

ESUCC

Regular Meeting

Tuesday, May 6, 2014, 12:30 PM

ESU No. 10 76 Plaza Blvd. Kearney, NE, 6949 South 110th Street, LaVista, NE 68128

Attendance Taken at 12:32 PM.

Allen ESU 19:	Present
Beatty ESU 16:	Present
Bell ESU 10:	Present
David Ludwig:	Present
ESU 07 Ronell:	Present
Fisher ESU 04:	Present
Gegg ESU 05:	Present
Gil Kettelhut:	Present
Jeff West (NE):	Present
Dr Kraig Lofquist:	Absent
Liz Standish:	Absent
Mowinkel ESU 08:	Present
OPS ESU 19:	Present
Radford ESU 17:	Present
Shoemake ESU 06:	Present
Tedesco ESU 11:	Present
Uhing ESU 01:	Present
Paul Calvert (ESU 15):	Present

1. ESU Coordinating Council Information

2. Call to Order

3. Roll Call

4. Approval of Minutes

5. Petitions and Communications to the Board

5.1. State Board of Education and Nebraska Department of Education Report

5.2. Association of Education Service Agency's Report

6. Executive Reports

6.1. Executive Committee Report

- 6.1.1. ESUCC meetings for 2014-2015
- 6.1.2. 2014-2015 Committee Structure
- 6.1.3. Draft ESUCC 2014-2015 Meetings
- 6.1.4. ESU Committee Structure
- 6.1.5. 2014-2015 Admin Roster
- 6.1.6. Budget Protocol
- 6.1.7. ESUCC Calendar - 2014-2015
- 6.1.8. Master Services Agreement (DRAFT)
- 6.1.9. Policy Review Process
- 6.1.10. ESUCC Vision

6.2. Executive Director Report

- 6.2.1. Project Support & Management
- 6.2.2. Coordinated Efforts
- 6.2.3. Aligned Planning

6.3. Treasurers Report - Finance Committee Recommendations

7. Public Comment

8. Recommendations from Standing Committees and Project Reports

8.1. Finance, Audit, Budget Committee

- 8.1.1. Final Audit Report - Sept 1, 2012 - Aug 31, 2013

8.2. Technology Committee

- 8.2.1. Staff Reports
 - 8.2.1.1. Rhonda Eis
 - 8.2.1.2. Scott Isaacson
 - 8.2.1.3. Gordon Roethemeyer
 - 8.2.1.4. Eric Smith
- 8.2.2. 682 Interim Study
- 8.2.3. LMS
- 8.2.4. NOC minutes 042314
- 8.3. Cooperative Purchasing Project
 - 8.3.1. ESM Update
 - 8.3.1.1. Annual Buy
 - 8.3.1.2. Year Round Contracts
 - 8.3.1.3. Wants and Needs Going Forward
 - 8.3.1.4. Reporting
 - 8.3.2. Operations
 - 8.3.2.1. Delivery
 - 8.3.2.2. Customer Support
 - 8.3.3. General Items
 - 8.3.4. Contract focus
 - 8.3.5. AEPA E-Procurement Discussions
 - 8.3.6. Policy & Procedures
- 8.4. PD Leadership Committee
 - 8.4.1. PDO Budget Requests

- 8.4.2. Approve PD Budget for 2014-2015
- 8.4.3. Master Service Agreement
- 8.4.4. NMPDS - Project Director Job Description

8.5. Special Education Committee

- 8.5.1. Wade Fruhling - SRS Report
 - 8.5.1.1. SRS Report
 - 8.5.1.2. Project Para
 - 8.5.1.3. ILCD
 - 8.5.1.4. AAP
- 8.5.2. IEP Facilitation Training

8.6. Legislative Committee

- 8.6.1. LB1103
- 8.6.2. Core Funding

9. New and Miscellaneous Business

10. Unfinished Business

- 10.1. Bylaws & Policy Review
- 10.2. Strategic Planning Process

11. Public Comment: Recognition of Visitors

12. Executive Session

13. Adjournment

{{Name: Agenda Item Name}}
{{Discussion: Agenda Item Discussion}}
{{Comments: Agenda Item Comments}}
{{Actions: Agenda Item Actions}}

Regular Meeting
April 03, 2014 8:30 AM
ESU No. 3
6949 South 110th Street
LaVista, NE

Attendance Taken at 8:30 AM:

Present Board Members:

ESU 01 - Uhing
ESU 02 - Ludwig
ESU 03 - Kettelhut
ESU 04 - Fisher
ESU 05 - Gegg
ESU 06 - Shoemake
ESU 07 - Ronell
ESU 08 - Mowinkel
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ESU 10 - Bell
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ESU 19

Updated Attendance:

ESU 08 - Mowinkel was updated to present at: 8:40 AM
ESU 10 - Bell was updated to present at: 8:40 AM

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2. Call to Order

Discussion:

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3. Roll Call

4. Approval of Minutes

Motion Passed: Motion to approve the minutes as presented passed with a motion by ESU 01 - Uhing and a second by ESU 02 - Ludwig.

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5. Petitions and Communications to the Board

5.A. State Board of Education and Nebraska Department of Education Report

Collaboration Meeting with NDE to begin at 10:00am.

5.B. Association of Education Service Agency's Report

Discussion:

Jeff West just returned from Atlanta starting his term on the AESA Board. AESA is accepting applications for break-out sessions for AESA Annual Conference December 3-6 in San Diego. Summer Leadership Conference is at the LaFonda Hotel in Santa Fe, NM on July 14-17. AESA also has an Executives in Residence Program each year which will prepare the next generation of CEOs with the needed skills to enter formal leadership positions in ESAs.

6. Executive Reports

6.A. Executive Committee Report

Discussion:

Dave reviewed the minutes of the Exec Committee.

6.A.I. Information Item

6.A.I.a. 2014-2015 ESU Admin

Discussion:

Committee reviewed document and decided to send copy around for edits at ESUCC meeting.

6.A.I.b. 2014-2015 ESUCC Committee Structure

Discussion:

Committee reviewed document and will bring forward as action item next month.

6.A.I.c. 2014-2015 Draft ESUCC Calendar

6.A.I.d. Staff Salary Proposal

Discussion:

Committee reviewed two documents - split schedule and salary. Audit would like us to have a time study done for pay splits for justification and documented study.

6.A.I.e. 6 Weeks Policy Review

Discussion:

Scott Isaacson reviewed the 6 week policy review done last summer. We will work on the six week review for this summer in June/July. Contracts all need to have an annual review of legal.

Coop contracts need to be reviewed/signed by Executive Director and also reviewed by legal.

6.A.I.e.*. Current Approved Policies

6.A.I.e.*. Policies Waiting to be Approved

Discussion:

Meet with Karen Haase to discuss approval and implementation.

6.A.I.f. May Meeting - no DL

Discussion:

There will be no DL for the May meeting. Exec Committee will try to meet with Karen Haase on June 4, 2014 to review policies (NCSA Office).

6.A.I.g. ESU 3 Office Space Lease

Discussion:

It is time to review the Lease with ESU 3. It was discovered that they were not charging for the full area that ESUCC occupies so that is reflected in the new contract with a raise in rent.

We will need to review the lease with NCSA and the contract with Jeff Bundy.

6.B. Executive Director Report

Discussion:

We continue to work on budgets. Improving communications among team and others.

6.C. Treasurers Report - Finance Committee Recommendations

Discussion:

Dennis Radford reviewed budget report.

6.C.I. Approve Claims, Financials Statements, and Assets for Month of February.

Motion Passed: Recommend that the ESUCC Committee approve the Claims, Financials Statements, and Assets for Month of February passed with a motion by ESU 17 - Radford and a second by ESU 11 - Tedesco.

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7. Public Comment

Discussion:

No requests from public to be heard at this time.

8. Recommendations from Standing Committees and Project Reports

8.A. Finance, Audit, Budget Committee

8.A.I. Review Salaries

Motion Passed: Motion to recommend a 3% increase for personnel deemed necessary by the Executive Director after financial review passed with a motion by ESU 11 - Tedesco and a second by ESU 18 - Standish.

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Discussion:

Dennis Radford reviewed the salary document including a flat 3%. They also reviewed Project Status given by Priscilla Quintana that showed the status of each project.

8.A.II. Information Item

8.A.II.a. Audit - Exit Conference on March 26

Discussion:

We have some of the same findings as last year, they did clear several findings from last year. Scott is working on the Audit Responses from the exit interview. We will continue to work on their suggestions in the upcoming year. Don Dunlap gave a report to the Exec

Committee last year do we want to have him present to a Committee and/or ESUCC Board. Expenses continue to be an issue with auditor; we need to turn them in a timelier manner (60 days). Suggested to not cross over fiscal years. Segregation of duties and central location for all contracts are a couple of other areas of concern.

The board decided to have Don Dunlap present to the Executive Committee. Those that are interested can also join the presentation. Ask for Don to come to Exec Committee meeting on June 4th.

8.A.II.b. Budget Planning

8.A.II.b.*. Review Salaries

Discussion:

Dennis Radford reviewed the salary document including a flat 3%. They also reviewed Project Status given by Priscilla Quintana that showed the status of each project.

8.A.II.b.*. Review Contract for Staff

Discussion:

We will use the same contract used in the past reviewed by legal (at-will).

8.A.II.b.*. Master Service Agreement

Discussion:

Each Committee reviews area of Master Service Agreement is correct and updated. Draft of Master Service Agreement will be available in May.

8.A.II.c. Coop Member Equity

Discussion:

Committee reviewed the Coop Equity document. We will need to hold on to Member Equity until we get through the next few years, reviewed annually, with new system.

8.B. Technology Committee

Discussion:

Bob Uhing, Committee chair reviewed the Technology report.

8.B.I. Information Item

8.B.I.a. Affiliate Reports

8.B.I.a.*. IMAT

Discussion:

Rhonda Eis gave a nice report regarding IMAT. Subjects included "new content," "expiring content," "Learn360 (cost information)," and "World Book."

8.B.I.a.*. DEAC

Discussion:

Renovo - We will not renew the Renovo contract. It currently costs \$90,000 per year. A discussion took place on how we should use the funds moving into the future.

8.B.I.a.*. TAG

8.B.I.a.*. NOC

Discussion:

Ron Cone stated that Ubiquity training was occurring.

8.B.I.b. Project Reports

8.B.I.b.*. Safari Montage Implementation

8.B.I.b.*. Renovo - Funds Usage

8.B.I.b.*. LMS - Statewide Support

Discussion:

A great deal of conversation occurred regarding the LMS. Obviously, we currently use BlackBoard. Schools are starting to use other learning management systems such as Schoology, Canvas, etc. Wayne Bell shared that at it's highest usage, there were about 45,000 BlackBoard users. Scott Isaacson shared that there are approximately 33,000 users at this time.

