

**Education Committee September 27, 2019**

**GROENE:** Would you text or get his office and see if Senator Brewer's coming? They-- there's all-- let's get this started. It's a public hearing with invited testimony. And the goal of LR153, which was introduced by me, is to look at administrative costs. But we're looking at the smaller schools really, made that clear to some of the bigger schools. We're not after-- we're not after administrators' pay. This is total cost of recordkeeping, administrators, and in the smaller districts. And what we have invited testimony for those individuals who have direct information of the big picture. And we appreciate those who are testifying today which will be Nicole Barrett, who did an awful lot of research, my-- our-- our committee research assistant. She has looked at statutes. She has gathered information on administrative costs, and she will present what she's found. Bryce Wilson from D&E has offered his assistance because he sees the big picture of all four-- 244 districts and how administrative cost is handled within the TEEOSA formula. We've asked Jack Moles from the NR-- Nebraska Rural Community Schools Association. He represents those as-- as a group, those smaller school districts. So we'll get their feedback through him. Bruce Rieker, we've asked him in from the Farm Bureau because he's looking at property taxes in rural Nebraska, and they also have an interest in saving their small schools. But can we look at costs? And we really appreciate Dr. Dawn

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Lewis from Arlington Public Schools. She previously was a administrator-- shared superintendent at Arnold and Callaway and give her input about how if that saved cost and what she's seen is that a-- can we tweak it? What can be done better? And then superintendent Kolin Haecker from Bruning-Davenport Unified, we really appreciate him because we procrastinated and we got him to-- called him yesterday morning and he took the time to come in and give his experience on the Unified schools, sharing administration, and what he thinks could be done better, what works well. And that's what we want to hear. This is not a goal or any goal to close schools. This is to keep them open but to look at costs. What can we do to keep the costs in rural Nebraska down? And if we can-- we can share football players, we-- maybe we can share administrators in some of the schools out there. So we're going to start with Nicole.

**NICOLE BARRETT:** Good morning, Senator Groene and members of the Education Committee. My name is Nicole Barrett, N-i-c-o-l-e B-a-r-r-e-t-t, and I am the research analyst for this committee here today to talk about LR153. So I'm going to be providing some introductory research that I've compiled on the topic, but then I'm going to turn the microphone over to those invited guests that Senator Groene mentioned, to share their expertise because they're really the experts on the area. Just to remind you, the purpose of the interim study-- or the purposes are to examine administrative costs of

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districts, including but not limited to definitions of what constitutes an administrative cost, portion of total authorized expenditures budgeted for those costs, and investigate methods for reducing such costs. So regarding the definitions of administrative cost, this alone can vary greatly. For example, the United States Census Bureau collects and disseminates school funding data for all 50 states. They break down their definitions into eight categories including General Administration which includes board of education and expenditures for the office of superintendent, School Administration which includes expenditures for the offices of principal services, and then six other categories. While there are a few similarities, the Nebraska Department of Education uses slightly different categories for school districts' annual financial reports or their AFRs. So to maintain compliance with ESSA, the federal Every Student Succeeds Act, NDE has actually modified their AFR for the current and future school years. And Bryce Wilson, director of finance and organizational services at NDE, is here today. He's going to be able to provide further detail on definitions used by the department within his testimony and the changes they've had to make for the upcoming year. But I did provide handouts you have in front of you and one of them that sort of looks like this. So you can see for the 2017-18 school year, and that's the most recent year available, administrative costs make up 2.93 percent of the total statewide General Fund expenditures with the superintendent salaries being the largest administrative line

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item. But when we break down the data, we can see that administrative costs for very sparse schools, the far columns on the right, are 5.71 percent of the General Fund expenditures. Sparse schools are 4.94-- 4.94 percent, and regular schools are 2.62 percent. Superintendent salaries are still the largest administrative line item in this analysis, and I'm going to provide a bit more information on superintendent salaries in just a moment. But I did one other breakdown of the AFR data by school districts' locale classifications. And locale classifications are used by the U.S. Department of Education's National Center for Education Statistics. And I provided in the next handout for you definitions both of sparse and very sparse schools under Nebraska's statute, but also all of those locale codes so you can see what those numbers reflect. And then behind that is a list of all 244 school districts with those two categorizations if you want to see where schools in your district-- what they are. So if you look at the attachment, the five largest-- large city districts, OPS, Elkhorn, Millard, Westside, and LPS, they make up locale 11 on your handout. Administrative costs for them make up 1.76 percent of their general fund expenditures. And superintendents' salaries are a very small portion within there. In fact, other professional staff salaries are the largest percentage of their administrative costs, whereas for the 130 rural remote schools in locale 43, administrative costs are 5.35 percent of the total general fund expenditures. And superintendent salaries comprise nearly half of that amount which is

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what Senator Groene was talking about in his introduction, that the superintendents' salaries, you know, as we know, are the-- are higher in those rural schools. If we drill down into superintendent salaries, a 10-years, statewide calculation shows this line item on the AFR has grown an average of 40 percent with a statewide average, superintendent salary, AFR line item for 2017-18 of \$132,647.

Analyzing all 244 superintendent contracts for this upcoming year, this current 2019-20 school year, provided some data that the committee might find interesting, and you have a handout on that. So there are two superintendents shared between two districts each. And I'll talk about that in a minute. There are also 31 districts that, according to their contracts, hire their superintendent either part-time or for additional duties, most commonly as a shared elementary school principal. All of these districts are in 42 or 43, that do part-time or shared responsibilities, so the most rural school districts. Three of the four shared-superintendent school districts are also in locale 43. It's important to note that a part-time superintendent might be an interim superintendent that came out of retirement to help until a permanent employee could be hired. So if we break down the remaining 209 school districts, the ones that have one superintendent and no other shared responsibilities like principal or that are part-time, by locale code, that's the handout I gave you. The average base salary for a superintendent in locale 11, City-Large, is \$266,490 compared to locale 43 with an average salary of \$128,240.

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Eight school districts, all in locale 42 or 43, provide housing for their superintendents. In terms of experience, locale 41 has an average of 13 year's superintendent experience, the highest amount of superintendent experience, followed by locales 11 and 33 with 12 year's average experience each. If you compare this to the small city or suburban districts, locales 13, 21, and 22, they have an average of 5 year's experience going into the-- superintendent experience going into this year. Going back to shared superintendents for a moment, Jack Moles and Dr. Dawn Lewis will be testifying in greater detail about this topic. But I wanted to share a summation of my conversation with the two current shared superintendents. Both were invited to testify today, but neither were-- were available. They have a great distance, two districts, and one is also a football coach, so he's got a game tonight. So one of the shared districts is between Loup County and Sargent. They're ten miles apart, and each school district has one pre-K to 12 campus each, so there's two buildings. They have a 50-50 split arrangement, and Superintendent Ruppert's contract is negotiated annually in a joint board meeting between the two districts. They also hold joint district board-- school board meetings if needed if there's an issue they need to address. So the big positive that Mr. Ruppert mentioned was cost-sharing. He pointed out-- so they-- they definitely have found a cost-sharing with it. But he pointed out that to be successful in his opinion, strong pin-- principals are needed in both of the schools, and both districts need to be willing to really work

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together and get along. He believes another key to this relationship being successful is his 24 years of school administration experience, including time when he was a principal in a school district with a shared superintendent. That gave him firsthand knowledge on how it worked and what was needed of a principal in that scenario. He started as a superintendent in a single district before taking on a current shared role which he views as essential. Some of the challenges include the time commitment. He has two school board meetings monthly, two budgets to prepare, two sets of all reports, two teacher contract negotiations. And he's only able to live in one district. So Mr. Ruppert mentioned that he makes a concerted effort to really build strong relationships within both-- both communities and has found that to be essential to-- to the success. So we discussed some other shared services or possible opportunities for future cost savings. His districts co-- currently co-op athletics and music, and they have co-op committees comprised of three members from each of the school districts. And those co-op committees meet regularly to facilitate that effort, and then they take back any issues they've discussed for board action in each of their districts. His districts also share a Spanish teacher, and to fulfill a full-time FTE, she also does distant learning. So she teaches in both districts and then distant. When asked about the possibility of sharing services such as payroll, he said that that's not something that they're currently doing but maybe it would work with some sort of central office for purchase orders,

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payroll, etcetera but pointed out districts would need to get similar software and things like that and make that work. The other shared superintendent is Dr. Unzicker in Alliance Public Schools, and their situation is a little different. They have an interlocal agreement with Hyannis Area Schools to provide 50 days of administrative services, including superintendent, director of instructional services, interpretive services, and technology. So he is the Alliance superintendent, and then Hyannis contracts for some of that. Hyannis pays a negotiated rate for those contracted services as well as one-way mileage between the two schools. Those schools are 60 miles apart. So the advantage for Alliance is it's a great cost savings on a Class B salary for a superintendent. The advantage for Hyannis is the arrangement is getting a quality-experience superintendent versus hiring maybe a new superintendent or a retired person for their smaller district. Dr. Unzicker has 14 years of superintendent experience. So the negative is Hyannis doesn't see their superintendent often. On average, he visits their district 30 times a year. So even though the contract is for 50 days of service, that includes budget preparation and things that he does from Alliance's office, but it counts towards the Hyannis. It's working on their-- their work. And then as part of that interlocal agreement, they're co-oping their technology services and their curriculum. On average, Alliance sends a staff member to Hyannis two to three days a year to cover those technology and curriculum. It is important to note,

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however, the principal and secretary are able-- at Hyannis are able to call Dr. Unzicker at any time. Some of the challenges for Dr. Unzicker is the distance between the schools. They are 60 miles apart. He has three board meetings a month because one of the school board meets twice a month. Both boards have different attorneys, and the policies for the school districts don't match at all. So he mentioned that ideally he wants to know everything inside and out about policies, contracts, etcetera. But frequently he has to pull out the policies to double-check before making a decision if he's getting a call from the other district. And then, you know, the school districts are two different classes. One is Class B. One is Class D. They have totally different athletic conferences. In the past, they co-oped a cross-country team. They don't anymore, but they just agreed to share a unified bowling team. Otherwise they do not co-op others', you know, services because of the distance. So the key to success for this arrangement has just been organization. Dr. Unzicker said, in his opinion, it would be very difficult for a new superintendent to do a shared role before gaining experience in a single district. So as you know, another option invoked by some districts in Nebraska is the unified school system. Currently there are three unified districts in Nebraska, and today you will hear from Superintendent Kolin Haecker from Bruning-Davenport Unified School District. The other two send their regrets, but they were not able to attend today. It's important to note that some co-op arrangements also exist through the ESU

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structure, so federal grants for example. There's a lot of co-oping between districts for that, and this committee will hear more about that during next week's hearing on LR63. As always, if there's additional details that I can provide to any of you on the committee, please don't hesitate to ask. Are there any questions?

