, Brown, Rock, Holt, and Wheeler;
- (15) The counties of Chase, Hayes, Frontier, Dundy, Hitchcock, and Red Willow;
- (16) The counties of Grant, Hooker, Thomas, Arthur, McPherson, Logan, Keith, Perkins, and Lincoln;

- (17) The counties of Sheridan and Cherry;
- (18) The counties of Sioux, Dawes, and Box Butler;
- (19) The counties of Scotts Bluff, Morrill, and Garden; and
- (20) The counties of Kimball, Cheyenne, and Deuel.

Sec. 3. Each educational service unit shall be governed by a board to be known as the Board of Educational Service Unit No. The board shall consist of six members who shall be residents of the educational service unit which they are to govern. Within sixty days after the effective date of this act the county boards of all the counties in each educational service unit shall meet in joint session and select the initial members of the board, designating three to serve for a term of two years commencing January 1, 1965, and three to serve for a term of four years commencing January 1, 1965. Successors to the members initially appointed shall be selected in the same manner to serve for a term of four years each. Members of the board shall receive no compensation for their services but shall be reimbursed for the actual and necessary expenses incurred in the performance of their duties under this act.

Sec. 4. Each board shall meet no later than January 15, 1965 and organize by naming one of their members as president, one as vice president, and one as secretary.

Sec. 5. The board shall appoint and fix the compensation and duties of an administrator, who shall be a man experienced in public school administration. With the advice of the administrator, the board shall also employ and fix the compensation and duties of such professional and clerical assistants as shall be necessary.

Sec. 6. The board shall determine the location within the educational service unit of its principal office and may, if necessary in the performance of its duties under this act, establish one or more other offices and such locations as it shall determine within the educational service

unit. The board may acquire office space by purchase, out of funds appropriated to it for that purpose, or may rent or lease such space as may be necessary. The board shall also acquire the personal property necessary for the performance of its duties.

Sec. 7. The county treasurer of the county in which the principle office of the educational service unit is located shall be the ex officio treasurer of the board. He shall be the custodian of all funds of the board. He shall attend all meetings of the board when required to do so, shall prepare and submit in writing a monthly report of the state of its finances, and shall pay out money of the board only upon a warrant signed by the president, or in his absence of the vice president, and countersigned by the secretary. He shall give bond, payable to the board, in such sum as the board shall determine conditioned for the faithful performance of his duties as treasurer of the board and for the safekeeping and proper disbursement of all funds of the board collected or received by him. Such bond shall be signed by a corporate surety company authorized to do business within this state. Such bond may be enlarged at any time the board deems such enlargement necessary or advisable. The cost of such bond shall be paid out of funds of the board.

Sec. 8. The board of each educational service unit shall be responsible for (1) providing within its geographical area any educational service that can be provided by any public school of this state whenever the board determines that the service is appropriate, (2) coordinating educational services within its geographical area whenever such services are offered on a cooperating basis between local school districts, and (3) contracting for educational services with the board of any other educational service unit, any other educational agency, or with any appropriate state or federal officer or agency.

Sec. 9. The board of each educational service unit may receive, for the purpose for which made available, any state or federal funds made available to it and may utilize such personnel or services that may lawfully be offered by any state or agency.

Sec. 10 For the purpose of matching any funds that may be made available to it on a matching basis by any state or federal agency, the board for each educational service area may levy a tax of not to exceed one mill on the dollar on the assessed valuation of all property except intangible property within its geographical area. The amount of any such levy shall be certified by the secretary of the board to the county treasurer of each county within the educational service area who shall collect the same as other taxes are collected and remit the proceeds therefrom to the county treasurer who is ex officio treasurer of the board.

Sec. 11. The State Department of Education shall cooperate with the boards of the educational service areas and upon request may furnish such advice and professional and technical assistance as the State Board of Education shall determine.

Sec. 12. The State Board of Education shall adopt necessary rules and regulations for administering provisions of this act.

(Unicameral LB 301, 1965)

Appendix I

Legislative Bill 301, 1965

As Enacted into Nebraska State Statute

August 10, 1965

EDUCATIONAL SERVICE UNITS

Legislative Bill 301

INTRODUCED BY ROSS H. RASMUSSEN, 15TH DISTRICT; RICHARD D. MARVEL,
33RD DISTRICT; HENRY F. PEDERSEN, JR., 4TH DISTRICT

AN ACT relating to education; to create educational service units and prescribe the geographical area thereof; to provide for county withdrawal from and readmittance to such units; to provide a board for each such unit; to provide for the selection, term of office, powers, duties, compensation, organization, and officers of the board; to provide for a tax and the use thereof; and to provide for rules and regulations.

Be it enacted by the people of the State of Nebraska,

Section 1. In order to provide supplementary educational services to local school districts, there are hereby established nineteen educational service units. The official name of such units shall be Educational Service Unit No.of the State of Nebraska, the individual number thereof to be determined as provided in section 2 of this act.

Sec. 2. The educational service units established by section 1 of this act shall be as follows:

- (1) The counties of Cedar, Dixon, Dakota, Wayne, Knox, and Thurston;
- (2) The counties of Cuming, Burt, Dodge, and Saunders;
- (3) The counties of Washington, Douglas, Sarpy, and Cass;
- (4) The counties of Otoe, Johnson, Nemaha, Pawnee, and Richardson;
- (5) The counties of Thayer, Jefferson, and Gage;

- (6) The counties of York, Seward, Lancaster, Fillmore, and Saline;
- (7) The counties of Greeley, Boone, Platte, Colfax, Nance, Polk, and Butler;
- (8) The counties of Boyd, Holt, Wheeler, Antelope, Pierce, Madison, and Stanton;
- (9) The counties of Adams, Clay, Webster, and Nuckolls;
- (10) The counties of Howard, Merrick, Hall, and Hamilton;
- (11) The counties of Gosper, Phelps, Kearney, Furnas, Harlan, and Franklin;
- (12) The counties of Dawson, Buffalo, and Sherman;
- (13) The counties of Blaine, Loup, Garfield, Custer, and Valley;
- (14) The counties of Keya Paha, Brown, Rock, Cherry;
- (15) The counties of Chase, Hayes, Frontier, Dundy, Hitchcock, and Red Willow;
- (16) The counties of Grant, Hooker, Thomas, Arthur, McPherson, Logan, Keith, Perkins, and Lincoln;
- (17) The counties of Sioux, Dawes, Box Butte, Sheridan and Morrill;
- (18) The counties of Scotts Bluff and Baner; and
- (19) The counties of Kimball, Garden, Cheyenne, and Deuel.

Class IV and V school districts may be exempted from the geographical areas of the educational service units; Provided, that within sixty days after the effective date of this act the boards of education of the existing Class IV and Class V school Districts have requested the State Board of Education for such exemption.

Sec. 3. (1) Each educational service unit shall be governed by a board to be known as the Board of Educational Service Unit No. The educational service unit board shall consist of one member from each county and four members at large, all of whom are residents of the educational service unit, but no more than two of the members at large shall be appointed

or elected from the same county unless any one county within the educational service unit has a population in excess of one hundred fifty thousand inhabitants or the educational service unit consists of only one county. The county superintendent of each county shall call a meeting within thirty days of the effective date of this act of the presidents of boards of education and school boards in the county. The presidents of the boards of education and school boards shall submit not less than six names from the county to the governor for possible appointment to the initial board of the educational service unit in which the county is located. Within ninety days after the effective date of this act, the governor shall appoint the initial members of the board. One member from each county shall be appointed for a term of two years; the four members at large shall be appointed for terms of four years. Successors to the members initially appointed shall be elected for terms of four years as provided for in Chapter 32, articles 4 and 5, Reissue Revised Statutes of Nebraska, 1943, and amendments thereto, commencing in 1968. Candidates filing for membership on the board as the representative of the county in which they reside shall file the written application with the county clerk of the county in which the principal office of the educational service unit for that geographical area is located forty days prior to the election. No filing fee shall be required of any candidate filing for the office of board member of the boards of educational service units. Whenever any vacancy occurs on the board of the educational service unit, the remaining members of such board shall appoint an individual from the county where the vacating member resided to serve for the balance of the unexpired term. Members of the board shall receive no compensation for their services but shall be reimbursed for the actual and necessary expenses incurred in the performance of their duties under this act.

(2) Within thirty days after the initial boards of educational service units have been appointed by the governor, and each January thereafter, petitions may be filed with the Secretary of State seeking the exclusion of any county from an educational service unit. Such petitions shall be signed by at least five percent of the legal voters in each of three-fifths of the school districts of the county. Upon the filing of such petitions, the Secretary of State shall order the question placed on the ballot at the next general election to be held in the county. If a majority of the voters voting on the issue vote for exclusion, the county shall be excluded from the educational service unit. The provisions of Chapter 32, article 7, Reissue Revised Statutes of Nebraska, 1943, and amendments thereto, shall apply as nearly as may be practicable to proceedings under the provisions of the subsection.

(3) Any county which has been excluded from an educational service unit under the provisions of subsection (2) of this section may be readmitted thereto by the results of an election held under the provisions of such subsection.

(4) Any local joint school district located in two or more counties and in two or more educational service units shall be considered a part of the educational service unit in which the greater number of school age children of such joint school district reside.

(5) If a county in which is located a joint school district lying in two or more counties elects to withdraw from an educational service unit, the joint school district shall be governed by the action of the county in which the greater number of school children of such joint school district reside

Sec. 4. Each board shall meet within ten days after its appointment by the Governor of Nebraska and organize by naming one of their members as president, one as vice president, and one as secretary.

It shall be the function of the board of the educational service unit to determine the participation of the educational service unit in providing supplementary educational services. If the board of the educational service unit does not provide supplementary educational services, it shall meet during each succeeding January to determine the participation in providing supplementary educational services for that calendar year.

Sec. 5. Each board of an educational service unit deciding to provide supplementary services shall appoint and fix the compensation and duties of an administrator, who shall be a person experienced in public school administration and who shall hold at least a standard administrative certificate. With the advice of the administrator, the board shall also employ and fix the compensation and duties of such professional and clerical assistants as shall be necessary.

Sec. 6. The board shall determine the location within the educational service unit of its principle office and may, if necessary of the performance of its duties under this act, establish one or more other offices and such locations as it shall determine within the educational service unit. The board may acquire office space by purchase, out of funds appropriated to it for educational purposes, or may rent or lease such space as may be necessary. The board shall also acquire the personal property necessary for the performance of its duties.

Sec. 7. The county treasurer or deputy of the county in which the principle office of the educational service unit is located shall be the ex officio treasurer of the board. He shall be the custodian of all funds of the board. He shall attend all meetings of the board when required to do so, shall prepare and submit in writing a monthly report of the state of its finances, and shall pay out money of the board only upon a warrant signed by the president, or in his absence of the vice president, and countersigned by the secretary. He shall give bond, payable to the board,

in such sum as the board shall determine conditioned for the faithful performance of his duties as treasurer of the board and for the safekeeping and proper disbursement of all funds of the board collected or received by him. Such bond shall be signed by a corporate surety company authorized to do business within this state. Such bond may be enlarged at any time the board deems such enlargement necessary or advisable. The cost of such bond shall be paid out of funds of the board.

Sec. 8. The board of each educational service unit in cooperation with local boards of education shall be responsible for (1) providing within its geographical area supplementary services such as guidance and counseling, remedial instruction, school health, adult education including are vocational technical schools, special education, and instructional material centers, (2) planning and coordinating educational services within its geographical area whenever such services are offered on a cooperating basis between local school districts, and (3) contracting for educational services with the board of any other educational service unit, any other educational agency, or with any appropriate state or federal officer or agency.