Bob Uhing stated that BlackBoard may be willing to give the product to K-12 schools. This has to do with BlackBoard's current relationship with post-secondary institutions. It may also have to do with "free" services such as Moodle.

Ron Cone added that some schools are not willing to even use a product if it is free. At the time, some schools are paying for Schoology, and it appears that some services such as Schoology have interoperability with student management systems such as Power School.

The committee decided due to a variety of factors to stay the current course and develop a process in the near future for change, if any.

8.B.I.b.*. BlendEd Update

8.B.I.b.*.-. NROC Contract

8.B.I.b.*. Identity Management

Discussion:

Scott Isaacson shared that work continues with ID Management. Specifically, there have been testing due to updates to Safari Montage. He has also been working on the Data DashBoard project and its relevant ID Management needs.

8.C. Cooperative Purchasing Project

8.C.I. Information Item

8.C.I.a. ESM Update

Discussion:

Currently calling schools checking on individual instances process. Schools need to have a workflow in process. They have a couple of duplicate catalog but working to correct those issues. Issue with Brown & Saenger (two catalogs) but issue has been resolved. They continue to add year round suppliers. Collecting tax-exempt forms from schools.

8.C.I.a.*. Easy Purchase Fees

Discussion:

Reviewed attached esm amendment that was a result of the negotiations on Easy Purchase Fees. Total contracts cost was \$230,000/annually for three years. Need to create a list/map out our needs to work with esm.

8.C.I.a.*. Ordering/Billing/Payment

Discussion:

Some schools want invoicing/delivery after June. We have had some deliveries to schools already and Kip is working with vendors on resolving issues. Some ESU are working with schools to pay invoices.

8.C.I.a.*. Account Setup

Discussion:

Some schools are not using this year as they don't have the budget.

8.C.I.a.*. Reporting

Discussion:

Coop has access to a beta-reporting tool. They will create a new video for training on reports.

8.C.I.a.*. Delivery

Discussion:

Some schools have already had deliveries made and Kip is working with vendors to resolve issues.

8.C.I.b. Program updates

8.C.I.b.*. Annual Buy

Discussion:

Kip will be going to Spring Conference.

8.C.I.b.*. Food Buy

Discussion:

Working to create some food shows for schools. Working on catalog through esm for year round buys.

8.C.I.b.*. Custodial buy

Discussion:

Working with AmSan on creating catalog in esm.

8.C.I.b.*. Year-round catalog

Discussion:

Continued work on year round catalog for schools and creating more vendors within esm. Kip would like to create an advisory committee to include business managers/Superintendents to review what schools wants/needs are to meet at least annually.

Schools would like to order paper year round. Each school has own unique environment, they control what they want on their site.

It was noted that the best pricing is available from the Annual Buy.

8.C.I.b.*. Special Buys - i.e. WorldBook

Discussion:

The Coop Project will create a catalog for IMAT, hosted on ESM, so ESUs/Schools can order/re-new World Book subscriptions. This catalog will be available soon.

8.C.I.c. Future Efforts

Discussion:

The Coop Committee has requested that Kip talk to other States at the AEPA meeting regarding the possibility of working together to develop a bidding/ordering system. They would also like the Tech Committee to look at the possibility of assigning or hiring a programmer to develop a system for the Coop Project.

8.C.I.c.*. Organizing Statewide Demand

8.C.I.d. Policy Adoption - Unified Policies & Timeline

Discussion:

Kip will begin working on policies and present a draft at the May meeting.

8.C.I.e. Coop Revenue, Expenses & Equity

Discussion:

Paul noted that the Finance Committee suggests holding all equity until financial status is better understood.

8.C.I.f. Budget Planning

Discussion:

Need to start planning for future and if we can bring programming in house. Recommend back to Technology for cost analysis of programming and fees involved with bringing in-house.

8.C.I.f.*. Review/revise Master Service Agreement for Coop

8.D. PD Leadership Committee

8.D.I. Master Service Agreement Change

8.D.II. Information Item

8.D.II.a. Affiliate Report - SDA

8.D.II.a.*. SDA Rigorous Curriculum Training

Discussion:

Approved contract for Rigorous Curriculum Training to be held in November.

8.D.II.b. May PDO

Discussion:

Discussed/reviewed the schedule for the May PDO activities. Lee Jenkins will be at May meetings to help facilitate the meetings. Encourage Administrators to attend.

8.D.II.c. Math Grant Update

Discussion:

Scott updated on continuing efforts of NMPDS. We had a meeting with a small group of staff developers/NDE on Monday to discuss future efforts. Draft a job description for a project coordinator (.5 fte). Lee Jenkins is scheduled for three days in July.

8.D.II.d. Budget Protocol

8.D.II.e. PDO Budget Requests

Discussion:

The committee reviewed the PDO Budget requests for 2014-2015. Continue to review as we build a budget system for next year. Table discussion until further review of budget.

8.D.II.f. Master Service Agreement

Discussion:

Continue to review and discuss at May meeting.

8.D.II.g. Nebraska Wesleyan Reading Like a Historian Grant Proposal

Discussion:

We will continue to follow process. Send information to Amy Hill, Strategist Chair.

8.E. Special Education Committee

8.E.I. Information Item

Discussion:

Rules 51 and 52 are on the Governors desk awaiting his signature.

8.E.I.a. Affiliate Report - ESPD

Discussion:

Marge reported that the Department of Education has agreed to grant \$12,500 through ESU 16 to ESUCC for IEP training in June.

8.E.I.b. Wade Fruhling - SRS Report

Discussion:

Wade reported on the AAP Website, Project Para, ILCD, and SRS and notes will be attached.

8.E.I.b.*. AAP Website

Discussion:

We are working on completing about 20 minor issues before our presentation at the Data Conference on April 15.

8.E.I.b.*. Project Para

Discussion:

Analyzing data from the Para Conference. Upgrading the commenting system that both Para and supervising teachers use to communicate. Building an instructor alert system to notify instructor when a Para has made a submission. They are organizing the annual Advisory Committee for later this Spring.

8.E.I.b.*. ILCD (Improving Learning for Children with Disabilities)

8.E.I.b.*. SRS (Student Record system)

Discussion:

Completed a new Notification of IEP/IFSP/MDT Meeting, Equitable Service, and Notice of Equitable Service Form. We have a draft of our new "Welcome" screen completed.

Working with Ginger Fredericks from Fremont to build a data import/export system for SRS. Seward Public Schools has agreed to be our first test district.

SRS Advisory Board Meeting was held on March 20th.

New priority list:

Minor updated to IFSP Form

Additions to our Notice/Consent forms to track attempts to contact parents

Update to our Progress Report Helper.

Ability to lock in preferences on the Student Search Screen

Complete "Welcome" Screen

Calculate FTE on SRS

Complete database archiving

8.E.I.c. IEP Training Update

Legislative Committee

8.F.I. Information Item

8.F.I.a. ESUCC Postions

8.F.I.b. ESUCC Legislative Action Plans

8.F.I.c. Facility Study

8.F.I.c.*. ESU Facility Study Link

Discussion:

Reviewed the document Kraig Lofquist created for the Facility Study. Create our own internal study to gather information from our ESUs. What processes are currently available for use for our ESUs? Get Superintendents/schools to support ESUs needs.

Include past history of facilities in study. Start with asking each ESU of facility needs. Kraig/Dave will create a template to use. Create a sub-committee to review ESUs - population and land size.

8.F.I.d. DL Incentive Funding

8.F.I.d.*. BlendEd Talking Points

Discussion:

The BlendEd Advisory created the talking points. We need to make it clear that we are not taking their incentive money. Is/what Higher-ed teaching BlendEd to teachers, we need to have them involved in our visioning process. Talk with NCSA regarding adding more BlendEd topics to Admin Days. Continue to broaden the participants in our visioning/training on BlendEd. Purpose of BlendEd is to provide equitable access across the State for student learning. BlendEd is a priority with ESUCC/NDE. ESU/NDE/NCSA/NASB/NCRSA need to all go forth together with one voice regarding vision (key stakeholders.)

8.F.I.e. Senator Kate Sullivan's interview

Discussion:

The Committee reviewed the video by Kate Sullivan. Will the state want to support any agency that are not efficient.

8.F.I.e.*. LB 1103: Vision

Discussion:

We will need to have a presence/voice at all three vision public meetings this summer. Important to discuss needs and then figure out how to pay for it. Need to have support of Superintendents/Principals/Schools on BlendEd Initiative especially in more rural areas.

9. New and Miscellaneous Business

10. Unfinished Business

10.A. Bylaws & Policy Review

Discussion:

Executive Committee will meet on June 4 to discuss updates/approve policies and procedures.

10.B. Strategic Planning Process

Discussion:

Recess at 10:00AM for the Strategic Planning meeting.
Reconvene at 2:45PM.

11. Public Comment: Recognition of Visitors

Discussion:

No requests from public to be heard at this time.

12. Executive Session

13. Adjournment

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Discussion:

We have some of the same findings as last year, they did clear several findings from last year. Scott is working on the Audit Responses from the exit interview. We will continue to work on their suggestions in the upcoming year. Don Dunlap gave a report to the Exec

Committee last year do we want to have him present to a Committee and/or ESUCC Board. Expenses continue to be an issue with auditor; we need to turn them in a timelier manner (60 days). Suggested to not cross over fiscal years. Segregation of duties and central location for all contracts are a couple of other areas of concern.

The board decided to have Don Dunlap present to the Executive Committee. Those that are interested can also join the presentation. Ask for Don to come to Exec Committee meeting on June 4th.

8.A.II.b. Budget Planning

8.A.II.b.*. Review Salaries

Discussion:

Dennis Radford reviewed the salary document including a flat 3%. They also reviewed Project Status given by Priscilla Quintana that showed the status of each project.

8.A.II.b.*. Review Contract for Staff

Discussion:

We will use the same contract used in the past reviewed by legal (at-will).

8.A.II.b.*. Master Service Agreement

Discussion:

Each Committee reviews area of Master Service Agreement is correct and updated. Draft of Master Service Agreement will be available in May.

8.A.II.c. Coop Member Equity

Discussion:

Committee reviewed the Coop Equity document. We will need to hold on to Member Equity until we get through the next few years, reviewed annually, with new system.

8.B. Technology Committee

Discussion:

Bob Uhing, Committee chair reviewed the Technology report.

8.B.I. Information Item

8.B.I.a. Affiliate Reports

8.B.I.a.*. IMAT

Discussion:

Rhonda Eis gave a nice report regarding IMAT. Subjects included "new content," "expiring content," "Learn360 (cost information)," and "World Book."

8.B.I.a.*. DEAC

Discussion:

Renovo - We will not renew the Renovo contract. It currently costs \$90,000 per year. A discussion took place on how we should use the funds moving into the future.