**GROENE:** So you just focus-- you just focused on the administrator himself, the superintendent and not an entire administrative cost. And Mr. Wilson I think can address that. He'd be better to address that.

**NICOLE BARRETT:** Well the handout that I gave you here provides all of the line items for administrative costs. So these are all of them that are used in the AFR. And yes Bryce Wilson will be able to elaborate further. And as I pointed out, in some locales, you know, the greatest line item varies from other professional staff or other line items here, so I did provide that in the handout.

**GROENE:** We can ask Bryce then if-- where HR fits, where-- where principals' salaries fit, where vice principals and vice [INAUDIBLE].

**NICOLE BARRETT:** Yes, he's for-- I believe he's prepared to answer those questions.

**GROENE:** Senator Kolowski. This is a bad arrangement.

**KOLOWSKI:** Thank you. Thank you for your information this morning. Appreciate it very much. I wanted to ask about ESUs and-- the

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educational service units service to a class D, Class C level schools.

Did you find this to be a topic of interest as well as expense over time that is so much different compared to Class B and Class A schools?

**NICOLE BARRETT:** You know, I didn't look at it from that angle, and I'm still working on the-- finishing the research ahead of next week's hearing on ESUs. I did find interest and the topic came up about some of those shared services that happened with ESUs, for example, like I said, with the federal grants and stuff. But I haven't finished digging into that. But I will bring those answers next week, and I will look at those from class-- school class then for you.

**KOLOWSKI:** Thank you.

**NICOLE BARRETT:** Sure.

**GROENE:** Any other questions from the committee? Thank you, Nicole. Mr. Wilson, would you?

**BRYCE WILSON:** Good morning. Do I need to do my name and all that into the record like? OK. It's Bryce Wilson, administrator of finance and organizational services for the Department of Education, that's B-r-y-c-e W-i-l-s-o-n. And basically I guess I just come today just to answer questions primarily if there's questions on what information we have, what we're going to be having with the change to our annual financial report. I can answer those questions hopefully. One of the

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big changes I would note is currently we have superintendent salaries all broke out, but every-- all the information we collect on the annual financial report is at the district level. So the big change in this annual financial report we're about to start collecting here in the next week is it's going to be at the school building level. So we're going to be able to see-- when we break out principal salaries and there's administrative staff and things like that, right now it all rolls up to a district level, so we only-- we know what it is in total. We should be able to see that at every school building. It should be allocated out to the different school buildings as these annual financial reports start rolling into us with the '18-19 information in them. So that'll be one of the big changes there. Other than that, I don't know if there are questions that I can answer or help with.

**GROENE:** You heard my reference to Nicole. What is administrative costs in your records, HR, school-- teacher-- student records, superintendents, the superintendents' staff, the administ-- the principal and principal's staff? Actually what fits under administrative costs? Because the goal here is to see what could be shared because it's not directly in the classroom. What is the classification? What is the definition of administrative cost and what fits under it in your recordkeeping in Nebraska Department of Education, I guess is the question.

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**BRYCE WILSON:** Well we-- I guess we've identified those now. Primarily you have your general administration costs. It's going to be things like board of education and has its own account code where we separate that out. We have the executive administration services. That's going to be your superintendent's office essentially, the-- the assistant superintendents, anything like that. So if you're a larger district and you have multiple assistant superintendents or deputy assistants, them and their staff that support them are all going to go in that same code. There we have legal services. So if you have your own attorneys on staff for a district, and a couple of the larger districts I believe have that, those-- those are all broke out. And then we have office of the principal. So this is what information is already out there. This is our old annual financial report, how those are broke out. So again, office of the principal would include any of the support staff for that principal as well. Additionally, that's kind of under the general administration. We have support services business as well. That's where you're going to see like the business managers, the accountants, bookkeepers, HR staff I would imagine would all be under that-- that code under our old-- our old system. The new system is going to be-- is fairly similar. Again, our-- our codes were based somewhat on the federal account codes in the past. We tightened them up and made them a little more consistent with how the federal-- federally they've recommended account codes be done. We still have the board of education, executive administration, district legal services,

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office of the principal again. All those are still available. School administration- other is also a new category that's available that would capture anything that's not identified there, but fiscal services, again, still a different account code. So we're collecting all that in-- in specific administration account codes, and it would include basically anything that doesn't have direct-- I shouldn't say anything, anything administratively related that doesn't go directly to classroom instruction--

**GROENE:** So--

**BRYCE WILSON:** --so HR, business managers, those types of things.

**GROENE:** --I would think administrative. The easy definition would be they're not involved in the classroom. Directors of curriculum, special education director, they set a policy for the whole-- for all classrooms, all students. Wouldn't-- are those considered administrative costs or would they be stuck under instruction?

**BRYCE WILSON:** I believe those would actually probably go under instruction if they're like a curriculum instructor or for the district depending on the role. And that's where it gets a little bit-- it's a little hard to classify. If it's a person who is doing professional development in the district for their staff, well, we'd have a separate code under professional development section that they probably would fit under the best.

**GROENE:** Wouldn't those be positions that could easily be shared between districts if you-- if we truly looked at all administrative costs?

**BRYCE WILSON:** I would say there's potential that some of that could be shared amongst districts. How-- where that falls in the annual financial report may vary in that I don't know that that would affect being able to share those services or not.

**GROENE:** We separate it in your records, a school district. And if we went further and looked and said, well, what-- what-- could we help these small schools share, positions, it's more than just the superintendent. We're doing that now, and it's writ-- well, we'll find out from the two testifiers how much it's really saving their districts financially or increasing services. But-- but I really couldn't go to a school district and-- and-- and really separate what was administrative because I would consider the curriculum director if they're not-- and also a teacher in the classroom. The bigger schools have those. That-- that's administrative. It has to be. I mean they don't directly involved in the classroom day-to-day operation.

**BRYCE WILSON:** So if--

**GROENE:** Food service person, the one who runs-- well, I'm sure in small schools there the cook and the menu maker. But-- but those type of positions, can we separate any of that out?

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**BRYCE WILSON:** To some degree, yes. And it's a little bit yet to be seen exactly how well we can do that, being the first year of implementing this new code-- coding system. I would say things like if you have an assistant superintendent who's in charge of curriculum--

**GROENE:** Yeah. Omaha.

**BRYCE WILSON:** --like some of the districts have broke off, that would definitely be in the administrative section under the executive code. So some of those yet to certain degrees as you work your way down on the different levels, it gets a little more hard to identify if they're going to be in the-- in the administration piece or the instruction piece. That's where the gray area comes in.

**GROENE:** Thank you. Any other questions? Senator Linehan.

**LINEHAN:** Thank you, Senator Groene. So do you have a copy of this chart?

**BRYCE WILSON:** I don't have one in front of me. I've seen it. Yes.

**LINEHAN:** So on a total-- total-- oh, I'm sorry. OK. I was looking at the wrong thing. Because I can't-- I'm asking you, and you didn't put the chart together, so I'm sorry. I'm looking-- so are we seeing, on this chart on the first page for all the schools in the state of Nebraska, public schools, 244, that the statewide sum of administrative expenses is \$107 million?

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**BRYCE WILSON:** Yes. That would be what-- what would be coded to the exec-- the administration, executive administration code. Yes.

**LINEHAN:** But this doesn't include principals?

**BRYCE WILSON:** That would not.

**LINEHAN:** So we're just talking about the CEO, so to speak, of every school district.

**BRYCE WILSON:** Hold on. Let me-- let me look real quick. No, that would-- I believe-- I'm guessing that-- maybe I shouldn't guess, but I'm guessing that Nicole pulled all of the 2300s which would include-- which would not include the office of the principal. That would be separate. I'm guessing it's just the 2300s that she pulled for that. I don't have that-- I didn't have that information to know for sure.

**NICOLE BARRETT:** I pulled what you have identified as administrative.

**BRYCE WILSON:** General administration? 2300s, yep, so the office of the principal and that would not be included in that number. That is correct.

**LINEHAN:** OK. So is this-- so this is-- that's the superintendent/CEO of each school district, all 244 of them, the cost is \$107 million.

**BRYCE WILSON:** That's not just the superintendent/CEO. That would be their whole entire offices or assistant superintendents. So like, you

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know, Lincoln has four assistant superintendents. That would all be included in that. That would also be the board of education costs. That would also be district legal services so lobbyist fees, other attorney fees for districts, obviously. That's would be a decent portion of that as well. And you-- I think you can see it kind of through the line there, lobbyist fees. And there's a line liability insurance, purchase services which is probably somewhat a lot of legal fees there. So there's-- there's some other things too.

**LINEHAN:** OK. All right. Thank you very much for the education.

**GROENE:** So the point is-- Senator Kolowski?

**KOLOWSKI:** No.

**GROENE:** This thing's shaped like a V, and I can't see the other members. So if anybody wants-- if somebody wanted to go and look at-- a school board member wanted to look at administrative costs, right now it's just basically superintendents, 2300. How-- if they wanted to look at the rest of the administrative costs to the school, building costs to the principal, what-- what is that coded?

**BRYCE WILSON:** Let's go to the-- like principals would be coded to the 2400s, so that would be fairly easy to see what it is again at-- right now they could go and look at the district level. In a couple months,

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they'd be able to go and look at each building of what the office of the principal is being.

**GROENE:** What about total district administrative costs as a proportion of budget?

**BRYCE WILSON:** Yes. I mean again, we're identifying-- we have an administrative section of codes, and they could roll those codes together and compare that to the total amount of expenditures for the general fund.

**GROENE:** You don't total it in your records?

**BRYCE WILSON:** It's broken out into different categories of administration between, you know, again, the executive like the superintendents, or the board of education is a separate code. Legal services is a separate code. Principal is a separate code. So business, if you wanted-- you know, again if-- what all are you considering administration? Are you considering the business office administration? And if so, do we have a code for that? HR would fall-- we don't have a specific code for HR, but it would fall in one of those administrative codes, probably the business one. So you could-- you could get the vast majority of administration and total that and determine what portion of the total amount of general fund expenditures that is to be.

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**GROENE:** Depends whether they run the curriculum director or whether they run the individual who's-- who they have hired to, what would be the other one, the business manager.

**BRYCE WILSON:** Um-hum.

**GROENE:** Depends where their local school district classifies it in their accounting system. Whether there's--

**BRYCE WILSON:** There-- there's really going to be very few positions, I think, that are maybe a little more gray like we talked about earlier. I think most of them are going to fit either pretty squarely into the instructional-type of code or more of a administrative-type code depending on, again, their role and what that looks like in every school.