Sec. 9. The board of each educational service unit may receive, for the purpose for which made available, any county, state or federal funds made available to it and may use tax revenue from the levy of the unit for operational expenses and for the purpose of matching any funds that may be made available to it on a matching basis by any state or federal agency and may utilize such personnel or services that may lawfully be offered by any state or federal agency or governmental unit.

Sec. 10. The board for each educational service unit may levy a tax of not to exceed one mill on the dollar on the assessed valuation of all property except intangible property within its geographical unit. The amount of any such levy shall be certified by the secretary of

the board to the county treasurer of each county within the educational service unit who shall collect the same as other taxes are collected and remit the proceeds therefrom to the county treasurer who is ex officio treasurer of the board.

Sec. 11. The State Board of Education acting as such or as the State Board of Vocational Education shall adopt necessary rules and regulations for initiating and administering the provisions of this act, which shall be in conformity with sections 79-328 and 79-1429, reissue Revised Statutes of Nebraska, 1943 and amendments thereto.

Sec. 12. This act shall be supplemental to any other laws and shall not affect the reorganization of school districts as provided in sections 79-426.01 to 79-426.19 and 79-426.22, Reissue Revised Statutes of Nebraska, 1943, and amendments thereto.

Approved August 10, 1965

(Educational Service, 1965)

Appendix J
Educational Service Unit Act
Statute, 2018

Nebraska State Statutes Related to Nebraska Educational Service Units
2018

Statute Number	Title and Text	Source
79-1201	Act, how cited.	
	Sections 79-1201 to 79-1249 shall be known and may be cited as the Educational Service Units Act.	Laws 1996, LB 900, § 918; Laws 1998, LB 1110, § 1; Laws 1999, LB 386, § 2; Laws 2002, Second Spec. Sess., LB 5, § 2; Laws 2007, LB603, § 8.
79-1201.01	Terms, defined.	
	<p>For purposes of the Educational Service Units Act and sections 79-1336 and 79-1337:</p> <p>(1) Distance education course means a course with at least one student in any of grades kindergarten through twelve who is in a different location than the teacher and taught by a teacher employed by an educational entity utilizing either two-way interactive video or the Internet without two-way interactive video. Distance education course includes a dual-enrollment course with at least one student who is in a different location than the teacher and taught by a teacher employed by an educational entity utilizing either two-way interactive video or the Internet without two-way interactive video;</p> <p>(2) Dual-enrollment course means a course taught to students for credit at both a high school and a postsecondary educational institution;</p> <p>(3) Educational entity means a school district, a private, denominational, or parochial school, an educational service unit, a community college, a state college, the University of Nebraska, or a nonprofit private postsecondary educational institution;</p> <p>(4) Elementary distance education course means a distance education course which is delivered utilizing</p>	Laws 1999, LB 386, § 3; Laws 2007, LB603, § 9.

	<p>two-way interactive video to students who are enrolled in any of grades kindergarten through eight;</p> <p>(5) Network Nebraska means the network created pursuant to section 86-5,100;</p> <p>(6) Qualified distance education course means a distance education course which meets any applicable rules and regulations of the State Department of Education, is offered for one semester of high school credit or the equivalent, and for which all of the participating educational entities are required to have access to Network Nebraska;</p> <p>(7) Technical training means training to equip educators with knowledge about the skills and tools necessary to infuse technological resources and software applications into the curriculum to be used in classrooms with and by students and includes, but is not limited to, computer workstation troubleshooting, distance education, educational software, Internet resources, local area network management, multimedia presentation tools, and strategic planning;</p> <p>(8) Technology includes technical training and technology infrastructure;</p> <p>(9) Technology infrastructure means hardware-related items necessary for schools to interact electronically throughout the state, including, but not limited to, physical connections, wiring, servers, routers, switches, domain name service, and operating systems and human resources necessary to maintain infrastructure, including, but not limited to, systems engineers, programmers, webmasters, and help desk staff; and</p> <p>(10) Two-way interactive video distance education course means a distance education course in which a teacher delivers instruction to students in a different location than the teacher using two-way interactive video on at least two different days per week during the course.</p>	
79-1202	<p>Educational service units; name</p> <p>The official name of each educational service unit shall be Educational Service Unit No. ... of the State of Nebraska, and the individual number of each unit shall be determined by the State Board of Education. For educational service units existing on January 1, 1998, the number of the unit shall remain the same. For educational service units created by merger, the number of the unit shall be the number of one of the educational</p>	<p>Laws 1965, c. 504, § 1, p. 1606; Laws 1969, c. 746, § 1, p. 2807; Laws 1984, LB 994, § 19; Laws 1987, LB 688, § 12;</p>

	<p>service units dissolving into the new educational service unit. For all other newly created educational service units, the number shall be any number not otherwise assigned to an existing educational service unit.</p> <p><i>This article sustained as constitutional. Frye v. Haas, 182 Neb. 73, 152 N.W.2d 121 (1967)</i></p>	<p>R.S.1943, (1994), § 79-2201; Laws 1996, LB 900, § 919; Laws 1997, LB 806, § 55; Laws 1998, Spec. Sess., LB 1, § 50; Laws 2001, LB 797, § 48; Laws 2008, LB1154, § 12.</p>
79-1203	Repealed. Laws 1998, Spec. Sess., LB 1, § 61	
79-1204	Role and mission; powers and duties	
	<p>(1) The role and mission of the educational service units is to serve as educational service providers in the state's system of elementary and secondary education.</p> <p>(2) Educational service units shall:</p> <p>(a) Act primarily as service agencies in providing core services and services identified and requested by member school districts;</p> <p>(b) Provide for economy, efficiency, and cost-effectiveness in the cooperative delivery of educational services;</p> <p>(c) Provide educational services through leadership, research, and development in elementary and secondary education;</p> <p>(d) Act in a cooperative and supportive role with the State Department of Education and school districts in development and implementation of long-range plans, strategies, and goals for the enhancement of educational opportunities in elementary and secondary education; and</p> <p>(e) Serve, when appropriate and as funds become available, as a repository, clearinghouse, and administrator of federal, state, and private funds on behalf of school districts which choose to participate in special programs, projects, or grants in order to enhance the quality of education in Nebraska schools.</p> <p>(3) Core services shall be provided by educational service units to all member school districts. Core services shall be defined by each educational service unit as follows:</p>	<p>Laws 1987, LB 688, § 1; R.S.1943, (1994), § 79-2201.02; Laws 1996, LB 900, § 921; Laws 1997, LB 806, § 57; Laws 1999, LB 87, § 89; Laws 2006, LB 1208, § 8; Laws 2007, LB641, § 34; Laws 2009, LB549, § 45; Laws 2013, LB410, § 13; Laws 2016, LB1002, § 1.</p>

	<p>(a) Core services shall be within the following service areas in order of priority: (i) Staff development which shall include access to staff development related to improving the achievement of students in poverty and students with diverse backgrounds; (ii) technology, including distance education services; and (iii) instructional materials services;</p> <p>(b) Core services shall improve teaching and student learning by focusing on enhancing school improvement efforts, meeting statewide requirements, and achieving statewide goals in the state's system of elementary and secondary education;</p> <p>(c) Core services shall provide schools with access to services that:</p> <p>(i) The educational service unit and its member school districts have identified as necessary services;</p> <p>(ii) Are difficult, if not impossible, for most individual school districts to effectively and efficiently provide with their own personnel and financial resources;</p> <p>(iii) Can be efficiently provided by each educational service unit to its member school districts; and</p> <p>(iv) Can be adequately funded to ensure that the service is provided equitably to the state's public-school districts;</p> <p>(d) Core services shall be designed so that the effectiveness and efficiency of the service can be evaluated on a statewide basis; and</p> <p>(e) Core services shall be provided by the educational service unit in a manner that minimizes the costs of administration or service delivery to member school districts.</p> <p>(4) Educational service units shall meet minimum accreditation standards set by the State Board of Education that will:</p> <p>(a) Provide for accountability to taxpayers;</p> <p>(b) Assure that educational service units are assisting and cooperating with school districts to provide for equitable and adequate educational opportunities statewide; and</p> <p>(c) Assure a level of quality in educational programs and services provided to school districts by the educational service units.</p> <p>(5) Educational service units may contract to provide services to:</p> <p>(a) Nonmember public school districts;</p>	
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	<p>(b) Nonpublic school systems;</p> <p>(c) Other educational service units; and</p> <p>(d) Other public agencies, under the Interlocal Cooperation Act and the Joint Public Agency Act.</p> <p>(6) Educational service units shall not regulate school districts unless specifically provided pursuant to another section of law.</p> <p>(7) The board of any educational service unit in this state may pay from its funds an amount to be determined by the board for membership dues in associations of school boards or boards of education.</p>	
79-1205	Annual adjustment to boundaries; State Board of Education; duties	
	<p>On or before August 1 of each year, the State Board of Education shall adjust the boundaries of any educational service unit the boundaries of which do not align with the boundaries of the member school districts on August 1 of such year. Such boundary adjustments shall align the boundaries of the educational service unit with the boundaries of the member school districts as the boundaries of the member school districts existed on August 1 of such year. Such boundary adjustments shall be referred to the appropriate county and educational service unit officials, and such officials shall implement the adjustments and make the necessary changes in the educational service unit maps and tax records.</p>	<p>Laws 2007, LB603, § 10;</p> <p>Laws 2015, LB525, § 25.</p>
79-1206	Reorganization of educational service unit boundaries; legislative intent	
	<p>The Legislature finds that from time to time there is a need to change the boundaries of educational service units in response to changes in student population and in student and school needs as well as changes in the taxable wealth and financial resources of the educational service units. It is the intent of the Legislature to establish an orderly process for locally initiated reorganization of educational service unit boundaries. The purpose of sections 79-1206 to 79-1211 is to establish the statutory framework for such process and to empower the State Board of Education to make changes in educational service unit boundaries based on statutory criteria</p>	<p>Laws 1987, LB 688, § 2;</p> <p>R.S.1943, (1994), § 79-2202.03;</p> <p>Laws 1996, LB 900, § 923.</p>
79-1207	Boundary change; initiated by petition	
	<p>On and after January 1, 1989, petitions to the State Board of Education to change educational service unit boundaries may be initiated by a resolution adopted by</p>	<p>Laws 1987, LB 688, § 3;</p>

	a majority vote of any educational service unit board or any school board. In addition, such boards shall initiate a petition for reorganization upon the receipt of a petition signed by ten percent of the legal voters of such educational service unit or school district and certified by the county clerk or election commissioner.	R.S.1943, (1994), § 79-2202.04; Laws 1996, LB 900, § 924; Laws 1997, LB 345, § 46.
79-1208	Boundary change; petition; contents	
	Petitions to the State Board of Education to change educational service unit boundaries shall include a description of the proposed boundaries and shall be accompanied by a plan of reorganization which shall include (1) a summary of the reasons for the proposed reorganization, (2) a plan for the provision of services to school districts affected by any reorganization plan, (3) when a petition proposes the dissolution of an entire educational service unit or units for attachment to an existing educational service unit or for the merger of two or more educational service units into a new educational service unit, a summary of the terms on which such reorganization is made, including provision for the utilization of existing facilities, equipment, and materials and provision for the disposition of assets and any unbonded indebtedness of affected educational service units, (4) when a petition deals with the attachment of new territory to an existing educational service unit, verification of approval by majority vote of the receiving educational service unit governing board, and (5) a plan for the establishment of new election districts as required under section 79-1217.	Laws 1987, LB 688, § 4; Laws 1990, LB 486, § 2; R.S.1943, (1994), § 79-2202.05; Laws 1996, LB 900, § 925; Laws 2007, LB603, § 11.
79-1209	Boundaries; petition; changes authorized.	
	A petition to reorganize educational service units may include the following: (1) A transfer of a school district or districts from one established educational service unit to another established educational service unit; (2) A withdrawal from an established educational service unit by two or more school districts to form a new educational service unit; (3) An addition of a school district or districts which are not part of an educational service unit to an established or new educational service unit; and (4) The dissolution of one or more entire educational service units for attachment to existing educational	Laws 1987, LB 688, § 5; R.S.1943, (1994), § 79-2202.06; Laws 1996, LB 900, § 926; Laws 1997, LB 806, § 58.