8.B.I.a.*. TAG

8.B.I.a.*. NOC

Discussion:

Ron Cone stated that Ubiquity training was occurring.

8.B.I.b. Project Reports

8.B.I.b.*. Safari Montage Implementation

8.B.I.b.*. Renovo - Funds Usage

8.B.I.b.*. LMS - Statewide Support

Discussion:

A great deal of conversation occurred regarding the LMS. Obviously, we currently use BlackBoard. Schools are starting to use other learning management systems such as Schoology, Canvas, etc. Wayne Bell shared that at it's highest usage, there were about 45,000 BlackBoard users. Scott Isaacson shared that there are approximately 33,000 users at this time.

Bob Uhing stated that BlackBoard may be willing to give the product to K-12 schools. This has to do with BlackBoard's current relationship with post-secondary institutions. It may also have to do with "free" services such as Moodle.

Ron Cone added that some schools are not willing to even use a product if it is free. At the time, some schools are paying for Schoology, and it appears that some services such as Schoology have interoperability with student management systems such as Power School.

The committee decided due to a variety of factors to stay the current course and develop a process in the near future for change, if any.

8.B.I.b.*. BlendEd Update

8.B.I.b.*.-. NROC Contract

8.B.I.b.*. Identity Management

Discussion:

Scott Isaacson shared that work continues with ID Management. Specifically, there have been testing due to updates to Safari Montage. He has also been working on the Data DashBoard project and its relevant ID Management needs.

8.C. Cooperative Purchasing Project

8.C.I. Information Item

8.C.I.a. ESM Update

Discussion:

Currently calling schools checking on individual instances process. Schools need to have a workflow in process. They have a couple of duplicate catalog but working to correct those issues. Issue with Brown & Saenger (two catalogs) but issue has been resolved. They continue to add year round suppliers. Collecting tax-exempt forms from schools.

8.C.I.a.*. Easy Purchase Fees

Discussion:

Reviewed attached esm amendment that was a result of the negotiations on Easy Purchase Fees. Total contracts cost was \$230,000/annually for three years. Need to create a list/map out our needs to work with esm.

8.C.I.a.*. Ordering/Billing/Payment

Discussion:

Some schools want invoicing/delivery after June. We have had some deliveries to schools already and Kip is working with vendors on resolving issues. Some ESU are working with schools to pay invoices.

8.C.I.a.*. Account Setup

Discussion:

Some schools are not using this year as they don't have the budget.

8.C.I.a.*. Reporting

Discussion:

Coop has access to a beta-reporting tool. They will create a new video for training on reports.

8.C.I.a.*. Delivery

Discussion:

Some schools have already had deliveries made and Kip is working with vendors to resolve issues.

8.C.I.b. Program updates

8.C.I.b.*. Annual Buy

Discussion:

Kip will be going to Spring Conference.

8.C.I.b.*. Food Buy

Discussion:

Working to create some food shows for schools. Working on catalog through esm for year round buys.

8.C.I.b.*. Custodial buy

Discussion:

Working with AmSan on creating catalog in esm.

8.C.I.b.*. Year-round catalog

Discussion:

Continued work on year round catalog for schools and creating more vendors within esm. Kip would like to create an advisory committee to include business managers/Superintendents to review what schools wants/needs are to meet at least annually.

Schools would like to order paper year round. Each school has own unique environment, they control what they want on their site.

It was noted that the best pricing is available from the Annual Buy.

8.C.I.b.*. Special Buys - i.e. WorldBook

Discussion:

The Coop Project will create a catalog for IMAT, hosted on ESM, so ESUs/Schools can order/re-new World Book subscriptions. This catalog will be available soon.

8.C.I.c. Future Efforts

Discussion:

The Coop Committee has requested that Kip talk to other States at the AEPA meeting regarding the possibility of working together to develop a bidding/ordering system. They would also like the Tech Committee to look at the possibility of assigning or hiring a programmer to develop a system for the Coop Project.

8.C.I.c.*. Organizing Statewide Demand

8.C.I.d. Policy Adoption - Unified Policies & Timeline

Discussion:

Kip will begin working on policies and present a draft at the May meeting.

8.C.I.e. Coop Revenue, Expenses & Equity

Discussion:

Paul noted that the Finance Committee suggests holding all equity until financial status is better understood.

8.C.I.f. Budget Planning

Discussion:

Need to start planning for future and if we can bring programming in house. Recommend back to Technology for cost analysis of programming and fees involved with bringing in-house.

8.C.I.f.*. Review/revise Master Service Agreement for Coop

8.D. PD Leadership Committee

8.D.I. Master Service Agreement Change

8.D.II. Information Item

8.D.II.a. Affiliate Report - SDA

8.D.II.a.*. SDA Rigorous Curriculum Training

Discussion:

Approved contract for Rigorous Curriculum Training to be held in November.

8.D.II.b. May PDO

Discussion:

Discussed/reviewed the schedule for the May PDO activities. Lee Jenkins will be at May meetings to help facilitate the meetings. Encourage Administrators to attend.

8.D.II.c. Math Grant Update

Discussion:

Scott updated on continuing efforts of NMPDS. We had a meeting with a small group of staff developers/NDE on Monday to discuss future efforts. Draft a job description for a project coordinator (.5 fte). Lee Jenkins is scheduled for three days in July.

8.D.II.d. Budget Protocol

8.D.II.e. PDO Budget Requests

Discussion:

The committee reviewed the PDO Budget requests for 2014-2015. Continue to review as we build a budget system for next year. Table discussion until further review of budget.

8.D.II.f. Master Service Agreement

Discussion:

Continue to review and discuss at May meeting.

8.D.II.g. Nebraska Wesleyan Reading Like a Historian Grant Proposal

Discussion:

We will continue to follow process. Send information to Amy Hill, Strategist Chair.

8.E. Special Education Committee

8.E.I. Information Item

Discussion:

Rules 51 and 52 are on the Governors desk awaiting his signature.

8.E.I.a. Affiliate Report - ESPD

Discussion:

Marge reported that the Department of Education has agreed to grant \$12,500 through ESU 16 to ESUCC for IEP training in June.

8.E.I.b. Wade Fruhling - SRS Report

Discussion:

Wade reported on the AAP Website, Project Para, ILCD, and SRS and notes will be attached.

8.E.I.b.*. AAP Website

Discussion:

We are working on completing about 20 minor issues before our presentation at the Data Conference on April 15.

8.E.I.b.*. Project Para

Discussion:

Analyzing data from the Para Conference. Upgrading the commenting system that both Para and supervising teachers use to communicate. Building an instructor alert system to notify instructor when a Para has made a submission. They are organizing the annual Advisory Committee for later this Spring.

8.E.I.b.*. ILCD (Improving Learning for Children with Disabilities)

8.E.I.b.*. SRS (Student Record system)

Discussion:

Completed a new Notification of IEP/IFSP/MDT Meeting, Equitable Service, and Notice of Equitable Service Form. We have a draft of our new "Welcome" screen completed.

Working with Ginger Fredericks from Fremont to build a data import/export system for SRS. Seward Public Schools has agreed to be our first test district.

SRS Advisory Board Meeting was held on March 20th.

New priority list:

Minor updated to IFSP Form

Additions to our Notice/Consent forms to track attempts to contact parents

Update to our Progress Report Helper.

Ability to lock in preferences on the Student Search Screen

Complete "Welcome" Screen

Calculate FTE on SRS

Complete database archiving

8.E.I.c. IEP Training Update

Legislative Committee

8.F.I. Information Item

8.F.I.a. ESUCC Postions

8.F.I.b. ESUCC Legislative Action Plans

8.F.I.c. Facility Study

8.F.I.c.*. ESU Facility Study Link

Discussion:

Reviewed the document Kraig Lofquist created for the Facility Study. Create our own internal study to gather information from our ESUs. What processes are currently available for use for our ESUs? Get Superintendents/schools to support ESUs needs.

Include past history of facilities in study. Start with asking each ESU of facility needs. Kraig/Dave will create a template to use. Create a sub-committee to review ESUs - population and land size.

8.F.I.d. DL Incentive Funding

8.F.I.d.*. BlendEd Talking Points

Discussion:

The BlendEd Advisory created the talking points. We need to make it clear that we are not taking their incentive money. Is/what Higher-ed teaching BlendEd to teachers, we need to have them involved in our visioning process. Talk with NCSA regarding adding more BlendEd topics to Admin Days. Continue to broaden the participants in our visioning/training on BlendEd. Purpose of BlendEd is to provide equitable access across the State for student learning. BlendEd is a priority with ESUCC/NDE. ESU/NDE/NCSA/NASB/NCRSA need to all go forth together with one voice regarding vision (key stakeholders.)

8.F.I.e. Senator Kate Sullivan's interview

Discussion:

The Committee reviewed the video by Kate Sullivan. Will the state want to support any agency that are not efficient.

8.F.I.e.*. LB 1103: Vision

Discussion:

We will need to have a presence/voice at all three vision public meetings this summer. Important to discuss needs and then figure out how to pay for it. Need to have support of Superintendents/Principals/Schools on BlendEd Initiative especially in more rural areas.

9. New and Miscellaneous Business

10. Unfinished Business

10.A. Bylaws & Policy Review

Discussion:

Executive Committee will meet on June 4 to discuss updates/approve policies and procedures.

10.B. Strategic Planning Process

Discussion:

Recess at 10:00AM for the Strategic Planning meeting.
Reconvene at 2:45PM.

11. Public Comment: Recognition of Visitors

Discussion:

No requests from public to be heard at this time.

12. Executive Session

13. Adjournment

Motion Passed: Motion to adjourn passed with a motion by ESU 16 - Beatty and a second by ESU 09 - Lofquist.