**GROENE:** So if I wanted to find out, as an education committee member in these smaller schools, how much special education, the bigger schools have a director, the other ones use their ESUs, how much of their budget is used for a-- the fees charged by the ESU for special education services, administrative services versus the bigger school has their own. That if a- if a administration office was combined, that those type of things could be an in-house personnel person doing it. So I would have to go to here-- over here to the budget and try to separate out how much did the ESU charge them for that service. But I could go to LPS, and I could go right to address-- to an office of

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what their special education director is. It's-- it's-- it's kind of off the path here.

**BRYCE WILSON:** That's going to be a level of detail that's a little more deep than what we collect at the state level. I mean we're not going to know how much they're writing a check to the ESU for an administrator versus-- we can-- we can't identify that versus an administrator they may have in-house or whatever. So we would not be collecting more of a transactional type of detail on the [INAUDIBLE].

**GROENE:** How do-- that's combined with next week's. but how do you-- do they report to you their expenses charged to them by an education service unit?

**BRYCE WILSON:** Yeah, that would be included in the expenditures submitted to us but it's rolled up into--

**GROENE:** One lump sum?

**BRYCE WILSON:** Well, I mean they bill a school-- I mean the ESU would bill a school district for all the different services they provide, and they would be coded out into the different categories. But those categories that the school then pays that bill and encodes it to would-- could include a lot of other things in there. So we wouldn't know how much of that expense that they're reporting to us is ESU-related or not.

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**GROENE:** We couldn't get a firm number if we did a study and said well, if we combined administrative and accounting or something that allowed schools to do that, how much savings there would be or how much it could be to a single employee versus contracting? It would be hard to do?

**BRYCE WILSON:** No, we wouldn't have that information. We wouldn't be able to pull an accurate number out of what is submitted to us at this time.

**GROENE:** Thank you. Any other questions? Thank you, Bryce. Could-- could you stay or are you busy?

**BRYCE WILSON:** Sure.

**GROENE:** We might-- other testimony might come up that we need clarification on what was said. Let's see. Who do we have? We have Jack Moles on the list, listed third. As we said, could you say your name, spell your name, and-- start any time, Jack.

**JACK MOLES:** Pardon.

**GROENE:** Start it whenever you're ready.

**JACK MOLES:** Yeah, I was going to wait until everybody got a-- name is Jack Moles, J-a-c-k M-o-l-e-s, executive director for the Nebraska Rural Community Schools Association. Excuse me. In talking with Senator Groene about this concept, first thing I did is talk with him

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about the idea that the number of shared superintendents he's had diminished over the recent years. And he asked me what the reasoning might be for that, and I-- I didn't have any idea really. I mean I had some ideas but nothing concrete. So I told him I'd look into that, and talk to as many of those districts as I could. I also did a couple other things to get-- gather information for you. And so that's what I'm going to share with you today. First of all, NRCSA does support rural boards of education that choose to share a superintendent with another district, but we believe that is most properly at the local level, that it's a local decision. It's our belief that the board of education knows its own district best and is in the best position to make that decision. But in looking at this, first thing I looked at, you know, we've been losing popularity in-- in the idea of the shared superintendency. On the-- on the last page of your handout, her last two pages, I show the number-- or the numbers of shared superintendencies since 2009-2010. We hit a high watermark in 2011-12. We had 13 shared superintendencies in the state. This year, as you've already heard, there's going to be two, down from three a year ago. So what I did as I looked at this, I went back, and I surveyed all of the superintendents and board member-- or board presidents in-- in districts that had shared in the past or were currently sharing and then any of the past superintendents that I had contact information for. And I would tell you, the return surveys were not overly strong first of all. I did receive 15 total responses. And one thing to

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realize as I talk about what I got from the districts is in many cases, the person that responded was not in the district when they shared if they had discontinued that sharing. So you need to understand that. They got information from other people so. OK. Questions that I asked long-- along with a condensed version of the responses are-- are covered in here. First question was, In your opinion what was the reason or reasons why your district chose to share a superintendent? And a mo-- most of those responses cited to generate cost savings. That was the biggest reason. A couple of-- there were a couple of other things cited, for example, maybe the possibility of leading to a consolidation, the sharing of ideas between districts, and one just said, when the superintendent retired or left, it was a late date. They couldn't find somebody, so they talked to a neighbor, and they decided to share. The second thing I asked was what financial arrangement was in place with the other district in terms of superintendent compensation. And in most situations, it was a 50-50 split. There were a couple of different ones. One had a 68-32 split. Another had a 50-50 split, but one of the districts wanted more time, so they went to a 60-40 split. The next question I asked was-- was, was mileage paid to the superintendent to cover travel between the two districts? In most of the situations, either mileage was paid to the superintendent or a school vehicle and fuel were split between the two districts. In a couple of situations, one of the districts provided the car. The other district provided the

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upkeep, the gas, things like that. And in two of the situations, neither my-- mileage or car were-- were provided. Next one was, in your opinion why did the districts discontinue using-- utilizing a shared superintendent? The answers were varied. One common theme was the superintendent was not as available when needed. Another was, and this seemed to be a common one too that I've heard is-- is at least one of the districts' staff, board members, or patrons, or all three questioned the loyalty of the superintendent to their district. They thought that the superintendent was more loyal to the other district. A third common theme was that eventually the districts-- one of the districts decided they did-- needed more than a part-time superintendent. So they went their own ways. And in two of the situations, the shared superintendency was ended because the districts merged so. In your-- and the next one was, in your opinion what were the best benefits from sharing a superintendent? Again, varied responses, the most common was financial savings, although most of them, when they said that, said the savings are not what you might think. They also cited the able-- or cited the ability of the two districts to share ideas, and coop-- cooperation between the districts was a benefit. The next one was, in your opinion what were the biggest difficulties from sharing a superintendent? And it-- as kind of stated above, a lack of access to the superintendent for the staff, board of education, or patrons and also that lack of loyalty theme. Time requirements was cited as being a big issue, and a couple of them

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talked about the stress on the superintendent, that it just created more stress having to share. And one of the responses was kind of interesting said that the two districts quit working well together. They had worked well together, and then when they started sharing a superintendent, they didn't work as well together. And they were looking at a possible co-op of activities and decided to drop that because they were tired of the politics is what they told me. Then the last question was as an estimate, how much financial savings do you believe your district realized as a result of sharing a superintendent? And I could've been a little more specific in this, maybe ask for a dollar figure or something like that. I just asked that question. Only a couple of the responses estimated that the cost per district was cut in half. A few responses provide a dollar figure. And those figures raise-- ranged from zero to \$75,000, so they're all over the board. But three of them did say about \$20,000 is what they think they probably saved. After that, I started-- I looked at a couple of doctor-- doctoral dissertations. One is by Caroline Winchester who's now the-- Dr. Winchester's the superintendent at Chadron Public Schools currently. She'll be retiring this year. But what she looked at was the financial impact on districts that shared a superintendent. And what she found is that in year one, you definitely had a savings. But in her findings in year-- starting in year two and after that, the savings really weren't that much, kind of negligible. And the one thing that she found was she-- what she did is she took

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about five different categories within the budget that-- that Bryce was talking about, and the one part that did show a savings was in superintendent. But other areas did tend to go up then. The second dissertation I looked at was by Dr. Steven Oberg in his dissertation for Iowa State University. And what he talked-- what he was looking at was the working relationship between boards of education and a shared superintendency as compared to a single-district superintendency. And what he found there was that board members in single-district situations consistently rated their working relationships with the superintendent higher than in shared-district settings. And this is very important because, well, I've always felt this but-- but he quantified this through research, is that really the biggest factor-- one of the biggest factors in a superintendent's success within a district is the relationship he has-- he or she has with the board of education. A concept-- the next thing I did is I looked at a concept, I'm going to call it the shared within superintendent. And this is a-- this is something that I am very familiar with because I had some of this when I was a superintendent. But superintendents in rural districts tend not to only be the superintendent. They tend to have other duties. So what I did is I came up with a list of-- of 13 other duties that I knew-- I had personal knowledge of a superintendent or more serving in their district as-- as the superintendent. And so I-- just a simple survey to all of our member superintendents, I got a pretty good response back, had 116 responses. And I gave them these

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duties and said, which of these are you filling besides being just the superintendent? And you can see the-- I listed those in order from the greatest percentage down to the lowest. But half of the superintendents, half of the "16" respondents are also their district school improvement coordinator. Forty percent were their-- are the curriculum director. Thirty-seven percent is the t-- are their-- the transportation director. Thirty-one-- or 26.7 percent are serving as a principal in some way. On down to coach, three of the respondents are coaching or serving as their district's technology coordinator. One of the things that I hadn't thought about, Senator Groene, you brought up about HR, human resources. That's a position that a lot of bigger districts would have that person. The human resources department in a Class C and D school is the superintendent so. But that was not on my list. I also looked at the number of extra duties or these-- these duties that superintendents take on. Of the 116 respondents, 22 of them fill 5 or more of those things for their district, 5 or more of the 13 roles for their district. Fifty-seven filled three or more of those duties. So they're doing a lot of other things for their district besides just being the superintendent. I didn't present the question on the survey, but it's my assumption that most of those positions other than probably principal, the superintendent's probably not getting compensated for that. I guess the other one would be coach. They're probably getting paid to be a coach. But in most of those circumstances, they're just taking on the extra duty is what

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they're doing. In closing, just some things I'd like you to consider as you look at this. First of all, reiterate that NRCSA does support districts that choose to share a superintendent. We do believe that districts should go into that doing a lot of research and really considering things heavily, not to just jump at it. The concept of two or more districts sharing a superintendent, again, we believe it should be a local decision because districts know-- their boards of education know their districts better. The next thing is result in cost savings will not necessarily result in cutting in half the superintendent's compensation. To give you an example of what I'm talking about there, the person sharing the shared superintendent position likely will be paid at a higher salary for doing two districts. You know for example, if they're-- if they're getting a hundred-- the two districts are paying \$100,000 a piece for their superintendent, they decide to share, they're probably going to pay let's say \$120,000 for somebody to do both. Probably what's going to happen then is the principals are going to get more salary because they're going to pick up more duties, and then some of their duties might fall to somebody else. For example, if they were the athletic director. that might fall to somebody else that they're going to pay. So there are some costs that may come along with that. Sharing the superintendent may be helpful for districts that are considering sharing more programs or staff or maybe in the share-- looking at merger. I think it'd be a great first step if a-- if districts were

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really looking at a merger. Boards of education need to prepare to meet two difficult decisions-- make two difficult decisions. One would be the kind of scenario that I presented to you is if one of the districts decide the shared superintendent-- or shared situation is not working. What do we do-- you know, what do they do then? They're going to have to take on new costs probably. The other one is-- is what if one of the districts decides that the shared superintendent is not the one for the job, but the other district really likes the superintendent? Then you've got an issue there too. There-- I've heard a couple people mention the idea of maybe the state providing incentive to districts to do this, you know, to share a superintendent. In theory, I think that'd be a great idea. The problem is would you be able to maintain that-- that incentive program? And that-- that's something we would be concerned about, you know, the sustainability of something like that so. I could answer any other questions you might have for me.