	service units or the merger of two or more educational service units into a new educational service unit.	
79-1210	State Board of Education; grant or deny petition; criteria	
	<p>The State Board of Education shall grant or deny any petition to change educational service unit boundaries based upon the following criteria:</p> <p>(1) The educational needs of students in the affected school districts and the affected educational service units;</p> <p>(2) The economic viability of the proposal as it relates to affected established educational service units or affected proposed educational service units;</p> <p>(3) Any community of interest among affected school districts and affected educational service units;</p> <p>(4) Geographic proximity as such would affect the ability of affected educational service units to deliver service in a cost-effective manner;</p> <p>(5) Compliance with the requirements of the Educational Service Units Act; and</p> <p>(6) In the dissolution of one or more entire educational service units, evidence of consent from each educational service unit board and two-thirds of the school boards or boards of education of member school districts representing a majority of students in each affected educational service unit.</p> <p>For petitions that change educational service unit boundaries by transferring a learning community member district from one educational service unit to another educational service unit with existing territory in such learning community, the requirements of subdivisions (1), (2), (3), and (4) of this section shall be deemed to have been met if the affected educational service units will each have at least two-member school districts after such transfer.</p>	<p>Laws 1987, LB 688, § 6;</p> <p>R.S.1943, (1994), § 79-2202.07;</p> <p>Laws 1996, LB 900, § 927;</p> <p>Laws 1997, LB 806, § 59;</p> <p>Laws 2008, LB1154, § 13.</p>
79-1211	Petition; hearing; approval or rejection; effect	
	<p>The State Board of Education, within ninety days after the receipt of any petition described in section 79-1208, shall hold a public hearing on the proposed reorganization plan. At the board's option, it may appoint a hearing officer to conduct the public hearing and issue a summary of the evidence presented. The board may also direct the appointed hearing officer to recommend a decision to the board, which</p>	<p>Laws 1987, LB 688, § 7;</p> <p>Laws 1990, LB 486, § 3;</p> <p>R.S.1943, (1994), § 79-2202.08;</p> <p>Laws 1996, LB 900, § 928;</p>

	<p>recommendation shall not be binding on the board. Within one hundred twenty days after the receipt of such petition, the board shall approve or reject such petition. If the board rejects the petition, it shall clearly state its reasons for such rejection. Approved petitions for reorganization of educational service unit boundaries shall be referred to the appropriate county and educational service unit officials to implement the plan and to make the necessary changes in the educational service unit maps and tax records.</p>	<p>Laws 2007, LB603, § 12.</p>
79-1212	Reorganized units; board members	
	<p>Members of boards of educational service units existing prior to approval of any plan of reorganization shall serve as board members of educational service units which are reorganized pursuant to sections 79-1206 to 79-1211 until the expiration of their original terms. Such persons shall be members of the board of the reorganized educational service unit in which they reside. Within thirty days after approval of any plan of reorganization by the State Board of Education, the president of the board of each educational service unit being reorganized shall call a meeting of board members of such educational service unit. At such meeting, members of each such board shall appoint one member from each election district to be created pursuant to the plan of reorganization not having representation on such board to serve until the next general election. The board shall take all necessary action to prepare for operation of the reorganized educational service unit following approval of any plan of reorganization by the State Board of Education. Expenses incurred by such board prior to such times shall be prorated between the counties comprising the educational service unit on the basis of the assessed valuation of such counties.</p>	<p>Laws 1969, c. 746, § 3, p. 2810; Laws 1987, LB 688, § 18; R.S.1943, (1994), § 79-2203.02; Laws 1996, LB 900, § 929; Laws 1998, Spec. Sess., LB 1, § 51; Laws 2007, LB603, § 13; Laws 2009, LB549, § 46.</p>
79-1213	Reorganized units; warrants; purpose; interest	
	<p>The board of any reorganized educational service unit pursuant to sections 79-1206 to 79-1211 is authorized to issue warrants in an amount necessary for the following purposes: (1) To pay its expenses for a one-year period beginning one year after approval of any plan of reorganization by the State Board of Education; and (2) to finance the programs and services of the reorganized educational service unit beginning one year after the</p>	<p>Laws 1969, c. 746, § 4, p. 2811; Laws 1987, LB 688, § 19; R.S.1943, (1994), § 79-2203.03; Laws 1996, LB 900, § 930;</p>

	<p>approval of any plan of reorganization by the State Board of Education until the distribution of the proceeds of its first tax levy less the amount of cash on hand and to be received during such period. Whenever any board of a reorganized educational service unit issues warrants, such board shall make a tax levy at the next tax-levying period sufficient to pay the same and the interest thereon. Such warrants shall bear interest at the rate of not more than six percent per annum and shall be recorded by the treasurer of the board and redeemed as provided in Chapter 77, article 22, and amendments thereto.</p>	<p>Laws 1998, Spec. Sess., LB 1, § 52.</p>
<p>79-1214</p>	<p>Repealed. Laws 1998, Spec. Sess., LB 1, § 61.</p>	
<p>79-1215</p>	<p>Reorganized unit; adjusted tax list; contracts or leases; limitation; certificated employee; rights; transfer of records</p> <p>(1) Within one year after the date of approval of any plan of reorganization, the county treasurer of each county shall adjust the tax list of the educational service unit in accordance with the changes in boundaries of the educational service units pursuant to sections 79-1206 to 79-1211 so that the uncollected taxes levied upon property that has been transferred to another educational service unit shall when collected be placed to the credit of the reorganized educational service unit to which the property is a part.</p> <p>(2) The board of every existing educational service unit that is to become reorganized pursuant to sections 79-1206 to 79-1211 shall not employ any person for a term greater than one year. Any contract or lease made by such a governing body is hereby declared to be null and void if it extends for a period greater than one year unless validated by the board of the reorganized educational service unit. This subsection is not inconsistent with and does not negate any rights of any educational service unit certificated employees to continued employment pursuant to sections 79-846 to 79-849 and 79-1234 to 79-1239. The provisions of this subsection do not negate any previously negotiated collective-bargaining agreements between educational service unit certificated employees and the educational service unit covering a period of time greater than one year.</p> <p>(3) Any certificated employee who, in the year immediately preceding a reorganization, has been</p>	
		<p>Source: Laws 1969, c. 746, § 6, p. 2812; Laws 1987, LB 688, § 21; R.S.1943, (1994), § 79-2204.01; Laws 1996, LB 900, § 932; Laws 1998, Spec. Sess., LB 1, § 53.</p>

	<p>employed one-half time or more by an educational service unit which is affected by an approved petition to change educational service unit boundaries shall, upon the effective date of the reorganization of the educational service unit boundaries pursuant to sections 79-1206 to 79-1211, have the option, for purposes of reduction in force, to be considered an employee of either the educational service unit at which he or she has been employed or of the educational service unit which will provide services to the affected school district. If such employee elects to be considered an employee of the educational service unit which will serve the affected school district, the employee shall not lose any right of seniority or tenure status after the transfer. If the certificated employee in the year immediately preceding reorganization is assigned less than one-half time to a school district petitioning or a school district in an educational service unit petitioning for reorganization, then such certificated employee shall continue to be an employee of the educational service unit existing prior to reorganization.</p> <p>(4) All official records of existing educational service units which are reorganized in whole or in part pursuant to sections 79-1206 to 79-1211 shall be transferred to the office of the Commissioner of Education for storage.</p>	
79-1216	Repealed. Laws 1997, LB 806, § 69.	
79-1217	<p>Governing board; name; members; election; qualification; vacancy; expenses.</p> <p>(1) All educational service units shall be governed by a board to be known as the Board of Educational Service Unit No. Until the first Thursday after the first Tuesday in January 2009, the educational service unit board, except the board of an educational service unit with only one member school district, shall be composed of one member from each county and four members at large, all of whom shall reside within the geographical boundaries of the educational service unit, but no more than two of the members at large shall be appointed or elected from the same county unless any one county within the educational service unit has a population in excess of one hundred fifty thousand inhabitants or the educational service unit consists of only one county. Beginning on the first Thursday after the first Tuesday in January 2009, the educational service unit board, except</p>	
		<p>Laws 1965, c. 504, § 3, p. 1608; Laws 1967, c. 560, § 1, p. 1844; Laws 1969, c. 747, § 2, p. 2818; Laws 1969, c. 746, § 8, p. 2814; Laws 1977, LB 201, § 17; Laws 1978, LB 632, § 10; Laws 1981, LB 204, § 163; Laws 1987, LB 688, § 16;</p>

<p>the board of an educational service unit with only one-member school district, shall be composed of one member elected to represent each election district established pursuant to section 79-1217.01. Successors to the members initially appointed pursuant to section 79-1212 shall be elected pursuant to section 32-515.</p> <p>(2) Vacancies in office shall occur as set forth in section 32-560, except as otherwise provided in section 79-1212 regarding the requirement to live in the district represented, or in the case of absences, unless excused by a majority of the remaining members of the board, when a member is absent from the geographical boundaries of the educational service unit for a continuous period of sixty days at one time or from more than two consecutive regular meetings of the board. Whenever any vacancy occurs on the board, the remaining members of such board shall appoint an individual residing within the election district of the educational service unit for which the vacancy exists and meeting the qualifications for the office to fill such vacancy for the balance of the unexpired term.</p> <p>(3) Members of the board shall receive no compensation for their services but shall be reimbursed for the actual and necessary expenses incurred in the performance of their duties under the Educational Service Units Act as provided in sections 81-1174 to 81-1177.</p> <p>(4) Any joint school district located in two or more counties shall be considered a part of the educational service unit in which the greater number of school-age children of such joint school district reside.</p> <p>(5) The administrator of each educational service unit, prior to July 1 of each year in which a statewide primary election is to be held, shall certify to the election commissioner or county clerk of each county located within the unit the corporate name of each school district, as described in section 79-405, located within the county. If a school district is a joint school district located in two or more counties, the administrator shall certify to each election commissioner or county clerk the educational service unit of which the school district is considered to be a part.</p> <p>(6) An educational service unit may consist of a single school district if the single school district is either a Class IV or Class V school district. An educational service unit with only one-member school district shall</p>	<p>Laws 1988, LB 1142, § 12; Laws 1991, LB 511, § 65; Laws 1992, LB 245, § 70; Laws 1992, LB 1063, § 200; Laws 1992, Second Spec. Sess., LB 1, § 171; Laws 1994, LB 76, § 607; R.S.1943, (1994), § 79-2203; Laws 1996, LB 900, § 934; Laws 1997, LB 345, § 47; Laws 1997, LB 347, § 47; Laws 2001, LB 797, § 49; Laws 2002, LB 647, § 2; Laws 2007, LB603, § 14; Laws 2010, LB965, § 2; Laws 2012, LB446, § 1; Laws 2018, LB377, § 83. Operative Date: January 1, 2019</p>
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	be governed by the school board of such school district and shall participate in one or more of the statewide projects managed by the Educational Service Unit Coordinating Council.	
79-1217.01	Educational service unit board; establish election districts By December 31, 2007, and after each decennial census pursuant to section 32-553, each educational service unit board, except boards of educational service units with only one-member school district, shall divide the territory of the educational service unit into at least five and up to twelve numbered districts for the purpose of electing members to the board in compliance with section 32-553. Such districts shall be compact and contiguous and substantially equal in population. The newly established election districts shall apply beginning with the nomination and election of educational service unit board members in 2008.	Laws 2007, LB603, § 15.
79-1218	Board; meetings; organization; duties The board of each educational service unit shall meet and organize by naming one of its members as president, one as vice president, and one as secretary. The board shall employ a treasurer who shall be paid a salary to be fixed by the board. The board of the educational service unit shall determine the participation of the educational service unit in providing supplementary educational services. If the board of the educational service unit does not provide supplementary educational services, it shall meet during each succeeding January to determine the participation in providing supplementary educational services for that calendar year. Meetings may be held by means of videoconferencing or telephone conference in accordance with subsections (2) and (3) of section 84-1411.	Laws 1965, c. 504, § 4, p. 1610; Laws 1969, c. 748, § 1, p. 2822; Laws 1969, c. 746, § 5, p. 2811; Laws 1987, LB 688, § 20; R.S.1943, (1994), § 79-2204; Laws 1996, LB 900, § 935; Laws 2009, LB361, § 1.
79-1219	Board; administrator; appointment; compensation; duties Each board of an educational service unit deciding to provide supplementary services shall appoint and fix the compensation and duties of an administrator, who shall be a person experienced in public school administration and who shall hold at least a standard administrative certificate. With the advice of the administrator, the board shall also employ and fix the	Laws 1965, c. 504, § 5, p. 1610; Laws 1987, LB 688, § 22; R.S.1943, (1994), § 79-2205;