ESU 01 - Uhing Yes
ESU 02 - Ludwig Yes
ESU 03 - Kettelhut Yes
ESU 04 - Fisher Yes
ESU 05 - Gegg Absent
ESU 06 - Shoemake Absent
ESU 07 - Ronell Yes
ESU 08 - Mowinkel Yes
ESU 09 - Lofquist Yes
ESU 10 - Bell Yes
ESU 11 - Tedesco Yes
ESU 13 - West Yes
ESU 15 - Calvert Yes
ESU 16 - Beatty Yes
ESU 17 - Radford Yes
ESU 18 - Standish Yes
ESU 19 Yes

ESUCC - NDE April Strategy Session Planning
April 3, 2014 at 10:00
ESU 3, LaVista

Attendees:

ESU Administrators: 1 (Bob Uhing), 2 (David Ludwig), 3 (Gil Kettelhut/Dan Schneoes), 4 (Jon Fisher), 5 (Brian Gegg), 6 (Dan Shoemake), 7 (Norm Ronell), 8 (Bill Mowinkel), 9 (Kraig Lofquist), 10 (Wayne Bell), 11 (Paul Tedesco), 13 (Jeff West), 15 (Paul Calvert) 16 (Marge Beatty), 17 (Dennis Radford), 18 (Liz Standish) Absent: 19 (Julie Allen)

NDE leaders: Matt Blomstedt (Commissioner), Freida Lange (Accreditation & School Improvement), Gary Sherman (Special Education) - AB, Mary Ann Losh (Equity and Instructional Strategies), Donlynn Rice (Curriculum), Valorie Foy (Assessment), Diane Stuehmer (Federal Programs), Dean Folkers (Data, Research, Evaluation), Russ Masco (Data, Research, Evaluation), Melody Hobson (Early Childhood) - AB, Christina Peters (Technology), Betty VanDeventer (Media Relations), Brian Halstead (Assistant Commissioner), Sharon Katt (Adult Program Services), Scott Swisher (Deputy Commissioner) - AB, Bryce Wilson (State Aid Director)

ESUCC Staff: Scott Isaacson, Deb Hericks, Gordon Roethemeyer

ESUPDO affiliate leaders or designees: Amy Hill (SDA), Denise O'Brien (SDA), Gary Needham (NOC), Chris Good (TAG), Larianne Polk (ESPD), Melissa Engel (IMAT)

BlendEd: Linda Dickeson (ESU 18), Craig Hicks (ESU 13), Beth Kabes (ESU 7)

Teacher-Principal Evaluation: Nancy Becker/Donlynn Rice

SLDS: Mike Danahy/Sue Anderson/Melissa Engel

Purpose:

A. Rule 84-Section 003.02A1 -- ESU Administrators. . . shall participate in two jointly established meetings with representatives of the Department and the ESU Coordinating Council annually to establish the focus and coordination of necessary core services based on priorities and on needs that are identified through the analysis of data.

B. Strengthen collaborative efforts to better support our schools.

Outcome of meeting: A collaborative vision that provides direction for systems of support for Nebraska districts and students which can be shared at the May PDO meeting.

Agenda

8:30 - 9:45 ESUCC Board Meeting

10:00 Welcome NDE, meeting introductions (Jeff West/Dave Ludwig/Scott Isaacson)

New information and updates

LB438 & LB1103 update (Brian Halstead)

Legislative Bill 1103 would provide for a strategic planning process to create a statewide vision for education in Nebraska. The Education Committee would conduct a strategic planning process to **create a vision that would include aspirational goals, visionary objectives, meaningful priorities, and practical strategies to address the potential of all students**. The process would include at least three public hearings and could also include meetings, work sessions, and focus groups with a variety of individuals and entities. A report would be filed with the Clerk of the Legislature on or before December 31, 2014

Legislative Bill 438 (accountability system) has been approved and forwarding on to Governor for signature.

Lee Jenkins radar charts - connecting/work on systems (Dean Folkers)

Radar Charts - NDE members - Shared NeSA Composite by District (all 249 districts represented - Math, Reading, Science) Two-thirds have beat or tied their all time best. Shared with each administrator their ESUs reports of data.

Valorie Foy- Task force (NePas 1.1) created (50/60 people) looking at other states models for accountability. How do we improve student work in NE? Want to test a model this year and have scores entered into that system. Next steps will be policy standards setting - test the limits of how high/low growth, status, etc. Build our system for Nebraska and then grow into Federal standards from there. How we gather data/how the data measures from what we can mine from that data are parts of their discussions.

Four Objectives of SLDS - Data DashBoard, Data Cadre, Research and Evaluation focus, Sustainability.

Data DashBoard - Nine schools districts are currently piloting program. Phase two will be about testing processes that are put in place. By Fall, teachers will be using the Dashboard. Edfi model - system created a standard to provides a unified place for student information systems (12 different in state, some on different versions), learning object repository, content repository, etc. Vendor are wanting to create extractor/connector that will pull information from EdFi system. Mini pilot will

test our existing system against the EdFi system. InCommon (single sign on) will also be addressed.

January ESUPDO report (Dave Ludwig)

PDO is trying to make connections with ESUs and affiliates, and how the focus areas will all come together. Need to continue to make connections among ESUs and affiliates. Action Plans that came out of the January PDO are as follows:

[Red](#) Action Plan

[Blue](#) Action Plan

[Green](#) Action Plan

[Yellow](#) Action Plan

[Black](#) Action Plan

[Orange](#) Action Plan

3 statewide initiatives and progress to-date

BlendEd ([Linda Dickeson](#)/[Craig Hicks](#)/[Beth Kabes](#)/[Brent Gaswick](#))

Web: <http://www.esucc.org/blend-ed>

Talking Points - What we learned about DL classes, incentives, etc. What works, how to sustain, goals, etc. Linda gave an overview of what the BlendEd committee is doing.

Teacher Principal Evaluation ([Nancy Becker](#)/[Donlynn Rice](#)/[Toby Boss](#)) - Donlynn provided a document to the group. Started over three years ago developing model for teacher evaluation and principal evaluation. Student achievement measure - SLO (Student Learning Objects). Looks at all students, breaking down into sub-groups, creating goals. What we can do to improve student learning. If you have schools interested in working with T/P, please let Donlynn know. They should have instructional framework in place. We will need to include post-secondary institution to prepare for teacher preparedness. They are updating Professional Education Standards for students. These will tie into with T/P Evaluations. The standards will create a common language for the evaluations.

Use of Data & SLDS ([Melissa Engel](#)/[Mike Danahy](#)/[Sue Anderson](#)/[Denise O'Brien](#), [Russ Masco](#)/[Dean Folkers](#)) - Data Cadre - Using data to inform their processes/instruction. Create connection to continuous improvement. This group consists of people from NDE, ESUs, Staff Developers. They created a Data Literacy (standards) document. They will create curriculum to go with literacy. They will have a three day training following the Data Conference in April. They will begin to collect some perceptual data. Part of a National group to discuss data standards, we were able to share our data literacies with them. National document to be present in July.

Dr. Blomstedt - NDE vision for the state using systems of support

Dr. Blomstedt gave a review of where we are and where we are heading. There will be seventeen new legislators and a new governor next year. System should not depend on who is the Commissioner, State Board, or others, we need to have destabilization. We need to invest in our leadership, help them to learn their data. All of us need to have input in what that system needs to look. Schools want to know what to invest in so they don't go down wrong path. There currently is study on future of Distance education/incentive programs. Take vision and create budget, need for staff development collaboratively. Need make a difference in every "student's" life!!

12:30 Working lunch - Reflection, Input and A-Ha's on updates & vision (*What is my ESU doing to align with the initiatives?*)

BlendEd

Teacher/Principal Evaluation

Data Use (SLDS)

Building a vision (Freida Lange)

Standard 1 - Purpose and Direction

Indicator 1:3 Leadership of the agency implements a continuous improvement process that provides clear direction for improving conditions that support learning.

Round 1: [Red I](#), [Green II](#), [Yellow III](#), [Blue IV](#), [Orange V](#)

Select Recorder

Select Facilitator

Review related [visions](#)

1) What do we envision the Nebraska system of support for our schools and students to look like in 5 years?

2) What do we need to invest in now to move in that direction?

(May 7 & 8) What does ESUPDO need to know and hear from ESUCC that will provide direction to help ESU's effectively support schools and districts across Nebraska in this age of accountability?

Group worksheets: [Red I](#), [Green II](#), [Yellow III](#), [Blue IV](#), [Orange V](#)

3:00

Adjourn

ESUCC Lines of Communication

Procedures for Submitting Statewide Proposals

Creation of a written proposal (see *** below)

Written proposal and supporting documents presented to affiliate group

Proposal voted upon and supported by an affiliate group with a recommendation to ESUCC CEO

ESUCC-CEO assigns the proposal to a standing committee of ESUCC

ESUCC CEO and affiliate group completes a written proposal to the chairperson of the assigned standing committee

ESU CEO assigns the proposal and gives all supporting documentation to The assigned Standing Committee of ESUCC

ESUCC CEO and affiliate group present the concept with supporting documents to the assigned standing committee

Standing Committee of ESUCC considers the proposal and recommends to ESUCC

ESUCC considers proposal a minimum of two meetings, one for the purpose of discussion and the second for the purpose of action.

If there is a declared emergency ESUCC may waive the rights to a second hearing on the proposal.

*****Written proposal includes:**

Name of Affiliate Group

Proposal

Indication of Statewide Impact

Plan for Statewide implementation

Funding for the proposal

Address Sustainability

**2014-15 Master Services Agreement Between the
Educational Service Unit Coordinating Council and
Educational Service Unit ____**

THIS MASTER SERVICES AGREEMENT (“Agreement”) is entered into this ____ day of _____, 2014 (“effective date”) by and between THE EDUCATIONAL SERVICE UNIT COORDINATING COUNCIL, a political subdivision of the State of Nebraska, hereinafter referred to as “the Council” or “the ESUCC,” and EDUCATIONAL SERVICE UNIT NO. ____, a political subdivision of the State of Nebraska referred to as “the ESU.”

Recitals

Whereas, ESUCC is charged by NEB. REV. STAT. § 79-1245 with the administration of statewide education initiatives and provision of statewide education services;

Whereas, the ESU wishes to receive certain services and participate in certain Projects that are conducted by the ESUCC; and

Whereas, the ESU wishes to have certain services and initiatives made available to its member school districts.

Now, therefore, the ESUCC and the ESU agree as follows:

I General Provisions

1 Purpose. The purpose of this Agreement is to establish the general terms and conditions applicable to the education initiatives, services and projects (collectively “Projects”) which ESUCC supplies to the ESU for the 2014-15 school year. This Agreement is intended to serve as a framework for the provision of services under one or more of the ESUCC’s Projects.

2 Participation in Individual Projects. This Agreement outlines several Projects, which ESUCC has undertaken for the statewide benefit of Nebraska educational service units and their member school districts. The ESU may choose to participate in some, but not all of the Projects referenced by this Agreement. The ESU shall indicate its intention to participate in a particular Project by marking, where indicated, each Project in which it wishes to participate or make available to its member school districts. ESUCC is only obligated to provide services to the ESU for the Projects, which the ESU has marked as provided herein.

3 Term. The term of this Agreement shall be one (1) year, commencing on August 1, 2014 and ending on July 31, 2015.

4 Provision of Services by ESUCC's Agents. The ESUCC may contract with third parties to provide some or all of the services described in this Agreement. The ESU hereby expressly agrees to the provision of those services by said third-party agents and agrees to cooperate with all agents of ESUCC in the implementation of such Projects including, but not limited to, invoicing, payment and administration necessary for the delivery of Project services in the name of ESUCC.

5 Compliance with State Law. Each Party will comply with applicable laws in its performance hereunder and will advise the other of changes in laws that concern the conduct of the Projects and services contemplated by this Agreement. Each Party shall obtain and maintain all approvals required to perform its obligations under this Agreement.