**GROENE:** Senator Linehan.

**LINEHAN:** Thank you, Chairman Groene. Is there a school size, in-- or their conversations, where you don't need both a superintendent and a principal for the high school and a principal for the elementary school? Because you've been around long enough where everybody didn't have principals.

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**JACK MOLES:** Right. I actually was in a Class C school-- when I first started, was in a Class C school. There was-- I was the superintendent and elementary principal. My high school-- junior high/high school principal was also the activities director. I will tell you that I was a lousy elementary principal, mainly being-- and one of the reasons was the elementary building was in a different community. So for me to go there, I had to make time to get over there. But one of the things I found out is I became a lot better superintendent when I didn't have the elementary position anymore. What we did is after five years, our principal had retired, and when we were bringing on a new principal, the board and I sat down and looked at different-- different angles of what we would do. And what they liked the best was a K-12 principal, maybe in a superintendent, and then giving the athletic director duties to one of our coaches. So as far as the size, you know, I really hate to say that--

**LINEHAN:** I know. You can.

**JACK MOLES:** --but-- but it tends to be-- the smaller D districts tend to have that situation more. But again it might be based on, you know, what their use of facilities is. If they're all at one side, it becomes easier. If you have two different communities with buildings, it becomes more difficult so.

**LINEHAN:** OK. Thank you very much.

**JACK MOLES:** Yeah.

**GROENE:** Any questions? Senator Murman.

**MURMAN:** Yeah. It appears to me that a unified district would work maybe better sharing a superintendent than two different districts or even more sharing a superintendent because in a unified district, the superintendent could do a lot of things, you know, his way or the district's way rather than having two different districts doing things different ways.

**JACK MOLES:** You know the-- you know, I kind of looked at that a little bit. The biggest advantage to me is you've got a unified board that you-- that the superintendent reports to. You also have two other boards, you know. But the unified board is really a-- to me would be an advantage.

**MURMAN:** Typically they usually have a unified board but then also a school board for each district also.

**JACK MOLES:** Right. Right.

**MURMAN:** It looks like there'd be more efficiencies, a lot more efficiencies that way than-- than two different districts share-- you know, doing things differently sharing a superintendent.

**JACK MOLES:** Um-hum.

**MURMAN:** Thank you.

**GROENE:** So basically when they have a shared superintendent, they have two administrative offices in each school, right?

**JACK MOLES:** Right.

**GROENE:** So the superintendent is dealing with two different office staffs.

**JACK MOLES:** Yeah. Two different office staffs, two different boards. Yeah.

**GROENE:** So we really didn't save anything by creating one office.

**JACK MOLES:** What I found-- or you know, from looking at things, yeah, they didn't save much in the long run. Initially they did, but in the long run, it didn't look like they did.

**GROENE:** Because a principal should be in the building all the time because-- I would think.

**JACK MOLES:** Well, there are times you do want the principal out of the building for, you know, training and different things like that, possibly support of student activities, things like that. When you have one principal in each of the districts and one superintendent, that becomes a little more-- a little harder to do that, you know, for the principal to be out of the building.

**GROENE:** It's concerning some of the kids-- schools that need improvement happen to be little schools lately. It seems part of that reason is there is no principal in that building--

**JACK MOLES:** Um-hum.

**GROENE:** --to focus on education. So I guess sharing a superintendent or unifying they can concentrate their spending, each school, to make sure there's somebody of authority in the building? To make sure-- maybe we'll hear from one of the super-- the principals, superintendents up here. But that's also an advantage too because all of this duplicated duties by a superintendent seems to dilute their what they can do well. Have you seen that? I mean you mentioned that you tried to be a principal and a bus driver probably.

**JACK MOLES:** Yeah. I did some of those-- you know, some of those things I did. Three times as a superintendent, I was the head volleyball coach.

**GROENE:** And you probably--

**JACK MOLES:** And during the volleyball season, I wasn't as good a superintendent as I was after the season was over.

**GROENE:** And you probably have a CDL too?

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**JACK MOLES:** You know, once I became a superintendent, I did not have that anymore.

**GROENE:** The farmers couldn't hire you during harvest in the evenings throughout--

**JACK MOLES:** I'll tell you what, I drove vans a lot when I, you know, I could. Like cross-country team went, I always helped drive one of the vans because I had a son running and so.

**GROENE:** So thank you. This was very good information about--

**JACK MOLES:** Thank you.

**GROENE:** --I never thought of that angle about a small school, what a superintendent is expected to do and how it dilutes their-- the main job.

**JACK MOLES:** You know, in my situation it deluded it, but it also made it a more worthwhile job to me though. I enjoyed doing those other things. Thank you.

**GROENE:** Bruce Rieker, you're next on the list, Farm Bureau, just a citizens rural representing who the rural folks are, agriculture. Go ahead.

**BRUCE RIEKER:** Yep, Senator Groene, members of the Education Committee, as Senator Groene said, my name is Bruce Rieker, it's B-r-u-c-e

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R-i-e-k-e-r. I'm the vice president of government relations for Nebraska Farm Bureau. Admittedly I'm not an expert in what's included in the definition of administrative costs and what's not in classroom costs. I've learned a great deal from the experts, and I appreciate all the research that Nicole, Bryce, and Jack have put together and others that will follow as far as what information that they've shared. As-- it won't be no surprise to any of you that Farm Bureau would like to see property taxes reduced, and so-- and I-- we appreciate Senator Groene inviting us to to share some things. What-- what we took as our assignment is to look at some things, situations that may be analogous to-- to the subject matter here. And we at Farm Bureau are no stranger to controlling costs. And you know, just to give you an example, we at Farm Bureau are currently going through a ten-year, long-range planning, I'm going to say more than an exercise, to figure out how we are relevant to our members in a-- in a changing economy, the demographics that we see coming. And some of these I hope to share or make it-- make known to you as to some of the things that we anticipate changing in the rural economy over the next ten years and may help you think about where we're headed with education in the rural areas, economies of scale, efficiency, things like that. The biggest question that we have in our long-range planning is what does the farmer or rancher ten years from now look like? There's roughly 45,000 to 50,000 farmers in the state depending on what threshold you put as far as their adjusted gross income, who files a Schedule F,

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which is a farm schedule-- a farm income schedule, an expense schedule on-- on the IRS returns. But let's-- let's just use 50,000 for the-- for the sake of discussion. It is probably a conservative estimate that 5,000 of those will not be around ten years from now. But when I say that, I'm not going to say that-- we will still have agriculture and there will still be working on the land, but as far as where the farmers and ranchers may live, how they conduct their business, the technology associated with being able to perform at maximum efficiency, we are probably going to-- the changes in agriculture are probably going to contribute to some demographic shifts that we hope that the schools and other entities anticipate as well. You know, I'm not going to say this is the norm, but I will give you this example. The gentleman that farms my parents' land out by Eustis in Farnam, Nebraska, things like that, he and his wife just moved to Kearney which is 60 miles away because she got a job with benefits. And I'm going to say this is probably more of a norm than not because we're seeing more farmers and ranchers move to communities where they have access to the infrastructure, health care, education, things like that that are more available. But Seth runs our irrigation wells with his cell phone 60 miles way. He-- he has a couple of technicians that run the tractors, things like that, and he comes out during harvest and things. But he farms a lot of other people's land as well. But he has had to find economies of scale to do what he's doing, and we're seeing that sort of demographic shift take place in agriculture. And it will

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affect how education is funded, where the students are, things like that. Don't have a crystal ball for you to tell you what that looks like, but I think that it's important that the Education Committee-- and this is, you know, from my observation of being in this arena for 30 years, 16 years as a congressional staffer and then 14 years as a lobbyist, politicians by and large make decisions on very short-term increments, 2 or 3 years rather than 5 or 10 years. And I hope that as you look at this, some of the subject matter that-- that you're taking into consideration is anticipating what the delivery of education will look like five and ten years from now. And then as we put together our analysis, try to look at examples that are analogous or somewhat analogous, and there's never anything that's exactly the same. I'm going to talk about two different things. One is Nebraska's agricultural co-ops, and then one, that isn't in my testimony but I feel compelled to talk about it, is for nine years before I joined Farm Bureau four years ago, I represented the Nebraska Hospital Association. And I'm not here speaking for them. But the situation is analogous because one-- the most critical infrastructure that we have found, in my experiences in various jobs, is that in order to have a vibrant economy, you have to have the infrastructure. And part of that's transportation, education, health care. And broadband is now a critical important thing and too, having the availability to deliver the services that I hope that in the education arena we're able to do that no matter where you live. But in the co-op model, when I was a

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kid 50 years ago, there was pretty much a co-op in every community, and it was run locally. Today that's not the case. We have far fewer agricultural co-ops, but they have centralized their administration. Some co-ops have also proven that you can become top heavy in administrative expenses and become bloated and wreck your system as well. But what they have done is preserved the local presence of the co-op. There are still the elevators. There are still the sites. They have site managers that-- and in that testimony I submitted to you, there are far fewer co-op legal entities, but they are still serving the local folks in a different way. They became transportation, distribution, warehousing, and logistics experts. They became-- they consolidated HR, personnel issues, things like that. And you know, the bottom line in my testimony is I wish I could tell you, you know, what administrative expenses or what administration is appropriate in education to effectively and efficiently deliver the education that we all hoped it-- to see delivered. I don't have that. I'd also like to say that we had the numbers as to how much administrative expenses are spent that get in the way of providing that. But just like education, co-ops have to do that. One of the major differences that we see in preparing for this is that the economy and competition drove the need for the co-ops to change. The locals didn't want to lose their co-op. But they also knew that they couldn't compete when the markets changed from being local markets to being regional, national, or international markets. They had to become much more sophisticated in their