	compensation and duties of such professional and clerical assistants as shall be necessary. No board member of an educational service unit shall be employed by the educational service unit board on which he or she is a board member.	Laws 1996, LB 900, § 936.
79-1220	Board; offices; location.	
	<p>(1) The board shall determine the location within the educational service unit of its principal office and may, if necessary for the performance of its duties under the Educational Service Units Act, establish one or more other offices at such locations as it shall determine within the educational service unit. The board may acquire office space by purchase out of funds appropriated to it for educational purposes or may rent or lease such space as may be necessary. The board shall also acquire the personal property necessary for the performance of its duties.</p> <p>(2) When due to boundary changes provided for in sections 79-1206 to 79-1211 the principal office of an educational service unit is no longer located within the boundaries of the educational service unit, then the affected educational service unit may maintain its principal office outside the boundaries of the unit.</p>	Laws 1965, c. 504, § 6, p. 1611; Laws 1987, LB 688, § 23; R.S.1943, (1994), § 79-2206; Laws 1996, LB 900, § 937.
79-1221	Treasurer; custodian of funds; duties; bond or insurance; conditions	
	The treasurer shall be the custodian of all funds of the board of the educational service unit. He or she shall attend meetings of the board, shall prepare and submit in writing a monthly report of the state of its finances, and shall pay out money of the board only upon a warrant signed by the president, or in his or her absence by the vice president, and countersigned by the secretary. The treasurer shall give bond or evidence of equivalent insurance coverage, payable to the board, in such sum as the board shall determine conditioned for the faithful performance of the duties as treasurer of the board and for the safekeeping and proper disbursement of all funds of the board collected or received by him or her. Such bond shall be signed by a corporate surety company or insurance company authorized to do business within this state. Such bond or insurance coverage may be enlarged at any time the board deems such enlargement necessary or advisable. The cost of	Laws 1965, c. 504, § 7, p. 1611; Laws 1969, c. 748, § 2, p. 2822; R.S.1943, (1994), § 79-2207; Laws 1996, LB 900, § 938; Laws 2006, LB 860, § 1.

	such bond or insurance coverage shall be paid out of funds of the board.	
79-1222	Educational service unit; services; to whom provided; contracting for health services.	
	When requested in writing by local school boards or boards of education, the board of each educational service unit may, at its discretion and within the limitations imposed by sections 79-1224 and 79-1225, (1) provide supplementary services to (a) the requesting school systems within its geographical area, (b) requesting school systems not within its geographical area to the extent allowed under the Educational Service Units Act, and (c) any other educational service unit, (2) plan and coordinate educational services within its geographical area whenever such services are offered on a cooperating basis between local school districts, and (3) contract for educational services with the board of any other educational service unit, any school district, any other educational agency, or any appropriate state or federal officer or agency, except that within that area of the service unit in which there exists an organized, full-time, approved city-county, multicounty, or regional health department with health services available, the educational service unit, if health services are provided, shall first seek to contract for school health services with such department for an amount of compensation agreeable to both such unit and board. The board of each educational service unit may charge for a portion or all of the costs of the additional services authorized by this section. If an educational service unit on December 25, 1969, has a health service facility, this section does not prevent the continued use by the unit of such facility. The educational service unit may contract with such health department to provide school health services for that area of the educational service unit not served by such city-county, multicounty, or regional health department.	Laws 1965, c. 504, § 8, p. 1611; Laws 1969, c. 749, § 1, p. 2823; Laws 1969, c. 750, § 1, p. 2825; Laws 1972, LB 928, § 1; Laws 1979, LB 57, § 2; Laws 1987, LB 688, § 24; Laws 1994, LB 1310, § 15; R.S.1943, (1994), § 79-2208; Laws 1996, LB 900, § 939; Laws 1997, LB 347, § 48.
79-1223	Educational service units; real estate; personal property; services; purchase; lease; bids.	
	In order to carry out the purposes provided in section 79-1204, educational service units may purchase, lease, or lease-purchase real estate, equipment, supplies, services, and personal property for their own use. Educational service units may, either individually or	Laws 1971, LB 734, § 1; Laws 1979, LB 57, § 1;

	collectively, purchase, lease, lease-purchase, or act as purchase agent for administrative and instructional supplies, instructional equipment, instructional services, and personal property for resale only to educational entities. When an educational service unit advertises for bids for administrative or instructional supplies, instructional equipment, instructional services, and personal property, acceptance of any bid submitted to the educational service unit shall obligate the educational service unit to award the contract in accordance with the plans and specifications and in the quantities set forth in the bid documents.	Laws 1987, LB 688, § 13; R.S.1943, (1994), § 79-2201.01; Laws 1996, LB 900, § 940; Laws 2006, LB 1208, § 9; Laws 2007, LB603, § 21.
79-1224	Governing board; state, county, or federal funds; use; tax; levy; matching of funds.	
	The board of each educational service unit may receive, for the purpose for which made available, any school district, county, state, or federal funds made available to it, or funds or property received from any other source, and may use tax revenue from the levy of the educational service unit for operational expenses and for the purpose of matching any funds that may be made available to it on a matching basis by any state or federal agency. The board of each educational service unit may utilize such personnel or services that may lawfully be offered by any state or federal agency or governmental unit.	Laws 1965, c. 504, § 9, p. 1612; Laws 1972, LB 928, § 2; R.S.1943, (1994), § 79-2209; Laws 1996, LB 900, § 941.
79-1225	Governing board; tax; levy; limitation; exception; proceeds; when remitted	
	(1) After the adoption of its budget statement, the board for each educational service unit, except as provided in subsection (2) of this section, may levy a tax in the amount which it requires under its adopted budget statement to be received from taxation. The levy shall be subject to the limits established by section 77-3442. The amount of such levy shall be certified by the secretary of the educational service unit board to the county board of equalization of each county in which any part of the geographical area of the educational service unit is located on or before September 20 of each year. Such tax shall be levied and assessed in the same manner as other property taxes and entered on the books of the county treasurer. The proceeds of such tax, as collected, shall be remitted to the treasurer of the board on or before the	Laws 1965, c. 504, § 10, p. 1612; Laws 1969, c. 145, § 47, p. 700; Laws 1969, c. 746, § 7, p. 2813; Laws 1977, LB 391, § 2; Laws 1979, LB 178, § 2; Laws 1979, LB 187, § 248; Laws 1980, LB 599, § 15; Laws 1992, LB 1063, § 201;

	<p>fifteenth day of each month or more frequently as provided in section 77-1759.</p> <p>(2) For fiscal year 2013-14 and each fiscal year thereafter, only an educational service unit which has four or more-member school districts or an educational service unit composed of a single Class IV or Class V school district may levy a tax on the taxable value of the taxable property within the geographic boundaries of the educational service unit.</p>	<p>Laws 1992, Second Spec. Sess., LB 1, § 172;</p> <p>Laws 1993, LB 348, § 50;</p> <p>Laws 1993, LB 452, § 3;</p> <p>Laws 1993, LB 734, § 53;</p> <p>Laws 1995, LB 452, § 34;</p> <p>R.S. Supp., 1995, § 79-2210;</p> <p>Laws 1996, LB 900, § 942;</p> <p>Laws 1996, LB 1114, § 67;</p> <p>Laws 1999, LB 141, § 14;</p> <p>Laws 1999, LB 287, § 3;</p> <p>Laws 1999, LB 386, § 4;</p> <p>Laws 2008, LB 1154, § 14;</p> <p>Laws 2012, LB 446, § 2.</p>
79-1226	<p>Governing board; budget; prepare; contents</p> <p>The board of each educational service unit, prior to the levying of any tax as provided by law, shall prepare a budget for the operation and maintenance of the educational service unit for the ensuing year. This budget shall itemize the contemplated expenditures and the expected revenue from taxation received by the educational service unit, from available federal, state, and county sources, from contractual revenue from school districts, and from all other agencies and sources.</p>	<p>Laws 1969, c. 700, § 1, p. 2699;</p> <p>Laws 1972, LB 928, § 3; R.S. 1943, (1994), § 79-2210.01;</p> <p>Laws 1996, LB 900, § 943</p>
79-1227	<p>Budget; publication required</p> <p>A summary of the prepared yearly budget of an educational service unit shall be published one time in a legal newspaper published in or of general circulation in each county in the unit at least five days before a meeting at which such budget shall be considered for adoption by the board. Such publication shall also</p>	<p>Laws 1969, c. 700, § 2, p. 2699;</p> <p>Laws 1990, LB 1090, § 38;</p> <p>R.S. 1943, (1994), § 79-2210.02;</p>

	specify the date, time, and place of the public hearing at which the budget will be considered and any tax levy made.	Laws 1996, LB 900, § 944.
79-1228	Board; report of yearly activities; publication and distribution required	
	The board of an educational service unit shall cause to be published by November 1 of each year a brief report of the yearly activities of the board. The report shall include the amount of revenue received and expenditures itemized by categories. This publication shall be for one time in a newspaper of general circulation distributed in each county in the educational service unit. A copy of the report shall be distributed to each member school district by November 1 of each year.	Laws 1969, c. 700, § 3, p. 2699; Laws 1990, LB 1090, § 39; R.S.1943, (1994), § 79-2210.03; Laws 1996, LB 900, § 945
79-1229	Annual financial report; contents; annual audit required; cost.	
	<p>(1) On or before January 31 of each year, the administrator of each educational service unit shall submit to the Commissioner of Education a report described as the annual financial report showing (a) the amount of money received from all sources during the year and the amount of money expended by the educational service unit during the year, (b) other information as necessary to fulfill the requirements of section 79-1241.03, and (c) such other information as the commissioner directs.</p> <p>(2) The board of each educational service unit shall cause a complete and comprehensive annual audit to be made of the books, accounts, records, and affairs of the educational service unit. The audits shall be conducted annually, except that the Auditor of Public Accounts may determine an audit of less frequency to be appropriate but not less than once in any three-year period. The board of each educational service unit may contract with the Auditor of Public Accounts or select a licensed public accountant or certified public accountant or firm of such accountants to conduct the audit and shall be responsible for the cost of the audit pursuant to the contract. Such audit shall be conducted in the same manner as audits of county officers. The original copy of the audit shall be filed in the office of the Auditor of Public Accounts.</p>	Laws 1969, c. 700, § 4, p. 2699; Laws 1985, Second Spec. Sess., LB 29, § 4; Laws 1987, LB 183, § 5; R.S.1943, (1994), § 79-2210.04; Laws 1996, LB 900, § 946; Laws 2008, LB988, § 51
79-1230	Sections; supplemental to other law	
	Sections 79-1202 to 79-1230 shall be supplemental to any other law and shall not affect the reorganization of	Laws 1965, c. 504, § 12, p. 1612;