6 Right to Make Changes. ESUCC reserves the right in its sole discretion, to make changes to the operation of each of the individual Projects referred to herein, including, but not limited to, an increase in the fees charged for particular Projects, if the ESUCC determines that such fee increase is necessary for the continued operation of the particular Project, provided, however, that no such change shall have a material adverse impact on the ESU.

7 New Projects. In the event ESUCC determines to offer a new Project during the term of this Agreement and the ESU wishes to participate in said new Project, the parties may describe the new Project in writing and incorporate that writing as a formal addendum to this Agreement.

8 Amendments in Writing. Notwithstanding any provision of this Agreement to the contrary, any amendment to this Agreement must be in writing and signed by an authorized representative of each Party. No oral understanding or agreement not incorporated in this Agreement is binding on any of the Parties.

9 Indemnification. Each Party shall indemnify, defend and hold the other and its officers, members, employees and agents, harmless from any and all claims, causes of action, fines, penalties, damages, liabilities, judgments and expenses (including reasonable legal and other professional fees) incurred in connection with or arising from (1) the operation of any of the Projects referred to herein, (2) any violation or failure to comply with any federal, state or local law, ordinance or

regulation by one of the parties, its employees or other agents or (3) any breach, violation or nonperformance of any provision of this Agreement.

10 Assignment. The ESU shall not assign any right or delegate any obligation arising hereunder without the prior written consent of ESUCC. This provision does not prevent the ESU from allowing its member school districts to participate in some or all of the Projects described herein.

11 Third Party Beneficiaries. This Agreement shall be binding upon and inure solely to the benefit of and be enforceable by each Party hereto and their respective successors and permitted assigns. Nothing in this Agreement, express or implied, is intended to or shall confer upon any third party any right, benefit or remedy of any nature whatsoever under or by reason of this Agreement

12 Entire Agreement. This Agreement supersedes and replaces all prior agreements or understandings and constitutes the entire agreement between the Parties concerning the subject matter hereof; there are no other agreements, understandings, or representations, whether written or oral, between the ESU and ESUCC concerning the subject matter addressed herein.

13 Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of Nebraska

II Professional Development Projects

1 Purpose of Professional Development Projects. One of the core services provided to school districts is professional development of their staff.

2 Professional Development Advisory Committee. The ESUCC shall appoint educators and other experts to a Professional Development Advisory Committee. The initial committee shall consist of up to 20 members who possess expertise in professional development and specific curriculum areas. The Professional Development Advisory Committee shall provide the ESUCC's Executive Director with suggestions and input on technical and other matters related to professional development and specific special projects involving educators' professional development, within the State of Nebraska. The ESUCC Executive Director may also form ad hoc committees from time to time to address matters relevant to the various Professional Development Initiatives.

3 Annual Professional Development Program. The ESUCC will develop an annual program of professional development offerings that will assist the ESU and its member districts in providing professional development to educators state-wide. The ESUCC will assist the ESU in meeting its obligations pursuant to Rule 84 of the Nebraska Department of Education in collaborating to create opportunities for educational training and staff development for the staff of educational service units, the Nebraska Department of Education, and school districts statewide.

4 ESUPDO Project. The ESU Professional Development Organization serves as a collaborative effort to provide statewide training for all ESU employees. The ESUPDO Project consists of five (5) affiliate groups comprised of ESU employees across the seventeen ESU's. These groups are:

- a Staff Development Affiliate (SDA): Members are generally responsible for providing staff development to their school districts and have assisted the Nebraska Department of Education efforts on statewide and local assessment as well as school improvement.
- b Technology Assistance Group (TAG): Members provide assistance to school districts in the dissemination and integration of new educational technologies deployed by school districts
- c Network Operations Committee (NOC): NOC supports the extensive communications network within and among the ESU's and school districts. NOC provides network security and protocols for their districts and ESU's and ensures the communications network for distance education, internet, email, and phones are functioning and secure.
- d Instructional Materials Affiliate (I-Mat): I-Mat consists of media professionals from across the state. It serves the dual role of providing for and assisting school districts make use of statewide I-mat media as well as the integration of media materials in school districts.
- e ESU Special Populations Directors (ESPD): This group consists of Special Education Directors and staff from across the state. This group was included in the ESUPDO as the need for special education professional development grew in the age of standards and assessment, and the need to develop and

share professional development efforts for special education teachers and classroom teachers alike arose. ESPD is involved with the Nebraska Department of Education in providing leadership for special education training and support as well as programs such as Response To Intervention (RTI).

- f ESUPDO Fees. Each ESU that participates in the ESUPDO Project will contribute **\$4,500** to partially fund the activities of the Professional Development Annual Program.

5 Professional Development Special Projects. The ESUCC may also facilitate special projects, organize and facilitate programs, or serve as a fiscal agent for activities to enhance professional development opportunities. These special projects may include but are not limited to special education grant programs, math grant professional development programs, NDE career education grant programs, and other grant or collaborative efforts that enhance statewide professional development.

6 Fees for Participation in Specific Professional Development Activities. Professional Development activities may include a registration, material, and other fees. Such fees will be set at no more than \$20 per person per day. Material and other fees will be actually incurred costs beyond normal registration. Any fees billed through an agent of ESUCC must identify the specific core activity provided on behalf of the ESUCC and be appropriately allocated by such agent in accordance with agreed upon billing practices. ESUCC will provide to each ESU that participates in the Professional Development Project invoices that detail the expenditures for each event or meeting. Participation fees shall be billed annually by ESUCC at the conclusion of the 2014-15 academic year.

7 Northwest Evaluation Association Certified Trainer Consortium Project (NWEA Consortium Project)

- a Purpose of the NWEA Consortium Project. The ESUCC is facilitating a Northwest Evaluation Association Certified Trainer Consortium. Participation in the NWEA Consortium includes the opportunity to train ESU staff or sponsor the training of school district staff or local consultants.
- b Term of Consortium Participation. Participating ESUs must commit to a three year term, beginning with the 2012-13 year and for each of the two subsequent school years.

- c Annual Fees. The annual fee will be \$3,200 per ESU for the 2014-15 and 2014-15 years. Training fees are \$5000 per person for two trainings to be conducted between June, 2012 and September, 2014.
- d Training Fees. In addition to the annual fee set out above, NWEA will charge \$2,500 per person per training session pursuant to the terms of the NWEA agreement referenced in paragraph (f) below.
- e Additional Fees. Additional fees, if any, will be charged based on additional services requested by participating ESUs.
- f Agreement with NWEA. In addition to being bound by this agreement, each participating ESU agrees to comply with and be fully bound by any additional agreements between ESUCC and NWEA.

The ESU wishes to participate in the 2014-15 NWEA Certified Trainer Consortium.

III BlendEd Initiative and Projects: Encompassing Distance Education, Instructional Materials, and Learning Management Systems (my eLearning/ANGEL) Projects

1 Purpose of BlendEd Initiative and Projects. The ESUCC shall provide distance education services including brokering and facilitating the exchange of distance education courses, the administration of learning management systems, and the assessment of distance education needs and evaluation of distance education services as provided for in NEB. REV. STAT. § 79-1248 and other state statutes and regulations. Additionally, the ESUCC is charged with the administration of statewide initiatives and provision of statewide services among other duties in NEB. REV. STAT. § 79-1246. The ESUCC also has managed statewide services in “core services” as that term is defined in statute, including instructional materials services. The purpose of the BlendEd Initiative is to assure cost-efficient and equitable delivery of digital education opportunities in partnership with educational service units, school districts, and other potential partners. The BlendEd Initiative will unify ESUCC projects and seeks to collaborate to provide students and school districts across the state with access to a mix of different learning environments to best support the combination of traditional face-to-face classroom methods with more technology-mediated activities.

2 BlendEd Advisory Committee. The ESUCC shall appoint educators and other experts to a BlendEd Advisory Committee. The initial committee shall consist of up to 20 members representing distance education, instructional materials, learning management systems, and general knowledge about professional development relevant to the initiative. The Advisory Committee shall provide the ESUCC's Executive Director and Distance Education Director with suggestions and input on technical and other matters related to distance education, learning management systems, or instructional materials, within the State of Nebraska. The ESUCC Executive Director and Distance Education Director may also form ad hoc committees from time to time to address matters relevant to the BlendEd Initiative.

3 Conditions of Participation.

- a Intellectual Property. The ESU and each of its participating school districts agrees to comply with all relevant laws governing copyright and other intellectual property. The ESU agrees to hold ESUCC harmless for any violation of this provision by the ESU or one of its member school districts.
- b No Assignment. No Party shall assign any of its rights or obligations under this Project without the prior written consent of the ESUCC's Executive Director or the ESUCC board.

4 Projects and Services. The BlendEd Initiative will strive to create an integrated approach for both instructors and learners. ESUs may choose to participate in all or none of the projects and services and many of the services are made available to school districts directly. The BlendEd Initiative will also seek to organize professional development through existing ESUPDO and other ESU staff as appropriate.

The ESU wishes to participate in BlendEd (*Specific participation may be indicated below*)

5 Distance Education ~~Scheduling &~~ Brokering. The ESUCC will provide the NVIS course clearinghouse for use in finding and exchanging distance education courses between participating ESUs and school districts.

- a ~~BlendEd will schedule and broker statewide distance education course offerings using the Renovo software.~~

b Fees: Beginning in 2014-15, the hosting fees previously charged to participating ESUs will be absorbed as part of the ESUCC Distance Education Budget.

c Additional Fees: If additional fees for distance education scheduling or brokering become necessary, they will be approved by the ESUCC with at least one month's prior notice to participating ESUs.

☐ The ESU wishes to participate in Distance Education

6 Learning Management System (LMS) Administration (ANGEL/Blackboard and parallel services; Formerly myElearning).

a BlendEd provides hosting and paralleled services for learning management systems including but not limited to ANGEL and Blackboard.

b Fees: Each ESU will determine whether the ESU contracts with the ESUCC for individual services under the BlendEd initiative or whether the ESU's participating member school districts will contract directly with the ESUCC.

c Additional Fees: If additional fees for LMS become necessary, they will be approved by the ESUCC with at least one month's prior notice to participants.

☐ The ESU wishes to participate in Learning Management System Administration (ANGEL/Blackboard and parallel services)

7 Instructional Materials. The Instructional Materials portion of the BlendEd Project consists of four separate initiatives. ESUs that participate in the BlendEd Project may participate in none, some or all of the Instructional Materials initiatives. All participating ESUs will pay a fee of \$3,500 for project administration.

a. Media on Demand Subscription Service: Currently Learn360. This is a statewide digital media subscription service. Participating ESUs will be charged a fee based on the actual contract cost. Each ESU will pay a fee based on a schedule equivalent to fifty percent of the Learn360 contract divided equally among the participating ESUs and the remainder fifty percent of the contract divided based on participating public

school enrollment. The media on Demand/Learn360 may be made available to school districts in non-participating ESUs. The ESUCC will establish fees and invoice any such participating districts in coordination with the non-participating ESU. The ESUCC will provide an estimate for budget purposes for each participating ESU. Invoices will be sent in April, 2015 for the 2015-16 subscription.