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marketing, having more specialized staff on board to help them develop the economies of scale when the margins have now become much thinner in production agriculture. So there's that. In the health care world, yes, there are 89 hospitals that we represented when I was with the Hospital Association, and I think they all still exist. But they can't be all things to all people, and so they have to share resources. And some of the larger hospitals have in-house folks, experts that can provide HR personnel or management, those sorts of things to smaller hospitals that contract for that. You know, some have set up regional health centers to be able to be closer to the people around the state, to make it more accessible. Once again, there isn't a one size fits all or a panacea to this, but you know, there are-- there are opportunities. The interesting thing I see about education I mean-- and each one of these segments I talk about has their own set of interesting dynamics. Health care is the most interesting intersection of for profit, not for profit, public payers, nonpayers, demograph-- poverty that I've ever seen in my life. I think that a lot of similarities exist in education. You know, the-- the one thing that I see different about education, than probably what drives a lot in the health care world and especially the ag world, is how it's paid for. You know, right now in the state, it's-- it's just determined who pays for it, whether it is from state General Funds or from property tax payers, you know. But sometimes, you know-- OK, this is my personal observation. At first-- and maybe Senator Linehan will disagree with

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me because we both served on Capitol Hill similar times and things like that. There are days that I think government, especially Washington D.C., is recession-proof, that no matter how bad the economy may get somewhere else, government seems to find the money to continue to exist as it exists. That doesn't happen in agriculture. And I think that the pressures on health care are there, but sometimes I don't think that the pressure is there to, whether it's local pressure or state pressure, to-- to force changes to-- to become more efficient that that exists. And I know that this hearing is about administrative expenses. No, I was going to say something about where we are with the farm economy. I'll-- I'll save that for another committee hearing. But nonetheless those are what I, Senator Groene and members of the committee, that's what I came forward with. We'd be happy to be a part of helping trying to figure it out, and I think that-- over the last three or four years I think that Farm Bureau has developed a stronger working relationship with the education community. I hope that's true. I feel that that's true. It isn't without challenge, but we're talking about solutions more together than, from what people have told me, we've done in the past. But that's my testimony. I don't know what questions I can answer, but I'll sure give it a shot.

**GROENE:** What's the average age of a Nebraska farmer?

**BRUCE RIEKER:** Oh, it's between 55 and 60.

**GROENE:** Not a lot of children?

**BRUCE RIEKER:** Not a lot of children. No.

**GROENE:** What's-- a lot of farmers they come in and talk to me about property taxes but they think their local school is doing a fine job.

**BRUCE RIEKER:** Right.

**GROENE:** And where the trophy case is and where they grew up, they don't want to lose this local school, but they want property tax relief. Something similar to what you said about the co-op system, they want that elevator close by. So I guess as far as-- that's the quandary. How do you give-- keep the small town alive with the school and also cut property taxes? So appreciate what you said about the co-op system because administrative costs that-- I believe can be a little bit further long distance than-- than the classroom so. Senator Linehan.

**LINEHAN:** Thank you, Chairman Groene. Thank you, Mr. Rieker, for being here today. Do you have-- this is one of the things I think-- because I'm from a small town as well. And one of the reasons-- there's pride, obviously. You want to keep your town, but the school I grew up in, there's no town. It's-- it's just the school. My-- my instincts are that one of the reasons-- well, the levy's lower than all the

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surrounding schools, so that's the main reason it's not going to close. But also-- and you mentioned health care. The cost of health care, if you can work at a public institution, whether that's city, county, hospital, school, and you're an ag producer but your spouse, whether it's man or woman, can get a job at those-- one of those institutions, isn't that a huge relief to ag producers, that they have somewhere to get health care?

**BRUCE RIEKER:** Absolutely. You know, it-- you know, it's-- when we step into the arena of health care, having a spouse or an off-farm job with benefits is an incredible win. You know, not that this is an ad or anything like that, but that's why we created an association health plan. It is staggering to see farmers and ranchers paying \$3,000 a month for health insurance with then a \$10,000, \$12,000 or \$15,000 deductible because if they don't-- if they're not eligible or don't have a spouse that has access to a job with benefits, it is one of the leading costs of existing as a farmer or rancher is the cost of health care.

**LINEHAN:** Do you have any idea what percentage of your members or farmers writ large in Nebraska are fortunate enough to have a spouse that has a job with benefits?

**BRUCE RIEKER:** I do not. But I will get you that information.

**LINEHAN:** I think it would be helpful for us to see.

**BRUCE RIEKER:** Yeah.

**LINEHAN:** Because I do you think that's-- I mean it's a huge-- for anybody that doesn't have-- that's not part of a-- can get-- that has to buy their own health insurance.

**BRUCE RIEKER:** Yeah.

**LINEHAN:** Having someone who works-- a business owner in town, if they have a spouse, it's huge.

**BRUCE RIEKER:** Oh, I'll give you a real life story about my hometown and what it's doing to Eustis, Nebraska, a town of 400 people. The Village PieMaker originated in Eustis, Nebraska, and they sell frozen pies-- or they sold frozen pies all over the country to the tune of between 500,000 and 700,000 pies a year. But a very rich gentleman from Omaha bought them, and moved The Village PieMaker to Omaha. And now those 25 or 30 people who used to work there with benefits that helped support their farm or ranch or their local business are now struggling. And when you have a town of 400 people and 5 percent of the total population is now out of a job without benefits-- and I understand the reason that the lady who started it sold it. I-- she-- capitalism, she did great. She built a great business. But now that that business is gone, there is a huge hole as far as the economic viability of a lot of farmers and ranchers. And if I may, here's where I was going to go, but then I said-- and I told myself I wouldn't. But

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what we're talking about, the economics of farming and ranching right now, yes, we had an incredible boon in 2013, record profits, record net income for agriculture. While the rest of the state was struggling, agriculture was doing incredibly well to the tune of net farm income was \$7.2 billion, OK? If you average that across 50,000 farmers, that's about \$150,000 a year net farm income, pretty darn good deal. Five years later, we're at \$2.6 billion in net farm income, \$52,000. But-- and just so you know, when-- when people-- when legislators talk about how the economy-- and Tom Bergquist from the Legislative Fiscal Office can do a much better job than I can explaining about how the ups and downs of the ag economy affect the resources that you have to work with. But just from our math, that \$7.2 billion reduction in net farm income to \$2.6 billion cost the state. In general-- yes, for the record, farmers and ranchers pay income tax. But that reduction in net farm income has cost you the state, us the state somewhere close to \$240 million a year in General Fund revenue because of the downturn in the economy. Now the crazy part about it is-- is when economies get tough for the state and you cut spending or support of public education, guess who picks it up? The people who are already in the posit-- property owners, not just farmers and ranchers, but all property owners pick it up. So it's a vicious cycle when the economy goes down and your revenues go down and then it gets shifted to property owners. So I hope that that helps close a little bit of the circle as it can become a vicious spiral

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when our economy-- when our ag economy suffers. And it isn't just the farmers and ranchers, it's the people in the communities that rely on their business.

**LINEHAN:** Thank you.

**GROENE:** One last question. So you-- would you agree that you would rather pay income taxes than property taxes?

**BRUCE RIEKER:** Absolutely.

**GROENE:** And you made money that way.

**BRUCE RIEKER:** Yes.

**GROENE:** Thank you.

**BRUCE RIEKER:** You bet.

**GROENE:** Any other questions? Thank you, Bruce. That was helpful information.

**BRUCE RIEKER:** Thank you.

**GROENE:** Now we get to-- we purposely put the school superintendents last so they could hear all this information and then address some of the things we heard. Because you've actually lived it. So Superintendent Dawn or Dr. Dawn Lewis from Arlington Public Schools

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who as I said earlier was a shared superintendent at Callaway and Arnold. Go ahead and give your name and spell it.

**DAWN LEWIS:** Good morning, Senators. Thank you for the invitation to testify before you today. I am Dr. Dawn Lewis, D-a-w-n L-e-w-i-s, the superintendent at Arlington Public Schools, a position I began July 1 this year. I was invited to share with you regarding my previous role as superintendent shared between two districts, Arnold Public Schools and Callaway Public Schools, two Class D schools approximately 22 miles apart. First, a little background. Arnold Public Schools is located between Broken Bow and North Platte on Highway 92. The community has approximately 600 citizens, and the school right now has approximately 185 students. In my nine years in Arnold, first as the K-12 principal and then as superintendent, we experienced growth of about 70 students to get to our current level. Callaway is 65 miles west of Kearney, approximately the same size, and they have about 220 students enrolled in a preschool through 12th grade. Their enrollment has been relatively stable at this level for some time. There was a slight increase when they added preschool five years ago. These schools participate cooperatively in NSAA athletic activities. They're known as South Loup, but the schools remain completely independent of one another in all other areas. Prior to sharing an administrator with one another, Arnold had shared a superintendent with Sargent for ten years. Those two communities were 60 miles apart. Callaway had shared

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a superintendent with Stapleton in the early 2000s, but that was unsuccessful and that only lasted for two years. Callaway then returned to being a single superintendent district for several years, as did Stapleton. When Arnold and Callaway began their athletic co-op in 2010, both the principal and superintendent at Arnold at that time retired, and the two boards made the decision to share a superintendent. The Callaway superintendent at the time, Pat Osmond, took that role. I had the opportunity to work with him while principal in Arnold for five years prior to becoming the shared superintendent in 2015. So I have seen this role from two perspectives, both as the building level administrator with a shared superintendent and as the shared superintendent relying on building principals. While working with a shared superintendent, I took on additional duties that I would not have normally had if-- with-- there had been a full-time superintendent. I was the transportation coordinator. I handled all emergency situations that arose at the school. I conferenced regularly with board members and handled a significant amount of district communication. I made decisions related to weather and to the school calendar. Mr. Osmond allowed and actually asked me to participate in most board committee meetings during those years since I knew the system so well. I primarily represented Arnold Public Schools at all events and community functions as well due to the nature of sharing and the inability of the superintendent to be in two places at one time. In 2015 I became the shared superintendent which was my first

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superintendent position. My salary and fixed costs were split equally between the two schools with the use of an interlocal agreement. Even though I accepted the position thinking that I would do this differently and maybe better than my predecessor, I quickly learned that duties needed to be delegated. My K-12 principals overseeing an entire system are extremely busy as it is. I was uncomfortable piling even more work on for each of them as I could clearly see their stress level rising as I did so. Yet I still found myself swamped between double the regular board meetings, double committee meetings, double staff trainings and special events, double the school level activities. Delegating responsibilities may sound like a viable solution to conquer this obstacle, but then you need to consider that my principals were also delegating their responsibilities to guidance counselors and to teachers. And those people were not certificated to be doing administrative work. It also seemed that even though I felt I was very diligent and deliberate about spending my time between two districts, that I was never where I needed to be. I was always in the wrong place when I was needed in the other community. And then there was also the never-ending stream of comments that made me cringe and still, when I think back today, do as well: Dr. Lewis, she's never here; we never see her, although like I said, I made very deliberate attempts to split my time. I would spend mornings in one community and afternoons in the other community. Weekly I would flip that. So I felt like I was doing a great job, and it still wasn't seen as that. So my