	school districts as provided in the Reorganization of School Districts Act.	Laws 1991, LB 511, § 66; Laws 1992, LB 245, § 71; R.S.1943, (1994), § 79-2212; Laws 1996, LB 900, § 947.
79-1231	Special education; payment; to whom	
	When special education is provided by an educational service unit for children with disabilities as defined in section 79-1118.01, the payments provided by sections 79-1126 to 79-1144 shall be made to such educational service unit.	Laws 1967, c. 517, § 1, p. 1737; Laws 1986, LB 1177, § 38; Laws 1987, LB 367, § 72; R.S.1943, (1994), § 79-2213; Laws 1996, LB 900, § 948; Laws 1997, LB 346, § 58.
79-1232	Educational service unit; insurance coverage; authorized	
	<p>The board of any educational service unit may permit its members to participate in the educational service unit's hospitalization, medical, surgical, accident, sickness, or term life insurance coverage or any one or more of such coverages. A board member electing to participate in the insurance program of the educational service unit shall pay both the employee and the employer portions of the premium for such coverage.</p> <p>An educational service unit board which opts to permit its members to participate in insurance coverage under this section shall report quarterly at a board meeting the board members who have elected such coverage. Such a report shall be made available in the educational service unit office for review by the public upon request.</p>	Laws 1972, LB 1177, § 4; R.S.1943, (1994), § 79-2214; Laws 1996, LB 900, § 949; Laws 2008, LB850, § 3
79-1233	Access to telecomputing resources; powers and duties	
	Each educational service unit shall provide access for all school districts within the geographical area served by the unit to telecomputing resources, which shall include the capacity to receive and transmit distance education courses on at least a regional basis beginning on or before	Laws 1993, LB 348, § 49; Laws 1993, LB 452, § 2;

	<p>August 1, 2007, through the installation of necessary equipment at each educational service unit location or through interlocal agreements with other educational service units and shall provide support for training users to meet their specific telecomputing and distance education needs. School districts may annually elect prior to a date determined by the educational service unit not to connect to such telecomputing resources. Each educational service unit shall also develop, with the State Department of Education, a plan which provides for connecting the telecomputing and distance education equipment of such school districts with the telecomputing and distance education equipment of the unit.</p> <p>Educational service units may enter into agreements pursuant to the Interlocal Cooperation Act and the Joint Public Agency Act to carry out this section. Such agreements may include, but need not be limited to, provisions requiring any school district having telecomputing or distance education equipment connected to the educational service unit's telecomputing or distance education equipment to pay periodic fees necessary to cover the cost of such usage.</p>	<p>Laws 1995, LB 860, § 3; R.S.Supp.,1995, § 79-2225; Laws 1996, LB 900, § 950; Laws 1999, LB 87, § 90; Laws 1999, LB 141, § 15; Laws 1999, LB 386, § 5; Laws 2006, LB 1208, § 10; Laws 2007, LB603, § 22; Laws 2010, LB1071, § 27.</p>
79-1234	<p>Tenure; terms, defined.</p> <p>For purposes of sections 79-1234 to 79-1239, unless the context otherwise requires:</p> <p>(1) Board means the governing board of any educational service unit;</p> <p>(2) Certificated employee means any teacher, nurse, or other person required to have a certificate from the State Department of Education who is employed by an educational service unit;</p> <p>(3) Just cause means incompetency, neglect of duty, unprofessional conduct, insubordination, immorality, physical or mental incapacity, or other conduct which interferes substantially with the continued performance of duties or a change in circumstances such as financial exigency or a diminution of demand for services by the school districts served by the educational service unit necessitating a reduction in the number of teachers or nurses to be employed by the board;</p> <p>(4) Permanent certificated employee means a certificated employee (a) who has served under a contract with the educational service unit for at least three successive years under any contract which was</p>	<p>Laws 1986, LB 997, § 1; R.S.1943, (1994), § 79-2216; Laws 1996, LB 900, § 951</p>

	<p>entered into to create initial employment on or after September 1, 1986, or (b) who was initially employed by the educational service unit prior to September 1, 1986; and</p> <p>(5) Probationary certificated employee means a certificated employee who has served under a contract with the educational service unit for less than three successive years under any contract which was entered into to create initial employment on or after September 1, 1986.</p>	
79-1235	Tenure; contract of certificated employee; how treated	
	The contract of a certificated employee shall be deemed renewed and remain in full force and effect unless amended, terminated, or not renewed in accordance with sections 79-1234 to 79-1239	Laws 1986, LB 997, § 2; R.S.1943, (1994), § 79-2217; Laws 1996, LB 900, § 952.
79-1236	Tenure; certificated employee; contract amendment, termination, or nonrenewal; procedure; confidentiality	
	(1) Any certificated employee whose contract of employment may be amended, terminated, or not renewed for the following school year shall be notified in writing on or before April 15 of each year of such possible action on the contract. If the certificated employee wishes a hearing, a written request shall be sent to the secretary of the board or the administrator of the educational service unit within seven calendar days after receipt of the written notice. If a hearing on such amendment, termination, or nonrenewal is not requested within the time provided in this section, the board shall make a final determination. With regard to all hearings under sections 79-1234 to 79-1239, the certificated employee shall be advised in writing at least five days prior to the hearing of the date, time, and place of the hearing. All such hearings shall be held within thirty days after the date of the request for the hearing, except when the parties or their representatives, by a mutual agreement confirmed in writing, extend the time for hearings or final determinations by the board under such sections. Unless continued by written agreement between the parties or their representatives, final action by the board shall be taken on or before May 15 of each year.	Laws 1986, LB 997, § 3; R.S.1943, (1994), § 79-2218; Laws 1996, LB 900, § 953.

	<p>(2) Prior to the hearing or action on the matter, if requested by the certificated employee, the notice of possible amendment, termination, or nonrenewal and the supporting reasons shall be considered a confidential employment matter as provided in sections 79-539, 79-8,109, and 84-1410 and shall not be released to the public or news media.</p>	
79-1237	Tenure; board; subpoena powers	
	<p>The board may on its own behalf, or shall upon the request of the certificated employee, his or her representative, or the educational service unit's administration, (1) subpoena and compel the attendance of witnesses residing within or outside this state for the purpose of appearing and testifying at any hearing provided for in sections 79-1234 to 79-1239 and for the purpose of taking the deposition of such witnesses in the manner prescribed by law for the taking of depositions in civil actions in the district courts and (2) issue subpoenas for the production of any papers, books, accounts, and documents.</p>	<p>Laws 1986, LB 997, § 4; R.S.1943, (1994), § 79-2219; Laws 1996, LB 900, § 954</p>
79-1238	Tenure; probationary certificated employee; amendment or nonrenewal of contract; grounds; procedures	
	<p>(1) Upon request by the probationary certificated employee as provided in subsection (1) of section 79-1236, notice shall be provided which shall contain written reasons for the proposed amendment or nonrenewal of the probationary certificated employee's contract and shall be sufficiently specific so as to provide such employee the opportunity to prepare a response. The reasons set forth in the notice shall be employment related.</p> <p>(2) The board may elect to amend or not renew the contract of a probationary certificated employee for any reason it deems sufficient if such nonrenewal or amendment is employment related and such nonrenewal or amendment is not for constitutionally impermissible reasons. Such nonrenewal or amendment shall be in accordance with sections 79-1234 to 79-1239. Amendment or nonrenewal for reasons of reduction in force shall be in accordance with the procedures provided in sections 79-846 to 79-849 and 79-1234 to 79-1239.</p>	<p>Laws 1986, LB 997, § 5; R.S.1943, (1994), § 79-2220; Laws 1996, LB 900, § 955</p>

	<p>(3) At any time prior to the holding of a hearing or prior to final determination by the board to amend or not renew the contract involved, the probationary certificated employee may submit a letter of resignation for the ensuing school year, which resignation shall be accepted by the board.</p> <p>(4) The hearing, if requested, involving the question of the nonrenewal or amendment of a probationary certificated employee's contract shall not be a formal due process hearing but shall be an informal hearing before the board at which the probationary certificated employee involved or his or her representative shall be afforded the opportunity to discuss and explain to the board his or her position with regard to continued employment, to present information, and to ask questions of those appearing on behalf of the administration of the educational service unit. Such hearing shall be in closed session at the request of the probationary certificated employee involved or his or her representative and upon affirmative vote of the majority of the board members present and voting, but the formal action of the board for nonrenewal or amendment shall be in open session.</p> <p>(5) The hearing for a probationary certificated employee may be held before a committee of the board consisting of not less than three of the board's total members, and total membership of the committee shall be odd numbered. Notice of such hearing shall be sent to all board members five days prior to such hearing. If a hearing is held before a committee, the majority opinion of the committee shall constitute a recommendation to the board, with the final determination being made by a majority vote of the members of the board without additional hearing.</p>	
79-1239	Tenure; permanent certificated employee; amendment or termination of contract; grounds; procedures	
	<p>(1) The board by a vote of the majority of its members may determine that a permanent certificated employee's contract shall be amended or terminated for any of the following reasons: (a) Just cause as defined in section 79-1234; (b) reduction in force as set forth in sections 79-846 to 79-849; (c) a change of leave-of-absence policy; (d) failure of the permanent certificated employee upon written request of the board or the administrators of the educational service unit to accept</p>	<p>Laws 1986, LB 997, § 6; R.S.1943, (1994), § 79-2221; Laws 1996, LB 900, § 956; Laws 2003, LB 685, § 24;</p>