The ESU wishes to participate in Media on Demand/Learn360

- b. Learning Object Repository (LOR): Through this service, ESUCC will coordinate a digital library that will enable educators from within participating ESUS to share, manage and use educational resources with a common metadata standard. The ESUCC's learning object repository will also include access to previous media acquisitions (Nebraska Titles), subscription media, National Repository of Online Courses, and other content as it becomes available. Fees for hardware updates, training, software licensing, and other associated project costs will be based on the vendor-provided schedule of fees. The base amount for ongoing licensing & support of the LOR is **\$_____ per ESU plus \$50 per participating school site**. Participating ESUs will be invoiced for their share of the costs as they occur.

The ESU wishes to participate in Learning Object Repository

- c. Instructional Materials - Media Acquisition. Working in conjunction with ESU staff (Instructional Materials Affiliate), this project will identify media titles or other instructional materials to complement the existing Nebraska Titles collection (also known as the "Spring Buy" process). Fee for Media Acquisitions is \$5,000. Fees will not exceed this amount and will be based on actual costs incurred.

The ESU wishes to participate in I-Mat Media Acquisition

- d. Instructional Materials - Special Projects. Special projects funds will help enhance content for the LOR including but not limited to videos, e-books, course content, learning objects,

and professional development content. Working in conjunction with ESU staff (Instructional Materials Affiliate), this project will identify media titles or other instructional materials to complement the existing content of the Learning Object Repository. It is recommended that all ESUs participating in the Learning Object Repository elect to participate in Special Projects. Fee for Special Projects is \$4,500. Fees will not exceed this amount and will be based on actual costs incurred.

The ESU wishes to participate in I-Mat Special Projects

- 8 Federated Identity and Access Management: Through this service ESUCC will provide a framework for authentication into digital services.

Additional Fees/Costs (if any): The ESUCC and participating ESUs may amend this agreement to expand services based on planning efforts for content hosting, identity management infrastructure and related services. Any such fees/costs will be presented by the ESUCC Technology Committee as part of plans for approval by the ESUCC board.

The ESU wishes to participate in LDAP Planning

IV Cooperative Purchasing Project

1 Purpose of Cooperative Purchasing. The Cooperative Purchasing Project aggregates demand for certain items commonly purchased by school districts to get lower prices from selected suppliers.

2 Duties of ESUCC. In connection with the Cooperative Purchasing Program, the ESUCC shall:

- a Combine statewide data relevant to cooperative purchasing in order to promulgate a valid basis upon which to solicit bids.
- b Coordinate activities which are commensurate with updating and perpetuating proper specifications inherent within the bidding process.

- c Prepare official bid documents and invite suppliers to bid via Internet, in connection with supplies to be purchased by ESUCC.
- d Prepare and cause to be published the official legal notices of the bid opening in connection with supplies to be purchased by ESUCC.
- e Conduct the public bid opening and resulting bid reviews in accordance with applicable Nebraska statutory “public lettings” provisions, if any, or ESUCC policy and practice, and be responsible for selecting bids based upon such provisions.
- f Compile price lists and order sheets for each participating educational service unit and make such order lists and price sheets available through the Nebraska ESU Cooperative Purchasing Web Site.
- ~~g Provide technical support for ESUs and school districts in placing orders with suppliers through the Web Site. Merchandise will be shipped as directed by the participating ESU or school district.~~
- ~~h Through the Web Site, provide participating ESUs and school districts the capabilities to track items ordered, confirm receipt, check invoices and detect and report shortages.~~
- ~~i Invoice each educational service unit for the merchandise received.~~
- ~~j Check invoices against orders and pay all outstanding bills.~~
- k Assist any participating educational service unit with problems related to the processing and delivery of orders from the suppliers.
- l Participate in an annual audit of cooperative purchasing accounts and records conducted by a Certified Public Accountant.

~~3 Invoicing and Payment for Annual and Paper Buy. The ESU shall remit payments for merchandise ordered through the Cooperative Purchasing Project to ESUCC's Coop according to the following schedule:~~

a ~~50% of the total cost of merchandise purchased in the annual buy shall be paid on or before August 1 with the remaining 50% paid on or before September 15.~~

b ~~The cost of all merchandise received after August 1 shall be paid within 45 days from the date the merchandise is received.~~

c ~~Payment for the paper buy shall be paid by June 1.~~

d ~~The ESU also agrees to pay ESUCC a 1.5% per-month penalty on all amounts not paid according to the above schedule.~~

4 Administrative Fee. ESUCC will charge a **4%** administrative fee on all items purchased through the annual and paper buy of the Cooperative Purchasing Project.

~~5 Reimbursement of Certain Administrative Costs. ESUCC will reimburse each participating ESU for certain unit-based administrative costs based on a formula to be determined by the ESUCC during the 2014-15 school year.~~

The ESU wishes to participate in Coop Purchasing.

V Special Education Project

1 Description of Components of Project:

a Student Records System (SRS): SRS is an online special education record keeping system. It creates all special education documents required by Rule 51, including IEP, MDT, IFSP and all required notices. The SRS is a highly secured system that organizes and stores documents and provides easy access to files from anywhere via the internet. SRS training is provided across the state for district staff and college and university staff.

b Improving Learning for Children with Disabilities (ILCD): ILCD is a state self-assessment project that gathers information for federal reporting requirements. The ILCD Project utilizes parent, teacher and administration survey assessments. The survey results can be accessed via the ILCD Website. The ESU's technology role includes purchasing, distributing and

scanning surveys. ESU staff offer technical assistance for the ILCD website and survey design.

- c Project PARA: Project PARA is a web-based method for school districts to provide introductory training for their paraeducators. The Project assists schools in meeting the paraeducator training requirements of No Child Left Behind, Rule 11 and IDEA. Project PARA is a collaborative effort between the University of Nebraska, the Nebraska Department of Education and Nebraska educational service units.

2 Fees. Each participating ESU will pay a fee of \$5,000 to fund the Special Education Project.

3 Additional SRS Fee. School Districts that are members of one of the participating Parties to the SPED SRS Project must pay an additional fee to receive access to SRS. Fees will be assessed in accordance with the following table:

*Tier	(School Membership)	2014-2015 Rate
3	50 - 99 students	\$
4	100 - 249 students	\$
5	250 – 499 students	\$
6	500 – 999 students	\$
7	1,000 – 1,999 students	\$
8	2,000 – 3,999 students	\$
9	4,000 – 17,999 students	\$
10	>18,000 students	\$

The ESU wishes to participate in the Special Education Project.

[THE NEXT PAGE IS THE SIGNATURE PAGE]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized officers.

FOR EDUCATIONAL SERVICE UNIT # ____:

I certify that I have checked the relevant boxes above indicate the Projects in which the Service Unit wishes to participate.

OR

I certify that the Service Unit Wishes to Participate in ALL of the above projects.

(signature)

(printed name)

Administrator, Educational Service Unit No. ____

FOR THE EDUCATIONAL SERVICE COORDINATING COUNCIL:

(signature)

David Ludwig, Executive Director

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Vision Session Worksheet - Red Group I

April 3, 2014

Discuss these questions in your working group and record responses:

What do we envision the Nebraska system of support for our schools and students to look like in 5 years?

- Consistency of message, delivery, services, opportunities
- All major policy makers have the same vision and goals for public education in our state
- A streamlined/simplified assessment system that supports and enhances student growth
- Nebraska system of support would include ESUs, Governor's office, school systems, legislature, State Board, NDE, etc. are aligned, understanding and support while having the same vision, common goals, same language.....A coordinated system of support
- We have the resources/training necessary to complete our vision
- Information/Technology system that will support all the standardized initiatives statewide for the purpose of enhancing a learning centric environment
 - Use of data to guide instruction
 - Full implementation of a BlendED learning environment

What do we need to invest in now to move in that direction?

- Completion of our major technology initiatives and improvement of our infrastructure
- Following our national data and technology standards as associated with education
- A seamless evaluative system that complements a continuous improvement process
- A common language on all educational initiatives
- Support of training and staff development for educators on a regular basis
- A repository of evidence based practices and resources to meet the needs of diverse populations

What does ESUPDO need to know and hear from ESUCC that will provide direction to help ESU's effectively support schools and districts across Nebraska in this age of accountability?

- Enabling the 21st Century Learner...Improving student achievement; ensuring teachers, administrators, students are technology literate; providing strong infrastructure; providing resources for improving learning and equal access
- Uniform/focused System with common language—use “one-pagers” for state-level initiatives and their components

Vision Session Worksheet - Green Group II

April 3, 2014

Discuss these questions in your working group and record responses:

What do we envision the Nebraska system of support for our schools and students to look like in 5 years?

- **Student growth under accountability**
- **Accountability for dollars - data that shows value for investment**
- **New model - breaking with tradition - past traditional brick and mortar learning - accessibility - rural issues**
- **Meeting needs of student in each sub-group across the state**
- **Support of teachers - both pre-service and in-service - personalized learning for teachers - blended learning and/or flipped learning**
- **Ownership of learning**
- **Personalized learning for each student in NE**
- **Define quality for teacher instruction**
- **Systemic approach to work as a whole unit - leaning on each ESU, collaboration, shared services**
- **Specialized teaching within content areas - Modeling by teachers of blended learning**
- **Focus on student (all learners: P-16 and adult learners) learning in all situations**
- **Evidence based practice to meet student needs**

What do we need to invest in now to move in that direction?

- **Well-focused system**
- **Fidelity of instruction**
- **Visible learning - data-driven learning for students - transparency**
- **Systemic within state**
- **One voice with all stakeholders**
- **Systems and initiatives drive budgetary decisions**
- **Equitable access to resources, 24-7 learning opportunities - Statewide initiatives**
- **Internet access anywhere, anytime (across city)**

What does ESUPDO need to know and hear from ESUCC that will provide direction to help ESU's effectively support schools and districts across Nebraska in this age of accountability?

Other Thought-provoking questions to consider:

What do our constituents -- school districts, administrators, principals, teachers, students and the public -- most need, want or expect from us?

What are our constituents saying about us?

How do we balance innovation, promoting new ideas, methods, and technologies and "giving them what they want"?

Keep equal weight on both sides of the scale.

What challenges are most important for us to address?

Creating greater equity and opportunities for all students to experience personalized learning.

Among the challenges before us, what feels impossible?

Getting schools to take data collection and data driven decision making seriously seems impossible. Getting legislative funding seems impossible.

What other questions should we be asking?

How can we be the change we want to see?

Vision, direction statement, phrase:

We are a data-driven system focused on student learning outcomes executing purposeful communication, collaboration, and cooperation.