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reasons for leaving this position after only four years are directly-- direct-- directly related to the demands of the dual role, not the salary I was receiving. I found I could not be the leader I wanted to be in two districts and still be the kind of person that I needed and wanted to be for everyone else. I was experiencing personal strain on my family and on my health in my desire to be effective in both school districts. I was no longer willing to accept that. So when a great opportunity came along to ease this personal and professional strain and move my career in a positive direction, I took it. At that time, I encouraged both boards to listen to my narrative and public concerns when hiring. The shared position was no longer meeting the expectations of the board in either district. In addition, community members in Callaway spoke in public forum and at board meetings expressing their desire for the board to hire a full-time position, a full-time superintendent when I chose to leave the district. So in spring 2019, Arnold and Callaway chose to part ways administratively. Each conducted separate searches for their superintendent. Callaway hired a full-time person, and Arnold hired a three-fifths or a .6 FTE interim position and they're working on hiring full-time for next year. The budget impact, these districts have been able to compensate for any additional expense in their budget from other areas, and they have not had to raise taxes specifically to cover any increase in cost. For the '19-20 school year, Callaway has been able to lower their overall taxation by about \$200,000, and Alla-- Arnold actually

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added about \$100,000 to their general fund budget which was mostly due to the increase of negotiated salaries for teachers. But that was offset somewhat by lowering their special building fund request by \$50,000, so overall they're only up about \$50,000. So while these administrator costs are up slightly to each district, their overall taxation is not. The total superintendent, and this is superintendent alone that does not include any of the other administrator costs because those did not change, the only thing that changed was the salary of the superintendent, are a very actual small portion of each of those budgets. The superintendent salary in Arnold is 2.8 percent of their budget-- I'm sorry, I'm going to backup, was 2.8 percent of their budget in Arnold and was 2.4 percent of the budget in Callaway when that was a shared position. That data is taken from the 2017-18 data on the Nebraska Education Profile and our AFRs which are available to everyone on the education.ne.gov Web site. And now, comparatively, their new costs in Arnold are 2.9 percent of their total budget and Callaway, 3 percent of their total budget. And that information I gleaned directly from the superintendents who replaced me in those two districts. So the decision to share a superintendent in my opinion should be a local decision, and it needs to make sense for the schools involved. I'm just speaking from my heart and it's not on the testimony in front of you. These-- these are wonderful districts. They're full of great people that are passionate about their schools. They love their kids. I loved their kids. It was a

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tough decision to leave. They chose, you know, several years ago to make that decision to combine, and it made sense at the time. The jobs outgrew that ability to share is actually what happened. The student increase at Arnold and some different needs that were going on with the community in Callaway, it just made sense at this point in time for them to explore separate options. I think both boards reiterated when they were having the joint board meeting to make that decision is that in the future, if circumstances change, they will consider sharing again. But again, that needs to make sense to those people. And finally, as stated by Dr. Ossian in NCSA Today which was a publication of our administrators association: For whatever reasons, the dual superintendency is losing favor as a popular option. While the number of school leaders serving more than one district over the past decade has been as high as 14, it's normally in the low teens, the figure now stands at three. That was written in 2018. So with my moving and changing my career path, that number now stands at two. I'd like to point out a couple of other things as I was listening to other testimonies too, that both Arnold and Callaway are conserving their other costs which have been referred to as administrative here by using their ESUs. For example, things that have come up like SPED director, tech coordinator, professional development curriculum director. Those are already costs that are contracted with our ESUs, and so there is a significant probably savings to the district if you look at those as administrative costs as well. Those are billed out by

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ESU 10 on a per pupil basis. So you pay for your SPED director services based on how many students are sitting in your school. A lot of our other funds for professional development and things like that, the larger schools take those monies directly Title II A, etcetera. Ours are consorted with funds with our ESU, and then those professional development services and other things are free to us because we send them basically our money to do something better with than we could do individually as districts on our own. The tech coordinator services handle e-rate and other things that we just don't have staffing to do in our small schools, and so those are valuable services that they're already getting from other areas. So those costs keep their whole-- their total picture of administrative costs as-- as they've been referred to here today, down. And then you see those on our AFR probably billed as purchased services or related services if you're looking at that. If you're looking for that on an AFR, probably be under a SPED code as purchase services and then other things are specifically to their codes for Title II A or Title I, etcetera.

**GROENE:** Questions? Senator Walz.

**WALZ:** Thank you, Chairman Groene. I was just curious what caused Arnold to increase in student population. Do you have--

**DAWN LEWIS:** It was all me, Lynne. No. No. I'm just--

**WALZ:** What was it?

**DAWN LEWIS:** --but it was-- no, they-- honestly, we had the families decide. They-- they did like-- we were able to make some very positive changes in the culture and it attracted a few students from other schools down the road that were having challenges in their own districts with, you know, just agreeability of their board. The-- you know, they had board struggles. They were not getting along with administrators, and the parents chose to-- to bring their students to Arnold where things were stable and we had a good culture and a good climate, you know, in the years that I was there. And so we attracted probably 30 students from about, maybe it wasn't quite that many, about 20 students from 5 or 6 families from neighboring districts. But we kind of had a boom. We had a lot of young people move back. Arnold is very progressive in their mindset, and so they have done a lot with their economic development for the community to increase business opportunities for people to come back and help them to see that they can raise their families where they were raised and still have a great quality of life that they like. And so that attracted a lot of young people back to their community. And they had a lot of children. And so I take responsibility for it because it happened while I was there, but I had nothing to do with it. Honestly, there's-- it's just a great community with lots of progressive ideas.

**WALZ:** And then another question I have real quick is I don't remember the year but you said you started a preschool early education program?

**DAWN LEWIS:** In Callaway, yes. So my first year as superintendent there is when that-- so it would-- this would be their fifth year having a preschool. They serve three-year-olds and four-year-olds. So they do have day preschool on both-- yeah, for both--

**WALZ:** Did you see a positive effect budgetarily when you started that program? Like was there--

**DAWN LEWIS:** I'll speak first from the educational standpoint. We had students much better prepared to be kindergartners.

**WALZ:** Yeah.

**DAWN LEWIS:** That was a huge impact. We did not-- the paperwork was done prior to me becoming a superintendent. The board made the decision that that would be best for their district as far as the education goes, and they had missed deadlines for grants. So it was fully funded by taxpayers. There was no grant opportunity for them, but the board was willing to forego that in order to get that in place for them. And so as far as the budget went, it was adding another FTE, basically what it was. It didn't increase transportation costs or anything like that. It added one FTE teacher to the pool, so I would say it probably cost the taxpayers about \$80,000 if you look at the price of what, you know, one FTE teacher on average would cost with all benefits and everything like that. But the-- the benefit to those students is-- you can't put a dollar amount on that.

**WALZ:** Right. All right. Thank you so much.

**DAWN LEWIS:** Absolutely.

**GROENE:** Senator Murman.

**MURMAN:** Yes. Thanks for testifying. I think you've spoke about this quite a bit, but I'd like to pursue it a little further. In sharing a superintendent, whether it's unified or just different districts-- two different or several different districts sharing a superintendent, I do agree that the personal relationship of the superintendent with the district and the patrons does-- is more challenging. In Class A districts I assume-- I haven't had a lot of experience with the large districts, but I assume there isn't a lot of personal relationship with the superintendent, with the patrons. How important do you think that is to the schools?

**DAWN LEWIS:** I think to your small schools where the school is basically the social life of your community, if you will, you know, people get together for a lot of reasons. And most of them have to do with an act-- you know, an event or an activity that's happening at the school. It's so much different in our-- in our small communities because the school really is the hub. And that's why people are concerned when they think about their schools going away because it's not just a school for their children, it's a school for the entire community. And so you know, they're paying for it, and they-- they

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take pride in it just as much as the people who are there working in it. And any positive changes you made, they notice, you know? And so they need to see their tax dollars at work, and that means that the superintendent and the other administrators are expected to be extremely visible. And it's honestly quite easy when you live in the community where your school is, to be visible in that community. You're-- you're-- you're having coffee at the convenience store, and you're frequenting your local grocery store. And we were very fortunate in Arnold to have bowling alleys and movie theaters and things like that, so you-- it was very easy to be seen at those places and at those things, you know, when you have to start splitting your time between two communities. It's-- it's more challenging to be seen and visible and-- and noticed like that in two different places. In your larger communities I would say that perhaps the visibility is a little bit different. It's serving on different boards other than working for your school, and you try and be visible in different ways. But it's not probably as readily noticed by-- by the average person on the street as it is in your small communities where people, you know, just are more personable with each other probably in general. But they want to feel connected to you in a different way than I would say in your large communities. It's probably less of a priority to be seen at the grocery store because there's 30 grocery stores to choose from.

**MURMAN:** Thank you.

**DAWN LEWIS:** Um-hum.

**GROENE:** So then you had two-- two offices.

**DAWN LEWIS:** I did.

**GROENE:** You'd sit in one chair and you had an administrative assistant in each place.

**DAWN LEWIS:** I did.

**GROENE:** So your entire mindset had to change. You had a different budget to prepare, different personnel pro-- situations.

**DAWN LEWIS:** I did. Um-hum.

**GROENE:** And when you'd go to the other in the morning and then in the afternoon, you would-- right off the bat, whoever your assistant would would be bringing you--

**DAWN LEWIS:** Right.

**GROENE:** --what happened in the morning.

**DAWN LEWIS:** Exactly.

**GROENE:** There was really no savings as far as combining an office.

**DAWN LEWIS:** There weren't any savings of combining offices, you know, I don't know, it-- it worked for the districts while-- you know, while

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Pat did the position and then while I was there as well until it started growing, you know, until the issues and different things started growing. But no, there-- other than the cost of my salary, there were no savings. No. Everything else was still separate. You still needed your business manager. You still needed your secretary. You still needed your principals. All of those things happened whether I was there or not.

**GROENE:** Did you-- both of your districts weren't equalized, were they?

**DAWN LEWIS:** No, they received no funding. It was all tax-based.

**GROENE:** Growth really wasn't covered much by the state. It was covered by a local tax base.

**DAWN LEWIS:** Right. It all was.

**GROENE:** And so was your preschool because--

**DAWN LEWIS:** Um-hum.

**GROENE:** --that's why a lot of small schools' towns don't start preschools because it's 100 percent on their backs. They don't get no state aid.

**DAWN LEWIS:** Right. Right. And-- and Arnold had discussed, you know, adding their own preschool, and I think it depends community to community. But Arnold had a strong private preschool that was run by

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actually a certificated teacher who had an early childhood degree. So they had less of a need to start a preschool in Arnold, although they had talked about it twice in the nine years that I was there. Callaway was in a different situation. They had a preschool, but it wasn't open regularly. And the person who ran it was not a certificated teacher, so the quality was different. Right.