	<p>employment for the next school year within the time designated in the request, except that the permanent certificated employee shall not be required to signify such acceptance prior to March 15 of each year; or (e) revocation or suspension of the permanent certificated employee's certificate by the State Board of Education.</p> <p>(2) If a hearing is requested by the permanent certificated employee, the formal due process hearing for the purpose of this section means a hearing procedure adopted by the board which contains at least the following: (a) Notification to the permanent certificated employee in writing at least five days prior to the hearing of the grounds alleged for the termination or amendment of the permanent certificated employee's contract; (b) upon request of the permanent certificated employee, a list of the names of any witnesses who will be called to testify against the certificated employee and an opportunity to examine any documents that will be presented at the hearing shall be provided at least five days prior to the hearing; (c) the right to be represented; and (d) an opportunity to cross-examine all witnesses, examine all documents, and present evidence material to the issues.</p> <p>(3) Notice of the hearing shall be given in accordance with the Open Meetings Act. Upon an affirmative vote of a majority of the board's members present and voting and upon specific request of the permanent certificated employee or the permanent certificated employee's representative, the hearing shall be conducted in a closed session, but the formal action of the board shall be taken in open session.</p> <p>(4) A majority of the members of the board shall render its decision to amend or terminate a permanent certificated employee's contract based solely upon the evidence produced at the hearing, shall reduce its findings and determination to writing, and shall deliver a written copy of the findings and determination to the permanent certificated employee.</p>	Laws 2004, LB 821, § 30.
79-1240	Repealed. Laws 1999, LB 5, § 1.	
79-1241	Repealed. Laws 2009, LB 549, § 53	
79-1241.01	<p>Core services; appropriation; legislative intent.</p> <p>To carry out section 79-1241.03, it is the intent of the Legislature to appropriate for each fiscal year the amount appropriated in the prior year increased by the percentage growth in the fall membership of member districts plus the basic allowable growth rate described</p>	Laws 1998, LB 1110, § 3; Laws 1999, LB 386, § 6;

	in section 79-1025. For purposes of this section, fall membership has the same meaning as in section 79-1003. Fall membership data used to compute growth shall be from the two most recently available fall membership reports.	Laws 2006, LB 1208, § 11; Laws 2007, LB603, § 25; Laws 2009, LB549, § 47; Laws 2010, LB1071, § 28.
79-1241.02	Repealed. Laws 2010, LB 1071, § 48.	
79-1241.03	Distribution of funds; certification by department to educational service unit and learning community; distribution	
	<p>(1) Two percent of the funds appropriated for core services and technology infrastructure shall be transferred to the Educational Service Unit Coordinating Council. The remainder of such funds shall be distributed pursuant to subsections (2) through (5) of this section.</p> <p>(2)(a) The distance education and telecommunications allowance for each educational service unit shall equal eighty-five percent of the difference of the costs for telecommunications services, for access to data transmission networks that transmit data to and from the educational service unit, and for the transmission of data on such networks paid by the educational service unit as reported on the annual financial report for the most recently available complete data year minus the receipts from the federal Universal Service Fund pursuant to 47 U.S.C. 254, as such section existed on January 1, 2007, for the educational service unit as reported on the annual financial report for the most recently available complete data year and minus any receipts from school districts or other educational entities for payment of such costs as reported on the annual financial report of the educational service unit.</p> <p>(b) The base allocation of each educational service unit shall equal two and one-half percent of the funds appropriated for distribution pursuant to this section.</p> <p>(c) The satellite office allocation for each educational service unit shall equal one percent of the funds appropriated for distribution pursuant to this section for each office of the educational service unit, except the educational service unit headquarters, up to the maximum number of satellite offices. The maximum number of satellite offices used for the calculation of the satellite office allocation for any educational service unit</p>	<p>Laws 2007, LB603, § 24; Laws 2008, LB1154, § 15; Laws 2009, LB549, § 48; Laws 2010, LB1070, § 11; Laws 2012, LB446, § 3; Laws 2016, LB1067, § 59.</p>

shall equal the difference of the ratio of the number of square miles within the boundaries of the educational service unit divided by four thousand minus one with the result rounded to the closest whole number.

(d) The statewide adjusted valuation shall equal the total adjusted valuation for all member districts of educational service units pursuant to section 79-1016 used for the calculation of state aid for school districts pursuant to the Tax Equity and Educational Opportunities Support Act for the school fiscal year for which the distribution is being calculated pursuant to this section.

(e) The adjusted valuation for each educational service unit shall equal the total adjusted valuation of the member school districts pursuant to section 79-1016 used for the calculation of state aid for school districts pursuant to the act for the school fiscal year for which the distribution is being calculated pursuant to this section, except that such adjusted valuation for member school districts that are also member districts of a learning community shall be reduced by ten percent. The adjusted valuation for each learning community shall equal ten percent of the total adjusted valuation of the member school districts pursuant to section 79-1016 used for the calculation of state aid for school districts pursuant to the act for the school fiscal year for which the distribution is being calculated pursuant to this section.

(f) The local effort rate shall equal \$0.0135 per one hundred dollars of adjusted valuation.

(g) The statewide student allocation shall equal the difference of the sum of the amount appropriated for distribution pursuant to this section plus the product of the statewide adjusted valuation multiplied by the local effort rate minus the distance education and telecommunications allowance, base allocation, and satellite office allocation for all educational service units and minus any adjustments required by subsection (4) of this section.

(h) The sparsity adjustment for each educational service unit and learning community shall equal the sum of one plus one-tenth of the ratio of the square miles within the boundaries of the educational service unit divided by the fall membership of the member school districts for the school fiscal year immediately preceding the school fiscal year for which the distribution is being calculated pursuant to this section.

(i) The adjusted students for each multidistrict educational service unit shall equal the fall membership for the school fiscal year immediately preceding the school fiscal year for which aid is being calculated of the member school districts that will not be members of a learning community and ninety percent of the fall membership for such school fiscal year of the member school districts that will be members of a learning community pursuant to this section multiplied by the sparsity adjustment for the educational service unit. The adjusted students for each single-district educational service unit shall equal ninety-five percent of the fall membership for the school fiscal year immediately preceding the school fiscal year for which aid is being calculated if the member school district will not be a member of a learning community and eighty-five percent of the fall membership for such school fiscal year if the member school district will be a member of a learning community pursuant to this section, multiplied by the sparsity adjustment for the educational service unit. The adjusted students for each learning community shall equal ten percent of the fall membership for such school fiscal year of the member school districts multiplied by the sparsity adjustment for the learning community.

(j) The per student allocation shall equal the statewide student allocation divided by the total adjusted students for all educational service units and learning communities.

(k) The student allocation for each educational service unit and learning community shall equal the per student allocation multiplied by the adjusted students for the educational service unit or learning community.

(l) The needs for each educational service unit shall equal the sum of the distance education and telecommunications allowance, base allocation, satellite office allocation, and student allocation for the educational service unit and the needs for each learning community shall equal the student allocation for the learning community.

(m) The distribution of core services and technology infrastructure funds for each educational service unit and learning community shall equal the needs for each educational service unit or learning community minus the product of the adjusted valuation for the educational service unit or learning community multiplied by the local effort rate.

(3) If an educational service unit is the result of a merger or received new member school districts from another educational service unit, the educational service unit shall be considered a new educational service unit for purposes of this section. For each new educational service unit, the needs minus the distance education and telecommunications allowance for such new educational service unit shall, for each of the three fiscal years following the fiscal year in which the merger takes place or the new member school districts are received, equal an amount not less than the needs minus the distance education and telecommunications allowance for the portions of the educational service units transferred to the new educational service unit for the fiscal year immediately preceding the merger or receipt of new member school districts, except that if the total amount available to be distributed pursuant to subsections (2) through (5) of this section for the year for which needs are being calculated is less than the total amount distributed pursuant to such subsections for the fiscal year immediately preceding the merger or receipt of new member school districts, the minimum needs minus the distance education and telecommunications allowance for each educational service unit pursuant to this subsection shall be reduced by a percentage equal to the ratio of such difference divided by the total amount distributed pursuant to subsections (2) through (5) of this section for the fiscal year immediately preceding the merger or receipt of new member school districts. The needs minus the distance education and telecommunications allowance for the portions of educational service units transferred to the new educational service unit for the fiscal year immediately preceding a merger or receipt of new member school districts shall equal the needs minus the distance education and telecommunications allowance calculated for such fiscal year pursuant to subsections (2) through (5) of this section for any educational service unit affected by the merger or the transfer of school districts multiplied by a ratio equal to the valuation that was transferred to the new educational service unit for which the minimum is being calculated divided by the total valuation of the educational service unit transferring the territory.

(4) If the minimum needs minus the distance education and telecommunications allowance pursuant

to subsection (3) of this section for any educational service unit exceeds the amount that would otherwise be calculated for such educational service unit pursuant to subsection (2) of this section, the statewide student allocation shall be reduced such that the total amount to be distributed pursuant to this section equals the appropriation for core services and technology infrastructure funds and no educational service unit has needs minus the distance education and telecommunications allowance less than the greater of any minimum amounts calculated for such educational service unit pursuant to subsection (3) of this section.

(5) The State Department of Education shall certify the distribution of core services and technology infrastructure funds pursuant to subsections (2) through (5) of this section to each educational service unit and learning community on or before July 1 of each year for the following school fiscal year. Except as otherwise provided in this subsection, any funds appropriated for distribution pursuant to this section shall be distributed in ten as nearly as possible equal payments on the first business day of each month beginning in September of each school fiscal year and ending in June. Funds distributed to educational service units pursuant to this section shall be used for core services and technology infrastructure with the approval of representatives of two-thirds of the member school districts of the educational service unit, representing a majority of the adjusted students in the member school districts used in calculations pursuant to this section for such funds. The valuation of individual school districts shall not be considered in the utilization of such core services or technology infrastructure funds by member school districts for funds received after July 1, 2010. Funds distributed to learning communities shall be used for evaluation and research pursuant to section 79-2104.02 with the approval of the learning community coordinating council.

(6) For purposes of this section, the determination of whether or not a school district will be a member of an educational service unit or a learning community shall be based on the information available May 1 for the following school fiscal year.

(7) It is the intent of the Legislature that:

(a) Funding for core services and technology infrastructure for each educational service unit consist of

	<p>both amounts received pursuant to this section and an amount greater than or equal to the product of the adjusted valuation for the educational service unit multiplied by the local effort rate; and</p> <p>(b) Each multidistrict educational service unit use an amount equal to at least five percent of such funding for core services and technology infrastructure for cooperative projects between member school districts and that each such educational service unit use an amount equal to at least five percent of such funding for core services and technology infrastructure for statewide projects managed by the Educational Service Unit Coordinating Council.</p>	
79-1242	Property tax funds; use	
	<p>Funds generated from the property tax levy shall only be used for purposes approved by representatives of two-thirds of the member school districts in an educational service unit, representing a majority of the students in the member school districts. The valuation of individual school districts shall not be the only consideration in determining the utilization of such funds received after July 1, 2010. Each educational service unit shall prepare and transmit a written proposal of core services offerings and use of the property tax levy to all member school districts. The member school districts through their designated representatives shall indicate their approval or disapproval of the proposal within thirty calendar days after receipt of the proposal, and failure to so indicate within such time period shall be deemed approval of the proposal.</p>	<p>Laws 1997, LB 806, § 62; Laws 1999, LB 363, § 1; Laws 2010, LB1070, § 12; Laws 2012, LB446, § 4.</p>
79-1243	Repealed. Laws 2010, LB 1071, § 48	
79-1244	Power to borrow money; conditions; authorization to accept loans from state or federal government.	
	<p>(1)(a) Any educational service unit may borrow money to the amount of seventy percent of the unexpended balance of total anticipated receipts of the general fund for the current fiscal year and the following fiscal year. Total anticipated receipts of the general fund for the current fiscal year and the following fiscal year means a sum equal to the total of (i) the anticipated receipts from the current existing levy multiplied by two, (ii) the anticipated receipts from the state for core services and technology infrastructure for the current</p>	<p>Laws 2002, Second Spec. Sess., LB 5, § 1.</p>

fiscal year and the following fiscal year, (iii) the anticipated receipts from the United States for the current fiscal year and the following fiscal year, and (iv) the anticipated receipts from other sources for the current fiscal year and the following fiscal year.

(b) Any educational service unit may execute and deliver in evidence thereof its promissory notes which it is hereby authorized and empowered to make and negotiate, bearing a rate of interest set by the educational service unit board and maturing not more than two fiscal years from the date thereof. Such notes, before they are negotiated, shall be presented to the treasurer of the educational service unit and registered by him or her and shall be payable out of the funds collected by such educational service unit in the order of their registry after the payment of prior registered warrants but prior to the payment of any warrant subsequently registered, except that if both warrants and notes are registered, the total of such registered notes and warrants shall not exceed one hundred percent of the unexpended balance of the total anticipated receipts of the general fund of such educational service unit for the current fiscal year and the following fiscal year. For the purpose of making such calculation, such total anticipated receipts shall not include any anticipated receipts against which the educational service unit has borrowed and issued notes pursuant to this section in either the current or the immediately preceding fiscal year.

(2) In addition to the authority granted by subsection (1) of this section, any educational service unit may accept interest-free or low-interest loans from the state or federal government and may execute and deliver in evidence thereof its promissory notes maturing not more than twenty years from the date of execution.