What do ESUPDO/NE Educators need to know and hear so they have a sense of direction?

- Common large data
- Common vocabulary
- Communication of vision
- Informing teachers about initiatives
- One place to find information (ie: web presence)
- How do ESU workshops/ meetings meet initiatives?
- How do staff responsibilities (within and between affiliates/ESUPDO and NDE) fulfill initiatives?

Statement of intent/tag line:

One state, one system, one direction.

see end of list

Vision Session Worksheet - Yellow Group III

April 3, 2014

Discuss these questions in your working group and record responses:

What do we envision the Nebraska system of support for our schools and students to look like in 5 years?

- Transparent, knowledgeable about services available to districts, Transparency emerging in our culture, communication of services, ESU people may not have knowledge of our services and if that is the case then school definitely do not know, marketing and selling product, clients perception of needs and what they need, why, what, how.
- Create the compelling why? Our school to see ESUs, NDE and school district as partners.
- A vision that clarifies a partnership where we are all going in the same direction and aiming for the same outcomes, honoring the autonomy as school districts and uniqueness. Customizable education within a framework. Meet people where they are but spell out the vision for where we are going to create the alignment with the vision. Components working together and building and understanding of how that fits together. ESUs make a statement of these of statewide initiatives identified jointly by NDS and ESUs for the focus moving forward, you can feel confident we can support moving forward. More intentional direction.
- The vision of Nebraska systems of support for school and school children. One system. Need to integrate, collaborate and coordinate pieces of the puzzle together.
- Vision and Leadership
- NDE viewed as regulatory agency - partnership with ESUs can reshape to help and support in moving towards _____ (data driven).
- Shifting to partnership.
- School districts not know what they need, ESUs are partnering with school district based on data "what you need".
- Addition of the engagement of Higher Education
- Learning can be anytime anywhere... The opportunities for the systems of support to include and provide leadership around and about the possibilities creates a different paradigm to consider.
- The role of informing parents and other community leaders about the shift in

approaches to learning anytime anywhere. What types of things do we need to assist with the process to change?

- Thinking... It is a long term investment opportunity. Creating jobs and opportunities for the students to come back and embrace the notion of anytime, everywhere learning.
- Direct connection of ESU to the parents about Internet Safety as an example to demonstrate the value add for the constituents/ Tax Payers...
- CRITICAL communications... are essential to the work.
- Also important to engage the higher education/postsecondary community in the conversations.
-
-
-
-
-
-

What do we need to invest in now to move in that direction?

Investing in the network and support mechanisms...

Supporting the engagement and professional development of educators to create the environment.

Creating the capacity and value of the coaching and integrating the coaching to self perpetuate the activities of PD.

The quickness of change sometimes is our own worst enemy as the consistent implementation cycle is not often in place. The need for being strategic and thoughtful through the decision making process of determining the "design thinking" as part of the process.

Creating systems that support the future while embracing the passion of the now.

Invest in the relationship... building

Legislature, State Board, Local Boards, etc.

Create an impression that the state vision provides the frame for the future and the ESU's provide an activity. for the future.

What does ESUPDO need to know and hear from ESUCC that will provide direction to help ESU's effectively support schools and districts across Nebraska in this age of accountability?

Educate Nebraskans, border to border, through highly effective and efficient systems of support, ensuring the economic viability and prosperous future of our state.

Tag Line: Educating Nebraskans: anytime, anywhere ,anyway.

Educating Nebraskans anytime, anywhere, anyway.

NEBRASKA EDUCATION: ESUCC/NDE Vision for the future

Building our capacity through integration, planning, partnership and development to achieve highly effective education for Nebraska.

Other Thought-provoking questions to consider:

What do our constituents -- school districts, administrators, principals, teachers, students and the public -- most need, want or expect from us?

What are our constituents saying about us?

How do we balance innovation, promoting new ideas, methods, and technologies and "giving them what they want"?

Vision Session Worksheet - Orange Group V

April 3, 2014

Recorder: Deb Hericks

Facilitator: Group Orange

Discuss these questions in your working group and record responses:

What do we envision the Nebraska system of support for our schools and students to look like in 5 years?

- System set up where we are having success in all schools/all populations
 - Schools are struggling to meet the needs of individual students/schools - have resources available to meet those needs of all students (HAL, ELL, etc.)
 - Meet DL needs especially in rural areas
 - PLPs and where we are now vs. where we will be
 - Deliver quality education in communities vs wasting valuable time on buses - personalized learning. Use tools available to give them the best education we can including BlendEd environment.
 - Quality staff in buildings, work with high ed to include everyone (Schools/NDE/ESUs/Higher Ed)
-
- Common understanding of what success is? Growth, multiple variables,
 - Approve schools that prepare teachers (higher ed) - Provide leadership in preparation.
 - Students that are career ready - leave college/high schools with skill sets
 - Building a staff system that gives us knowledge on teachers coming out of college
 - Learning environment for everyone (parents, students, teachers, community)
 - Visible learning - success for all
 - like learning experience so much they will stay in state and communities
 - data - real time data
 - education of all stakeholders
 - technology supporting the initiative

What do we need to invest in now to move in that direction?

- education of all stakeholders
- technology supporting the initiative

- standards - technology - P-20
- encourage creativity/experimentation
- technology needs for future - infrastructure to handle all needs - 24/7 learning
- total integration of data
- changes in traditional school day??
- flexibility in teaching/learning
- technology for every student

What does ESUPDO need to know and hear from ESUCC that will provide direction to help ESU's effectively support schools and districts across Nebraska in this age of accountability?

- importance of three initiatives (data, t/p, BlendEd)
- Every school/every student (accountability level, t/p, teacher prep, etc)
- "Be Different" (teach different, learn different, be different)
- all people need to be learners/at all times
- Professional Development dependent on ownership of process of reaching the students
- "It's personal", it's yours
- expand on learning to reach all students, all students don't learn at same pace/same time
- real time data
- do not offer enough opportunities for student learning - create flexibility
- create fully developed/effectively developed students
- **Building capacity to allow the learner to control their destiny.**

Other Thought-provoking questions to consider:

What do our constituents -- school districts, administrators, principals, teachers, students and the public -- most need, want or expect from us?

What are our constituents saying about us?

How do we balance innovation, promoting new ideas, methods, and technologies and "giving them what they want"?

What challenges are most important for us to address?

Among the challenges before us, what feels impossible?

What other questions should we be asking?

Vision Session Worksheet - Blue Group IV

April 3, 2014

Discuss these questions in your working group and record responses:

What do we envision the Nebraska system of support for our schools and students to look like in 5 years?

- Unified leadership to provide equitable access for personalized learning
- Equitable access to leadership and quality service
- Immediate use of big data for individualizing instruction
- Common information gathered from student information systems
- Within each district/ESU, people are defined to look at and interpret the data before interventions can be defined.
- 24/7 access for teachers, students, parents, community to digital resources
- Online PD in almost any category to support teachers in the classroom—align with principal evaluations (Equitable access to personalized learning)
 - personalized, goal-based, perpetual
- Do we need 249 school districts? Does 24/7 and online learning perpetuate small schools staying isolated?
- Support staff at ESU works as teams with curriculum, PD, DL, technology people all working together.
- All entities (NDE, ESUCC, Governor's office, teacher's unions, etc.) together using the same language, common goals

What do we need to invest in now to move in that direction?

- Systems to provide instant access to current information as opposed to past information. How do we know what is happening NOW?
- Complete technology initiatives
- Improve infrastructure
- adequate bandwidth to support multiple devices per learner/teacher
- Evaluation systems to determine when students get "where they need to be"

What does ESUPDO need to know and hear from ESUCC that will provide direction to help ESU's effectively support schools and districts across Nebraska in this age of accountability?

- Blended learning/individualized instruction using big data
- Timely access to current information
- Streamlined process to provide data

Statement of Intent:

"Unified service and leadership for personalized learning"

Other Thought-provoking questions to consider:

What do our constituents -- school districts, administrators, principals, teachers, students and the public -- most need, want or expect from us?

- Meeting regulatory requirements
- What is it going to cost us?
- How do we get the most service for our money?
- Need help with student engagement? Also teachers and community? How do you keep the community excited about the learning that is taking place?
 - Can parents and students learn together? Can parents sit in the class with student? Even DL classes?
 - Flipped classroom - sometimes parents can see what students are learning
 -

What are our constituents saying about us?

How do we balance innovation, promoting new ideas, methods, and technologies and “giving them what they want”?

What challenges are most important for us to address?

Among the challenges before us, what feels impossible?

What other questions should we be asking?

Checking Account Summary: March 2014

	<u>Beginning Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Ending Balance</u>
Beginning Balance:	<u>\$1,234,571.64</u>			
ESUCC Admin.	\$83,997.94	\$38.90	(\$9,445.62)	\$74,591.22
COOP	\$844,307.87	\$19,401.13	(\$2,305.01)	\$861,403.99
DEC	\$193,535.36	\$0.00	(\$4,131.03)	\$189,404.33
IMAT	\$32,313.44	\$0.00	(\$73.78)	\$32,239.66
MEL	(\$167,661.21)	\$166.00	(\$1,742.42)	(\$169,237.63)
SRS	\$79,282.93	\$0.00	(\$23,641.38)	\$55,641.55
PDO	(\$81,204.69)	\$882.50	(\$22,605.85)	(\$102,928.04)
ESUCC Reserve	\$250,000.00			\$250,000.00
Ending Balance:				<u>\$1,191,115.08</u>

	<u>0/31/14 Receivables</u>	<u>03/31/14 Payables</u>
ESUCC Admin.	\$0.00	\$0.00
COOP	(\$70,848.95)	\$0.00
DEC	\$0.00	\$0.00
IMAT	\$44,068.61	\$0.00
MEL	\$1,645.00	\$0.00
SRS	\$9,900.00	\$0.00
PDO	\$3,225.00	\$33,400.00
	<u>-\$12,010.34</u>	<u>\$33,400.00</u>

**AUDIT REPORT
OF THE
EDUCATIONAL SERVICE UNIT
COORDINATING COUNCIL**

SEPTEMBER 1, 2012 THROUGH AUGUST 31, 2013

**This document is an official public record of the State of Nebraska, issued by
the Auditor of Public Accounts.**

**Modification of this document may change the accuracy of the original document
and may be prohibited by law.**

Issued on April 9, 2014

EDUCATIONAL SERVICE UNIT COORDINATING COUNCIL

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EDUCATIONAL SERVICE UNIT COORDINATING COUNCIL

BACKGROUND

The Educational Service Unit Coordinating Council (ESUCC) was created in statute to coordinate statewide activities of Nebraska's 17 Educational Service Units (ESUs). The governing body for the ESUCC consists of one administrator from each ESU. The ESUCC came into existence per Neb. Rev. Stat. § 79-1245 (Cum. Supp. 2012) on July 1, 2008. The statutory description and duties of the ESUCC can be found in Neb. Rev. Stat. §§ 79-1245 through 79-1249 (Reissue 2008, Cum. Supp. 2012). According to Neb. Rev. Stat. § 79-1246(1) (Reissue 2008):

The Educational Service Unit Coordinating Council shall work toward statewide coordination to provide the most cost-effective services for the students, teachers, and school districts in each educational service unit. . . . [ESUCC's] duties include, but are not limited to:

- (a) Preparation of strategic plans to assure the cost-efficient and equitable delivery of services across the state;*
- (b) Administration of statewide initiatives and provision of statewide services; and*
- (c) Coordination of distance education.*

Based on the above statutory authority, the ESUCC, in its first year of existence, determined that all statewide projects previously offered in partnership by various ESUs would be placed under the umbrella of the ESUCC. The ESU hosting the statewide project became known as the "fiscal agent" for that project, now under the ESUCC. The ESUCC then established agreements with each fiscal agent to continue to provide the services of the project and also established a master services agreement with each ESU enabling them to choose which statewide projects they wanted to participate in.