**GROENE:** You also co-oped sports, did you not, activities?

**DAWN LEWIS:** Yes. Um-hum.

**GROENE:** But at least you didn't have two football games on the same night.

**DAWN LEWIS:** That is the one benefit to my job. And so the ones who-- the superintendents like me who have been in two schools that don't have that situation, actually those-- those arrangements probably unfolded much more quickly that-- when they had to also split their athletic activities. There's some other names out there of people that have done that-- that. I'm thinking of Dave Mroczek who was the superintendent between Ansley and Arcadia at the time, I believe. And then they had a co-op, an athletic co-op with Litchfield, so it was Ansley-Litchfield. So he had-- his two schools were actually Arcadia and Ansley, but he also had to deal with Litchfield activity. And that did not last long. I think he only did that for two-- two to three years.

**GROENE:** So just out of curiosity, the two-- when you co-op two sports--

**DAWN LEWIS:** Um-hum.

**GROENE:** --do two buses go to the game? Or do they meet up at--

**DAWN LEWIS:** Well, when the team got big enough, yes, we did send two buses to the games. So the purpose between that--

**GROENE:** Do Arnold and Callaway meet at Sargent?

**DAWN LEWIS:** --was not absolute. Well, occasionally we tried to go as a team. So Callaway would come through Arnold, and the kids if-- you know, if they needed, would get off the Callaway bus and pile-- pile onto an Arnold bus depending on what direction they were going. Yeah. So early in the co-op, what prompted it really it was student numbers were lower. And so there were times when, you know, the first three years of the co-op I would say, they could take one bus. But then they had to branch out to two.

**GROENE:** Arlington is-- what enrollment does Arlington have?

**DAWN LEWIS:** Seven-hundred.

**GROENE:** And Class C1?

**DAWN LEWIS:** Class C1, yes.

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**GROENE:** What positions do you have as staff there that you would love to have at a smaller school? Do you have your own curriculum director? Do you have your own HR person? Do you have a manager?

**DAWN LEWIS:** Right. Well, and I did have a business manager in both Arnold and Calloway and secretaries in both Arnold and Calloway, K-12 principals in both Arnold and Calloway. Additional what I have in Arlington would be then I have just a dedicated elementary principal and a dedicated secondary principal. I also have an assistant principal who also is the athletic director. And then we recently did shift an interventionist into a curriculum director or that type of a role, someone who does professional development and coordinates our curriculum and helps with alignment and things like that.

**GROENE:** So you're a bigger school there. Are they equalized, Arlington?

**DAWN LEWIS:** They receive net option funding so that is the primary so.

**GROENE:** Out of Fremont?

**DAWN LEWIS:** Well, no, a lot of them from other areas too. We get quite a few from Fremont and some from Elkhorn, some from Bennington, some from Blair. So really kind of pull from all around, but actually that number is down about, I believe, I want to say, 12 students net option down this year just due to growth of the community itself. So our numbers are up, if you look at NDE statistics, I think from 659 to 700

last counts, and that's from '17-18 to '18-19 on the October snapshot.

But the net option--

**GROENE:** Option's down, but overall you're up.

**DAWN LEWIS:** --option is down, but our overall enrollment is up. So our numbers are naturally growing within the community.

**GROENE:** What's your levy?

**DAWN LEWIS:** Levy that we just assessed will be 99 cents, \$.995 which is down from \$1.05. But our valuation went up 4 percent, and we were able to cut just a little bit out of the budget to pass on some tax savings.

**GROENE:** Just wondered about the economy of size if you were able to offer those services. But you were bigger, but you also were able to lower the levy because you had more students.

**DAWN LEWIS:** Um-hum. Right. Right. That helps. Um-hum.

**GROENE:** Thank you. Any other questions?

**PANSING BROOKS:** I've got one.

**GROENE:** Go ahead, Senator Pansing Brooks.

**PANSING BROOKS:** Thank you. I'm Senator Patty Pansing Brooks from District 28, and I want to thank you for coming. And also just want to

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say to constituents and others that two of the busiest committees scheduled hearings at the exact same time, both Judiciary and Education, for some reason. So anyway I apologize for my late arrival today. Been in Educat-- in Judiciary trying to deal with those issues. Thank you.

**GROENE:** Everybody schedules the Fridays before the football games.

[LAUGHTER] Senators might be in town. But anyway thank you, Dawn, that was very good testimony.

**DAWN LEWIS:** Absolutely. Thank you.

**GROENE:** And our last testifier is Superintendent Kolin Haecker, hope I'm pronouncing your name right, as a unified school district experience versus the shared superintendent.

**KOLIN HAECKER:** Good morning. Kolin Haecker, K-o-l-i-n H-a-e-c-k-e-r, I am the superintendent at Bruning-Davenport Unified School District. I just took over the superintendency there just three months ago, so my superintendent experience is three months. Bruning-Davenport became a unified school district in 2001. Prior to that, they had co-op sports between the two communities starting in 1989. In 2011, they also then decided to co-op sports with Shickley, so that is-- the cooperative is BDS. And so through the last several years, they have kind of come together and merged. And it's sometimes taken a little bit of time, but the process has been that. And that's what that community has--

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has strived to be, and the unification works for them. The unification also is different than the other two unifications that are in the state of Nebraska. We have one right to the west of us, and it is operated a lot different than ours is. So I can't speak to theirs, only to-- to what Bruning-Davenport has done in the past. So I-- that's my statement, and what questions do you maybe have that I could help you with?

**GROENE:** Could you clarify did-- have you been working in the district longer than three months?

**KOLIN HAECKER:** No. I started July 1.

**GROENE:** And where do you-- were you before?

**KOLIN HAECKER:** I was at-- principal of Raymond Central, so consolidation to the north for 12 years.

**GROENE:** And you walked into a unified district first time as a superintendent, and hopefully you did some research ahead of time before you took the job.

**KOLIN HAECKER:** It happens quickly.

**GROENE:** So what have you found? Is it-- is it similar to a single district because of-- what are you-- within the schools, what do you share administratively?

**KOLIN HAECKER:** Sure. I think when people would ask me where are you at and I say we're a unified district, they usually give you that deer-in-the-headlight look like, well, what does that mean? I say, well, if you were to come and visit our school, we'd look like a consolidated school. So in our Davenport building, we have all of our second through eighth graders there. In our Bruning building, we have pre-K, K and 1, and then 9 through 12th graders. So that's our two building sites. So really it's how we're governed is really what makes it a unification piece, but not necessarily how we operate our daily work.

**GROENE:** You have two school boards.

**KOLIN HAECKER:** I have two school boards and a unified school board, yes.

**GROENE:** And one levy?

**KOLIN HAECKER:** And one levy, yes.

**GROENE:** Property base is combined.

**KOLIN HAECKER:** It is combined, yes. We split out our building fund, so each district gets their percentage of their building fund that they generate from their district per se. So it's not quite 50. It's just kind of depends on the dollars that are brought in. And then they utilize that for their buildings how they see fit.

**GROENE:** And then it's also one employee contract, certified staff contract?

**KOLIN HAECKER:** Correct.

**GROENE:** But when it comes to closing a building or something, the local town gets-- still gets to make the decision.

**KOLIN HAECKER:** Correct.

**GROENE:** Not the combined board.

**KOLIN HAECKER:** That is correct.

**GROENE:** So it takes away this fear of cooperation if somebody is going to get the central school and then keep the buildings open as long as possible.

**KOLIN HAECKER:** Right. I talked to one of my board members at a volleyball game last night and he gave me-- tried to get a little history on why it started and why-- why the unification because there's not very many of them. And he didn't have the answer. He was a little bit younger in his years when that kind of got started. But he felt like a little bit was it was a way to still maybe hold on in case things didn't-- didn't turn out the-- maybe how each community wished it would. But it's lasted for 18 years, and I see it continuing on and going forward as a unification.

**GROENE:** And I think you have one of the lowest levies in the state if I remember right between [INAUDIBLE].

**KOLIN HAECKER:** Yes, our general levy's at 43 cents.

**GROENE:** It's up to \$.43 now?

**KOLIN HAECKER:** Yeah, our valuations went down almost 5 percent but our tax asking for this year was down \$17,000 overall.

**GROENE:** OK. You're not equalized, is that correct?

**KOLIN HAECKER:** We are not equalized, no.

**GROENE:** What's your enrollment?

**KOLIN HAECKER:** Approximately about 190-195. But it kind of moves fluidly.

**GROENE:** And you're pretty isolated. What's the nearest larger school district?

**KOLIN HAECKER:** Bruning is on Highway 81 which is about 38 miles south of York. So we're about 12 miles north of Hebron. And then Davenport is 15 miles from Bruning to the west on Highway 4.

**GROENE:** Any other questions?

**MURMAN:** Yeah. Since I'm in the district right to your west, a unified district, I'd be interested in knowing-- I do know a lot-- quite a bit

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about the differences but what differences as you perceive that there are.

**KOLIN HAECKER:** Well, my wife works in that district. And so she's learning about that, so I get to know a little bit more. I think just because I know some of her concerns as a staff member is that from a superintendent piece, you know, they would do professional development with one school district on one day. And then it would have to be the next day where the new-- the superintendent would come and visit with them. And it's kind of like when you're trying to be in two places at one time, and they're never around to have a conversation with them. So I don't know how-- I don't know a lot about their unification, just still trying to learn a lot more about mine. I have a-- I have a K-12 principal. So he's housed in one building, and I'm housed in the other. But you know, it's really still-- we try to do everything we can to do everything we can for kids. And our communities come together to provide opportunities which is why it started with a co-op in the beginning and now a unification. And then another co-op community to the south is just providing opportunities for our kids.

**GROENE:** So did you have a question?

**MURMAN:** I was just going to follow a little bit.

**GROENE:** Sorry.

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**MURMAN:** So I don't know if you mentioned, do you have a principal in each building in the district then?

**KOLIN HAECKER:** I just have one principal for the whole district. I take on some of the principal roles in the building that I am housed in.

**MURMAN:** OK, so you cover the building you're housed in, and then there's a principal in the other building?

**KOLIN HAECKER:** That is correct.

**MURMAN:** OK, thank you.

**GROENE:** That was similar to my question. Do you make sure that somebody is in each building if you go over to the other building that he's in?

**KOLIN HAECKER:** We try to. But we've put a lot of trust in our staff as well, but we-- we certainly want to be-- try to be available in each building if we possibly can. Obviously, we need to meet and talk and discuss, and so sometimes we can do that through the phone. But sometimes great conversation is when you're face to face and can talk about a lot of different things that are going on in our district and kids and staff and curriculum.