(3) In addition to the authority granted by subsections (1) and (2) of this section, any educational service unit may enter into loan agreements for the purpose of borrowing money from financial institutions, including banks, in amounts not in excess of seventy percent of the unexpended balance of its current existing levy. As evidence of such borrowing, an educational service unit may execute and deliver one or more written loan agreements but shall not be required to execute and deliver separate promissory notes for each borrowing under such agreements. Money borrowed pursuant to such agreements shall bear interest at such rate or rates

	<p>and shall become due and be repaid as provided in such agreements. Any such agreement shall provide for repayment in full at least once each fiscal year and shall be for a term not exceeding one fiscal year. Any such agreement shall be registered upon books kept by the treasurer of the educational service unit, and money borrowed pursuant to such agreement shall be paid out of funds collected upon the current existing levy prior to the payment of any warrant or note registered subsequent to any such loan agreement. If an educational service unit has any such loan agreement or agreements outstanding and has warrants or notes registered, as described in subsection (1) of this section, the total amount (a) of borrowings pursuant to such loan agreement or agreements and (b) of registered notes and warrants shall not exceed one hundred percent of the unexpended balance of the current existing levy.</p> <p>(4) Nothing in this section shall be construed to exempt an educational service unit from the terms and conditions contained in sections 10-701 to 10-716.</p>	
79-1245	<p>Educational Service Unit Coordinating Council; created; composition; funding; powers.</p> <p>(1) The Educational Service Unit Coordinating Council is created. The council shall be composed of one administrator from each educational service unit and beginning July 1, 2017, one nonvoting administrator from each learning community. The council shall be funded from two percent of the core services and technology infrastructure funding appropriated pursuant to section 79-1241.03, appropriations by the Legislature for distance education, and fees established for services provided to educational entities.</p> <p>(2) The council is a political subdivision and a public body corporate and politic of this state, exercising public powers separate from the participating educational service units. The council shall have the duties, privileges, immunities, rights, liabilities, and disabilities of a political subdivision and a public body corporate and politic but shall not have taxing power.</p> <p>(3) The council shall have power (a) to sue and be sued, (b) to have a seal and alter the same at will or to dispense with the necessity thereof, (c) to make and execute contracts and other instruments, (d) to receive, hold, and use money and real and personal property, (e) to hire and compensate employees, including certificated</p>	<p>Laws 2007, LB603, § 16; Laws 2010, LB1071, § 29; Laws 2016, LB1067, § 60:</p>

	employees, (f) to act as a fiscal agent for statewide initiatives being implemented by employees of one or more educational service units, and (g) from time to time, to make, amend, and repeal bylaws, rules, and regulations not inconsistent with sections 79-1245 to 79-1249. Such power shall only be used as necessary or convenient to carry out and effectuate the powers and purposes of the council.	
79-1246	Educational Service Unit Coordinating Council; duties; Open Meetings Act applicable	
	<p>(1) The Educational Service Unit Coordinating Council shall work toward statewide coordination to provide the most cost-effective services for the students, teachers, and school districts in each educational service unit. The council's duties include, but are not limited to:</p> <p>(a) Preparation of strategic plans to assure the cost-efficient and equitable delivery of services across the state;</p> <p>(b) Administration of statewide initiatives and provision of statewide services; and</p> <p>(c) Coordination of distance education.</p> <p>(2) All activities conducted by the council shall be conducted in accordance with the Open Meetings Act. This section does not require or provide for state control of the operations of any educational service unit or abridge the governance ability, rights, or responsibilities of any educational service unit board.</p>	Laws 2007, LB603, § 17.
79-1247	Educational Service Unit Coordinating Council; appoint distance education director; council director authorized; salaries; expenses; duties; contract authorized; other appointments authorized.	
	<p>The Educational Service Unit Coordinating Council shall appoint a distance education director and may appoint a council director, both of whom shall hold office at the pleasure of the council. The council director and the distance education director shall receive such salaries as the council determines and shall be reimbursed for their actual expenses incurred in the performance of their duties. The council may contract with individual educational service units for the employment of the council director or the distance education director, except that the supervisory responsibilities for such employees shall remain with the council.</p> <p>The council director and the distance education director shall perform duties as the council directs and shall not be members of the council. The council may</p>	Laws 2007, LB603, § 18; Laws 2010, LB1071, § 30.

	also appoint or retain such other persons as it may deem necessary for the performance of its functions and shall prescribe their duties, fix their compensation, and provide for reimbursement of their actual and necessary expenses within the amounts available in the budget of the council.	
79-1248	Educational Service Unit Coordinating Council; powers and duties.	
	<p>The powers and duties of the Educational Service Unit Coordinating Council include, but are not limited to:</p> <ol style="list-style-type: none"> (1) Providing public access to lists of qualified distance education courses; (2) Collecting and providing school schedules for participating educational entities; (3) Facilitation of scheduling for qualified distance education courses; (4) Brokering of qualified distance education courses to be purchased by educational entities; (5) Assessment of distance education needs and evaluation of distance education services; (6) Compliance with technical standards as set forth by the Nebraska Information Technology Commission and academic standards as set forth by the State Department of Education related to distance education; (7) Establishment of a system for scheduling courses brokered by the council and for choosing receiving educational entities when the demand for a course exceeds the capacity as determined by either the technology available or the course provider; (8) Administration of learning management systems, either through the staff of the council or by delegation to an appropriate educational entity, with the funding for such systems provided by participating educational entities; and (9) Coordination with educational service units and postsecondary educational institutions to provide assistance for instructional design for both two-way interactive video distance education courses and the offering of graduate credit courses in distance education. 	<p>Laws 2006, LB 1208, § 20; R.S.Supp.,2006, § 79-1334; Laws 2007, LB603, § 19; Laws 2010, LB1071, § 31.</p>
79-1249	Educational Service Unit Coordinating Council; assistance provided.	
	The Educational Service Unit Coordinating Council shall only provide assistance in brokering or scheduling courses to educational entities that have access to Network Nebraska. All costs to the council associated with assisting private, denominational, or parochial	<p>Laws 2006, LB 1208, § 21; R.S.Supp.,2006, § 79-1335;</p>

	schools and private postsecondary educational institutions shall be paid by such private, denominational, or parochial school or private postsecondary educational institution. Any services of the council may also be offered to other public entities with access to Network Nebraska on a contractual basis.	Laws 2007, LB603, § 20; Laws 2010, LB1071, § 32.
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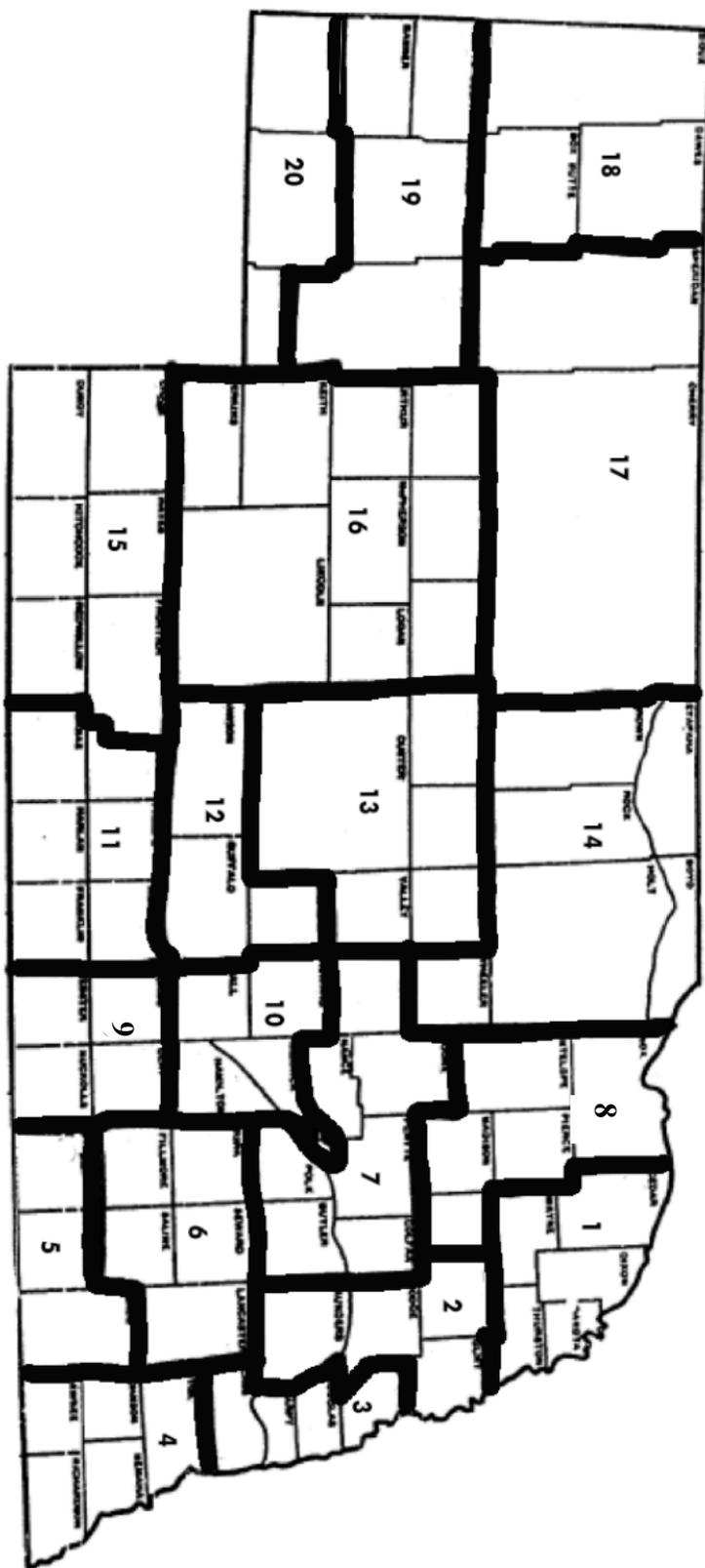
Nebraska State Statutes 79-1201 – 79-1249 (*Nebraska Revised*, 2018).