**GROENE:** How far away is Shickley?

**KOLIN HAECKER:** Shickley is kind of in the middle between the two ci-- two towns but to the north. It takes 15 minutes probably from each town to get to Shickley, but I would have to travel gravel roads as opposed to a paved road to get to-- to Shickley.

**GROENE:** Well, is there talk about them joining your unification system?

**KOLIN HAECKER:** As testimony earlier today, during the-- the big bounce in the agricultural economy, you know, five, six years ago, there was kind of some talk being done to see if they could put something into the middle between all three towns because they are starting their co-op with the-- with the sports, but nothing-- nothing came about. That it-- right-- right now, one town didn't-- didn't want to pursue that. They wanted to keep their-- their own community and their own school and their building.

**GROENE:** So the fear would be that one would be left out. You would keep the situation, and then Shickley would lose their building.

**KOLIN HAECKER:** Correct.

**GROENE:** That would be the fear.

**KOLIN HAECKER:** Yes.

**GROENE:** What about the tax levy? Are they similar to yours or higher?

**KOLIN HAECKER:** I think I had a conversation with their superintendent.

I think they're at 65 cents. Bryce could probably touch on that better than I could, but I think it's right around about the 65 cents, I believe.

**GROENE:** So actually, if they unified, everybody would go down probably.

**KOLIN HAECKER:** Probably, depends on how your-- how your makeup is. You know, there's-- right now with our co-op, there's certainly a lot of costs with transportation just with our kids and getting them to each building and practices, and-- and so there's some things of that nature. I know when they talked about it six years ago, they talked about building an actual and try to-- kind of a neutral site, but that just didn't-- didn't go anywhere. They thought that, at least from our standpoint, from what I've heard from our board members, that they didn't know if the tax base would really change too much because they could get some more efficiencies with-- with staff or just less travel, those types of things, some expenses that you could-- could cut down on.

**GROENE:** Administrative costs would-- would definitely disappear for Shickley.

**KOLIN HAECKER:** I couldn't speak to what those conversations were like. Obviously, if the two schools officially came together, you wouldn't

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need both superintendents, obviously. But I don't know if that would add into some more administrative type things whether it's curriculum or special ed or our technology. It's just-- it's really hard to say if-- what the needs would be for that district if it came together.

**GROENE:** Thank you. Any other questions? Senator.

**WALZ:** Thank you, Chairman Groene. Thanks for coming today. I just have a quick question. Who-- who would be like some of your biggest employers in the area?

**KOLIN HAECKER:** We have a large ag company that's in Davenport called Nutrien. And so they're kind of a regional area. That's really the one that's the biggest in Davenport. Bruning is a little more progressive community with the Bruning Bank. They have Norder's Supply that's throughout the state of Nebraska, but that headquarters is in Bruning. Another grain elevator that's there, that's pretty large, so that's kind of the big employers other than the school district in the community.

**WALZ:** All right. Thank you.

**GROENE:** How far are you from Deshler?

**KOLIN HAECKER:** Davenport is 17 miles from Deshler.

**GROENE:** Do you get some of the workers over there at the--

**KOLIN HAECKER:** At Reinke? Yeah. Reinke's to the south. Yes. Correct.

Yeah.

**GROENE:** Senator Linehan.

**LINEHAN:** Thank you, Chairman Groene. We focus a lot on money. We have to because there is a limited resource, but we have three sports teams together. How do you handle AP classes? Or-- I worry about the student who's-- in a bigger district would have more opportunities for advanced placement. Are you-- I mean there's-- I'm sure there's ways to do that. Are you in your-- I know you just got there so it's not a fair question, but it's not-- if you come from another-- any smaller school--

**KOLIN HAECKER:** Sure.

**LINEHAN:** --where you don't have the opportunities for advanced placement and all the things the big schools can do, is there a way to like-- is there any-- has there been any discussions about addressing that by maybe schools coming together? You can do it on-line or--

**KOLIN HAECKER:** Right-- right now SCC does a great job in our area through the SENCAP program. So our kids can get some dual credit whether it's in health or business or education. So we have several kids that are a part of that. So that certainly helps. We have some dual credit classes that are offered in our building because of our staff is qualified for that. And then obviously you can do a lot of

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college courses on-line, you know, with the technology. It's pretty accessible for-- for kids, and a lot of adults can go on-line and get their college education too. So we exercise that with our kids. But again, the opportunity is there for them, so if they choose that, we can create a space for them to get their work done and get the college credit that they need.

**LINEHAN:** So it is part of your culture. You've got a student who's-- OK.

**KOLIN HAECKER:** Absolutely. Yes it is. Yes it is.

**LINEHAN:** Do you do most of that with the university? Or wherever the student wants what--

**KOLIN HAECKER:** Yeah. It kind of varies. I've-- I have done things with Peru. Southeast Community College is really kind of the big mainstay as far as trying to do a lot of on-line and and some dual credit classes. But university obviously is another avenue that our kids-- so they have options to exercise.

**LINEHAN:** Does the university have a system where they, or any-- Wayne or Peru, where if it's in a-- can they actually do an advanced placement class? Or is it either-- it's just univer-- I mean not just, that's wonderful university course. So instead of going to advanced placement, they just go right into freshman univ-- college level?

**KOLIN HAECKER:** A lot of times like you can do advanced placement with some AP courses. A lot of times, though there is a lot of more stringent requirements for the teacher to-- to teach that than for-- than for the student to get that credit. So a lot of times it's going through dual credit and starting their college education and starting to work towards a degree type of thing.

**LINEHAN:** Thank you very much.

**GROENE:** Senator Walz.

**WALZ:** Yeah. Thank you. You said something that kind of struck me. You said that you had staff who are qualified to teach dual credit classes in your school.

**KOLIN HAECKER:** I have a couple, yes.

**WALZ:** How does that work? Like how does the--

**KOLIN HAECKER:** Well, the universities are making it a little more difficult to do that because they have to get a master's or 18 hours in a certain field in order to teach it. Five, ten years ago, it was a little less stringent as far as to offer that dual credit through a-- through Southeast Community College. So there are just certain requirements that they need to-- to qualify for and they just take studies to get trained in that certain area that they might be in.

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**WALZ:** So does the college pay your staff to do that then? That's what I guess I'm asking. How-- are-- are you contracted for that or how does that work?

**KOLIN HAECKER:** A lot of my experience that I've had is through Raymond Central where I previously came from. So we would have a contract set up through Southeast Community College. And so they've kind of changed some things through the higher education piece of stuff where now the Southeast Community College will pay the teacher a little bit of a stipend of what the students pay from a credit, money that they give to the university. Does that make sense? So for example, if you have over six people in a class, that's usually the agreement, then the Southeast Community College would give you a kickback. And so they would also pay the staff out of that funds that you've generated from your kids of that college credit, and then the school would get a portion of that. And it's kind of changing, and every school does something a little bit different.

**WALZ:** Um-hum.

**KOLIN HAECKER:** But through that, we would pay for the college books or pay for other supplies for those kids to take their class. So that's really sometimes what you were using that money for.

**WALZ:** OK. Thank you so much.

**KOLIN HAECKER:** You bet.

**GROENE:** Clarification, a student pays the tuition fee to Southeast Community College.

**KOLIN HAECKER:** It varies. It varies. Some-- some schools will take care of that. Sometimes it's all on the stu-- students. But each school sets that up and does things differently. So at our school, if they are high ability learner and qualify through testing, then we pay for their credits.

**GROENE:** You do?

**KOLIN HAECKER:** Yeah.

**GROENE:** And as far as your teachers being certified to teach dual credit, the problem also is on a junior college where that teacher doesn't have to be a certified teacher for K-12.

**KOLIN HAECKER:** Correct. They only be-- need--

**GROENE:** They teach there, but in order to do dual credit, they have to have that certification too.

**KOLIN HAECKER:** --through the-- yes, through the college. Yes. And that's done all by them, not by us. They just need to have a teaching certificate to teach at the public school. Then a bit-- above and

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beyond that is through the Southeast Community College or university or whatever they want to go through.

**GROENE:** University, on-line, high school, there's also a fee for that, I believe.

**KOLIN HAECKER:** Right.

**GROENE:** Academ-- tuition fee. Thank you. Did you have another question, Senator Walz?

**WALZ:** I'm just wondering how far away is Southeast Community College from the school.

**GROENE:** The answer is?

**KOLIN HAECKER:** With their SENCAP program, it's sometimes some area places. So an example where you could be trained as a welder, a teacher so sometimes a certification is different. you go through Southeast Community College. You become certified in all the welds that they want you to do, so your teacher is there-- is housed in there then could teach that. There are some schools to the north, like Wahoo. They'll do-- they'll go to the area medical hospital, and they have classes there. Or they bring nurses out of there to go to a certain building where maybe people from Newman or Raymond Central or Mead will go there for that class. They get out of school and then they teach it through that way. So it just kind of-- it kind of

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varies. And sometimes they find-- they find a person that maybe is through the Thayer County central hospital type of thing where they could teach that, and-- and then they can travel shortly from there.

**GROENE:** Got into an area that's not involved here, but we just had that conversation this morning with Commissioner Blomstedt. So a child finds out-- a student does when they're a sophomore in your school and decides I'm going to be a welder. Can those on-line classes involving welding substitute for a English literature requirement? Or how do you fit that into their graduation, these AP classes? Do they replace part of the 200 hours, or do they have to double up, 200 hours to get a high school degree? I think it was around 200 hours.

**KOLIN HAECKER:** Typically-- well, obviously, a school district's going to have their own graduation requirements, but you wouldn't take a welding class to substitute for an English class. But typically you have enough time in the day that a student, if they want to pursue something like welding, they would have a lot of time during their day throughout their high school years to get more welding classes to get qualified for that, so they wouldn't necessarily have to substitute. That's just something that they would--

**GROENE:** Enough electives?

**KOLIN HAECKER:** Correct. Yep.

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**GROENE:** At 200 hours to pursue a different career.

**KOLIN HAECKER:** Right. There's enough periods in the day for them to--  
to-- to take those classes, yes.

**GROENE:** Within the 200 hours too.

**KOLIN HAECKER:** Yes. And the state requirement is 230, but each school  
is a little bit different. Some are 240. Some are 250.

**GROENE:** Thank you.

**KOLIN HAECKER:** Yep.

**GROENE:** Any other questions? Thank you. We've learned a lot today.  
Appreciate it, you folks who came in with actual knowledge and-- on  
this issue and gave us some good information, so we appreciate it. And  
we'll see if it turns into any legislation. Thank you. Ends the  
hearing.