Appendix K

Nebraska Educational Service Unit Map

LB 301 As Advanced to General File

May 11, 1965

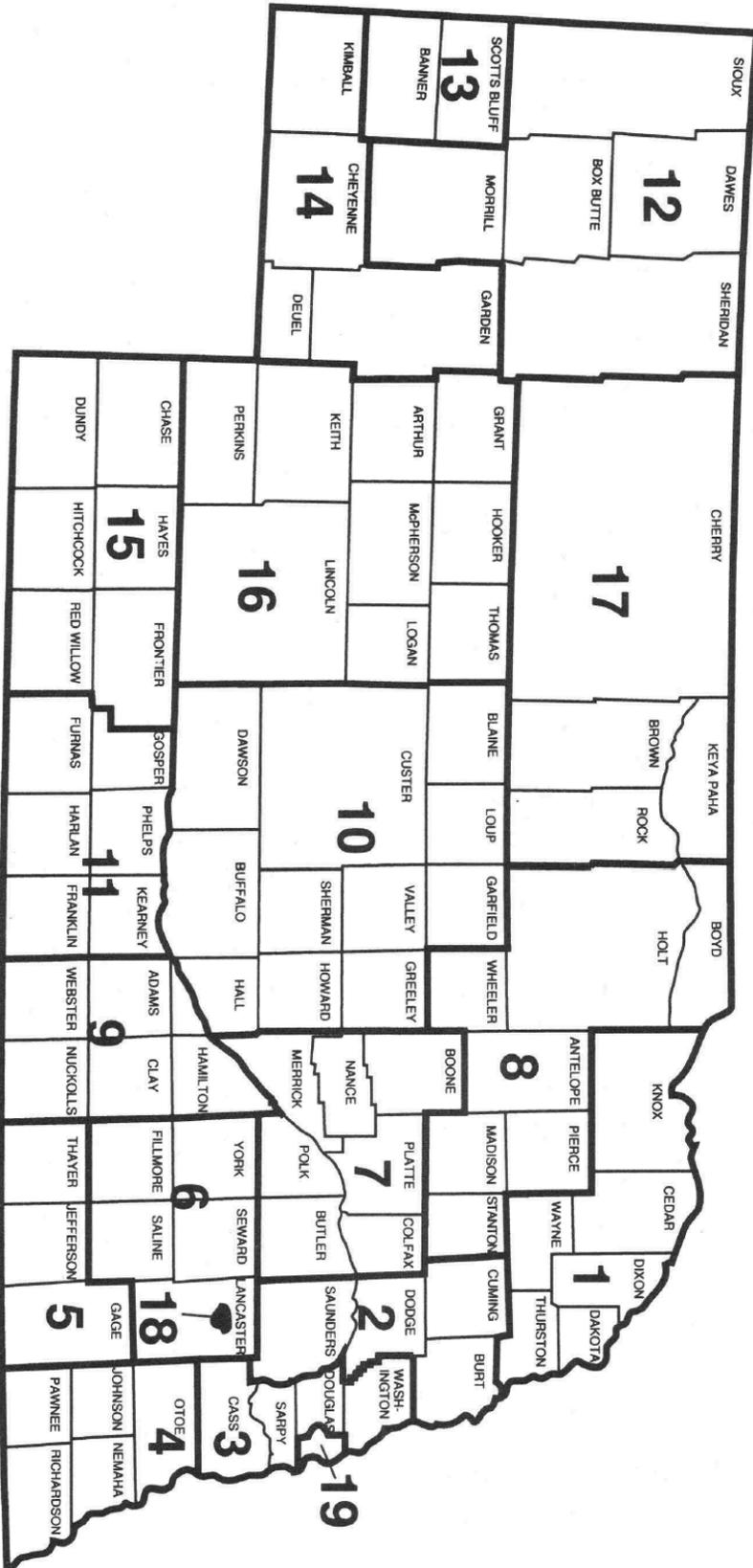


(Ed. Comm. Hearings on LB 301, 1965)

Appendix L
Nebraska Educational Service Unit Map
LB 301 As Enacted
August 9, 1965

Appendix M
Nebraska Educational Service Unit Map
1997

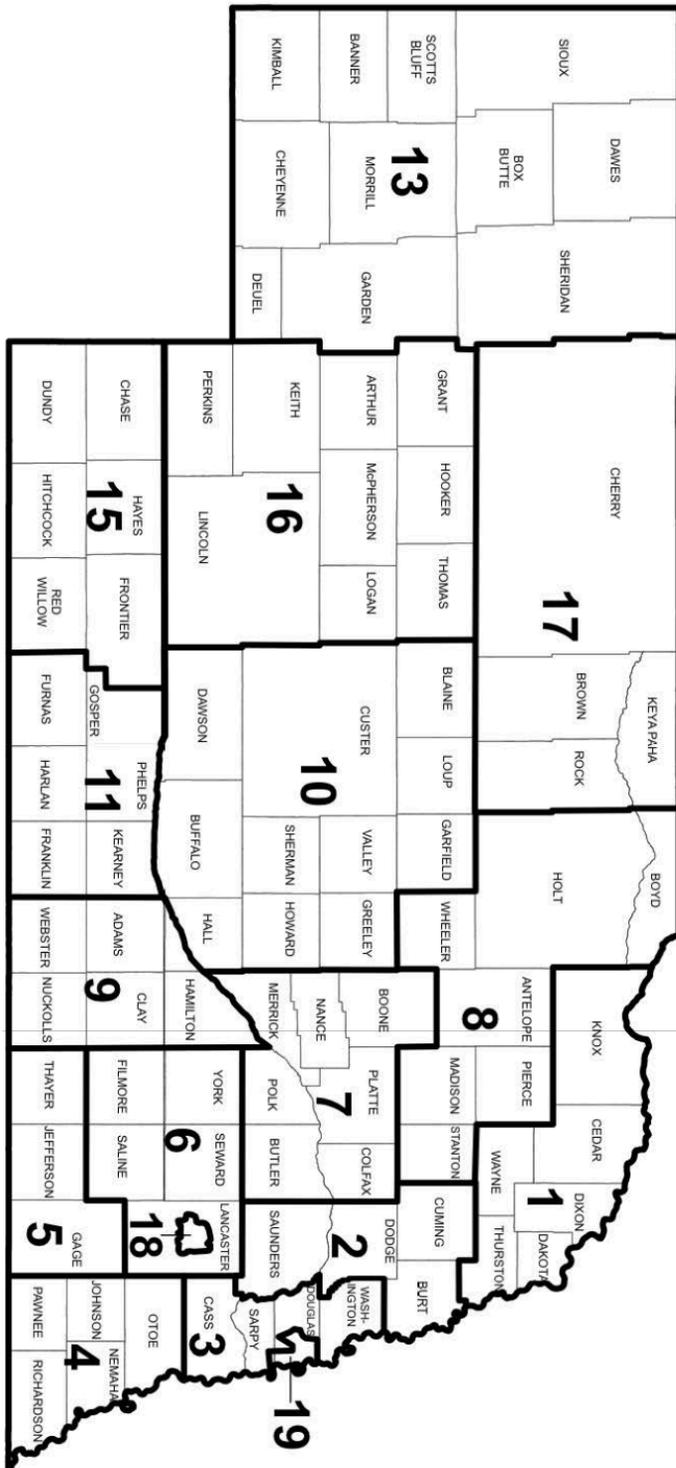
Nebraska Educational Service Units



(Unicameral Clerk of the Legislature, 1997, p. 848)

Appendix N
Nebraska Educational Service Unit Map
2018

Nebraska Educational Service Units*



(Unicameral Clerk of the Legislature, 2017, p. 826)

Appendix O

Timeline:

**Nebraska Educational Service Unit Legislation,
1965-2018**

Timeline: Nebraska Educational Service Unit Legislation, 1965-2018

***Bold type indicates the bill reflected in this research study**

Year	Bill #	Description
1965	LB 301	Creates 19 ESUs
1967	LB 477	Direct payment for SPED (Not implemented due to AG opinion)
1967	LB 500	Provided a tax refund for counties which opted out of ESUs
1969	LB 215	Required 20% of registered voters to petition to remove or include a county in an ESU
1969	LB 280	Allowed ESUs to employ a treasurer rather than use county treasurer
1969	LB 967	ESU to coordinate with local health dept before providing health services
1969	LB 109	ESU budget and audit procedures
1969	LB 1255	Expanded supplemental services to school district requests
1969	LB 1255	Also repealed the requirement for the State Board to develop rules and regulations
1969	LB 1341	Reduced the number of ESUs to 17
1969	LB 1433	Nebraska Budget Act
1971	LB 734	ESUs allowed to purchase or lease real estate
1972	LB 928	Permitted ESUs to charge for services and receive funds other sources
1972	LB 1177	Authorized ESUs to provide board members insurance similar to employees
1973	LB 402	Allowed county boards to discontinue Office of County Superintendent
1975	LB 453	Omnibus election law changes including ESU provisions
1977	LB 201	Technical revisions to election laws including ESUs
1977	LB 391	Use of certified adjusted valuation for tax levy setting
1978	LB 632	Changed filing date for ESU board members to Aug 1 before the general election
1979	LB 57	Restrictions on ESUs in resale of equipment, supplies, and property and required bids for admin or instructional materials
1980	LB 599	Correction in converting from mill levy to dollar levy
1984	LB 994	State Board to establish rules and regulations for ESUs
1984	LB 994	Also required ESUs to assist schools meet accreditation, school improvement, and teacher evaluation

1986	LB 942	Authorized the direct reimbursement of special education to ESUs
1987	LB 183	Annual audit requirement for ESUs
1987	LB 367	Special Education Act, re-codifies statutes related to special education so they are located in the same Act
1987	LB 688	Provision revisions based on 1986 interim study on ESUs
1988	LB 1142	ESUs were to report school districts by “corporate name”
1990	LB 486	Changed provisions for ESU boundary changes
1990	LB 1090	Required publication of ESU budget summary 5 days in advance of a hearing and annual report of financial activities
1991	LB 551	Class I affiliation would allow Class I to remain with existing ESU
1992	LB 1063	Revisions to Budget Act including ESU levy certification date
1993	LB 452	Allowed ESUs to provide Internet to school districts. Provided procedure for ESUs to levy for Internet expenses up to .5 cents
1993	LB 348	With emergency clause, required ESUs to provide school districts with Internet immediately after passage of bill
1993	LB 734	Changed the levy certification date to September 10 each year
1994	LB 76	Changed uniform election procedures and terms, including ESUs
1994	LB 1310	Required ESUs use a form prescribed by NDE when schools requested information or services
1995	LB 613	Defined budget lids
1995	LB 860	School Technology Fund and ESU levy to assist development of telecomputing networks
1996	LB 1114	Decrease in levy authority from 3.5 cents to 1.5 cents
1997	LB 347	Allowed Class I districts to contract with ESUs for services regardless of Class VI involvement
1997	LB 806	Core Services defined and funding established
1998	LB 1110	Core Services funding (\$9.7 million) and no ESU would receive less than 2.5% of appropriation
1998	LB 1	Special session bill included ESU provisions
1999	LB 87	Joint Public Agency Act
1999	LB 272	Eliminated office of County Superintendent
1999	LB 287	Required County Treasurer to remit property taxes to ESUs twice yearly

1999	LB 363	Required written proposal for core services offerings and member districts had 30 days to approve
1999	LB 548	Permits ESUs to collect reimbursement from Department of Health and Human Services related to administrative activities
1999	LB 386	Provides Ongoing Technology Funding for ESUs
1999	LB 141	Eliminates authority of an ESU to exceed its levy by up to five cents per 100 of taxable valuation, permits schools to connect telecomputing equipment to ESU
2005	LB 217	Public Facilities Construction and Finance Act, includes ESUs
2005	LB 689	Distance Education Enhancement Task Force
2006	LB 1006	Early childhood education endowment fund (Constitutional amendment passed in November 2006)
2006	LB 1024	Learning Community Bill
2006	LB 1208	Distance Education Council, Network Nebraska
2006	LB 690	Allows ESUs to apply for competitive grants for career education and entrepreneurship
2006	LB 1256	Early childhood endowment fund and grants for birth to three through schools and ESUs
2007	LB 603	Creation of ESU Coordinating Council, aligns the boundaries of each ESU with the member school district boundaries, change in election provisions of board members
2007	LB 653	Statewide assessment development to be done through collaboration among ESUs
2008	LB 1154	Changed provisions for ESU core funding to be shared with learning communities
2008	LB 1153	Removes ESUs from eligibility for early childhood education grants
2009	LB 361	Provisions authorizing boards of ESUs to hold meetings by telephone or video conference
2010	LB 1070	Changes formula for distribution of funds to ESUs within the Learning Community
2010	LB 1071	Designates the ESU Coordinating Council as a political subdivision without taxing authority
2011	LB 397	Changed timeline for negotiations, ESUs included
2012	LB 446	Authorizes ESU to continue to have single district ESUs, Class IV or Class V, modifies the funding formula for core services and technology infrastructure
2015	LB 283	Allows ESUs provisions related to emergency expenditures for emergency management purposes
2015	LB 519	Permits ESUs to participate in application to competitive innovation grant purposes
2017	LB 451	Change provisions related to certifying offices up for election