During the fiscal year ended August 31, 2010, the ESUCC began a transition away from the fiscal agent organization. This transition took the form of the ESUCC contracting with ESU 17 to provide all staff for the ESUCC. This was accomplished for the fiscal year ended August 31, 2011, by ESU 17 developing employment contracts with all previous ESUCC project employees, including the Executive Director of the ESUCC. Thus, all ESUCC project employees and the ESUCC Executive Director became ESU 17 employees. Through an interlocal agreement, the ESUCC agreed to reimburse ESU 17 for all salaries and benefits for these employees.

The following is a brief description of each statewide project as it operated during the fiscal year ended August 31, 2013:

- **ESU Professional Development Organization (ESUPDO)**

The ESUPDO serves as a collaborative effort to provide training for ESU employees statewide. Professional development is among the core services identified by State statute for ESUs. The ESUCC manages ESUPDO functions as part of the overall general administrative costs and activities of the ESUCC. The ESUPDO consists of five affiliate groups comprised of ESU employees across the 17 ESUs. These groups are:

- **Staff Development Affiliate (SDA):** Members are generally responsible for providing staff development for their school districts and have assisted the Nebraska Department of Education (Education) efforts on statewide and local assessment, as well as school improvement for Nebraska's school districts.

EDUCATIONAL SERVICE UNIT COORDINATING COUNCIL

BACKGROUND

(Continued)

- **Technology Assistance Group (TAG):** Members provide assistance to school districts in the dissemination and integration of new educational technologies deployed by school districts. Recently, this has included numerous initiatives, such as learning management systems and one-to-one laptop initiatives, as well as classroom technologies, including electronic whiteboards, clickers, and other educational technologies. Additionally, the TAG members may assist districts in the use of new software and computer applications, including statewide assessment.
- **Network Operations Committee (NOC):** The NOC supports the extensive communications network within and among the ESUs and school districts. The NOC provides network security and protocols for its districts and ESUs and ensures the communications network for distance education, internet, email, and internet protocol phones are functioning and secure. Statewide, this group establishes common frameworks and capacities for assisting one another to ensure the education network functions well.
- **Instructional Materials (I-Mat):** I-Mat consists of media professionals from across the State. It serves the dual role of providing for and assisting school districts to make use of the statewide I-Mat media, as well as the integration of media materials in school districts. Originally, I-Mat served to ensure that school districts had access to educational films, videos, and DVDs. Currently, I-Mat is implementing a Learning Object Repository (LOR) system using Safari Montage for digital delivery of library and media materials. This service is among the core services identified by State statute.
- **ESU Special Populations Directors (ESPD):** This affiliate group consists of the Special Education Directors and staff from across the State. This affiliate group was included in the ESUPDO as the need for special education professional development has progressed in the age of standards and assessment, along with the need to establish and share professional development efforts for special education teachers and classroom teachers alike. ESPD is also involved with Education in providing leadership for special education training and support, as well as programs such as Response To Intervention (RTI).
- **Distance Education**

Originating with the Distance Education Council formed by legislation in 2006 (LB 1208), distance education is now a responsibility of the ESUCC. Neb. Rev. Stat. § 79-1248 (Cum. Supp. 2012) sets out the following powers and duties of the ESUCC, which may be used as part of the effort to build, improve, and maintain the State's distance education network:

 - (1) *Providing public access to lists of qualified distance education courses;*
 - (2) *Collecting and providing school schedules for participating educational entities;*
 - (3) *Facilitation of scheduling for qualified distance education courses;*
 - (4) *Brokering of qualified distance education courses to be purchased by educational entities;*
 - (5) *Assessment of distance education needs and evaluation of distance education services;*

EDUCATIONAL SERVICE UNIT COORDINATING COUNCIL

BACKGROUND

(Continued)

- (6) *Compliance with technical standards as set forth by the Nebraska Information Technology Commission [NITC] and academic standards as set forth by the State Department of Education related to distance education;*
- (7) *Establishment of a system for scheduling courses brokered by ...[ESUCC] and for choosing receiving educational entities when the demand for a course exceeds the capacity as determined by either the technology available or the course provider;*
- (8) *Administration of learning management systems, either through the staff of . . . [ESUCC] or by delegation to an appropriate educational entity, with the funding for such systems provided by participating educational entities; and*
- (9) *Coordination with educational service units and postsecondary educational institutions to provide assistance for instructional design for both two-way interactive video distance education courses and the offering of graduate credit courses in distance education.*

- **Nebraska ESU Cooperative Purchasing (Coop)**

Coop provides cooperating purchasing services to Educational Service Unit member schools throughout the State of Nebraska. The service is offered by the ESUCC and Nebraska's 17 ESUs in a joint effort. The ESUCC now serves as the governing body for Coop. Additionally, beginning in 2010-2011, the accounting system for Coop was modified to serve as the central accounting for all ESUCC projects.

- **Instructional Materials (I-Mat)**

I-Mat also has a long history in providing services statewide for school districts through Nebraska's network of ESUs. For approximately 30 years, the ESUs have worked together to purchase rights to media materials and made those materials available through local ESUs in a variety of formats. This undertaking exists as a project of the ESUCC and, beginning in 2010-11, the fiscal management was moved under the ESUCC central accounting system. Annually, the I-Mat membership gathers to select titles to propose for purchase at a statewide level. ESUs contribute to the project for the "spring buy" and "special projects" each year. Now that I-Mat is one of the ESUCC projects, the master services agreement between the ESUCC and the ESUs identifies the level of participation of each ESU. As technology moves forward, so does the I-Mat project. Currently, videos are available in physical formats, including VHS, DVD, and CD. Additionally, media materials are being digitized and made available through the Learn360 "media on demand" service and the Safari Montage Learning Object Repository (LOR). This digital format is opening up media materials, once difficult to obtain, to schools across the state. Additionally, the project works to match media to specific standards and is making media searchable for the most appropriate classroom use. I-Mat, like other ESUCC projects, continues to evolve with conversations about moving to fully digital online media and expansion of other library and media resources.

- **My E-Learning (MEL or MyE)**

MyE is a statewide project to make available an online learning management system (LMS) to school districts, teachers, and students. Similar to the other projects, MyE was brought under the umbrella of the ESUCC and, beginning in 2010-11, came to exist as a project directly managed under the ESUCC. ESU 10 in Kearney previously served as the fiscal agent for the project. The mission of MyE is to implement an asynchronous web-based learning management system to ensure statewide accessibility to: 1) expanded

EDUCATIONAL SERVICE UNIT COORDINATING COUNCIL

BACKGROUND

(Continued)

educational opportunities for all K-12 students; and 2) timely delivery of staff development opportunities. MyE is staffed by a director and shares administrative staffing with the ESUCC. The project has been guided by an advisory board consisting of ESU and school district (user) representatives. Currently, MyE supports the ANGEL and Blackboard learning management systems. The service is provided through annual user contracts and fees. Recent statistics indicate that there are approximately 40,000 user accounts in use by approximately 159 entities (schools or ESUs) across the state. The transition to management by the ESUCC has developed a shift in strategic planning and implementation of the MyE project. The project director is presently a critical piece of the development of a technology support system for the whole ESUCC. The MyE project is also a foundational piece of the conversations surrounding virtual education in the State.

- **Special Education (SPED) Projects**

The purpose of the SPED Projects is for participating parties to pool their resources in connection with the special education services and for the training of special education teachers and other staff members employed by educational institutions within the State. Each participating ESU contributes a \$5,000 annual fee in general support of the projects and, additionally, each participating school is assessed a fee for services provided under the Student Records System (SRS) fee structure. There are three special education projects:

- **Improving Learning for Children with Disabilities (ILCD):** ILCD is a State self-assessment project that gathers information for Federal reporting requirements. The ILCD project utilizes parent, teacher, and administration survey assessments. The survey results can be accessed via the ILCD website. The ESUCCs' technology role includes purchasing, distributing, and scanning surveys. ESUCC staff provides technical assistance for the ILCD website and survey design.
- **Project PARA:** Project PARA is a web-based method for school districts to provide introductory training for their paraeducators. Project PARA assists schools in meeting the paraeducator training requirements of No Child Left Behind, Rule 11, and the Individuals with Disabilities Education Act (IDEA). Project PARA is a collaborative effort between the University of Nebraska, the Nebraska Department of Education, and Nebraska ESUs.
- **Student Records System (SRS):** SRS is an online special education record-keeping system. It creates all special education documents required by Rule 51, including Individual Education Program (IEP), Multidisciplinary Evaluation Team (MDT), Individualized Family Service Plan (IFSP), and all required notices. SRS is a highly secure system that organizes and stores documents and provides easy access to files from anywhere via the internet. SRS training is provided across the State for district staff and college and university staff.

BACKGROUND

(Continued)

- **BlendEd Initiative (Technology Direction)**

In the fall of 2012, the ESUCC submitted an overview of the BlendEd Initiative to the Nebraska Information Technology Commission (NITC) with the vision of creating an eLearning system, bringing together the work of the ESUCC project areas into a more seamless shared learning environment. In May 2013, the position of Technology Project Manager was formed to coordinate this work across the ESUCC project areas. Projects involved in this effort are the I-Mat Learning Object Repository, MyE Learning Management Systems, and the ESU Professional Development Organization and affiliates. New work is beginning across these projects in the areas of federated identity management and an enhanced evaluative system. Blended education has been promoted by educational researchers as a one of the most promising recent innovations in education because it calls for making strategic choices about when face-to-face (synchronous) instruction is needed and when and how online (asynchronous) instruction can be best used to provide elements of student control over time, place, path and pace and provide more equity, efficiency and flexibility.

EDUCATIONAL SERVICE UNIT COORDINATING COUNCIL

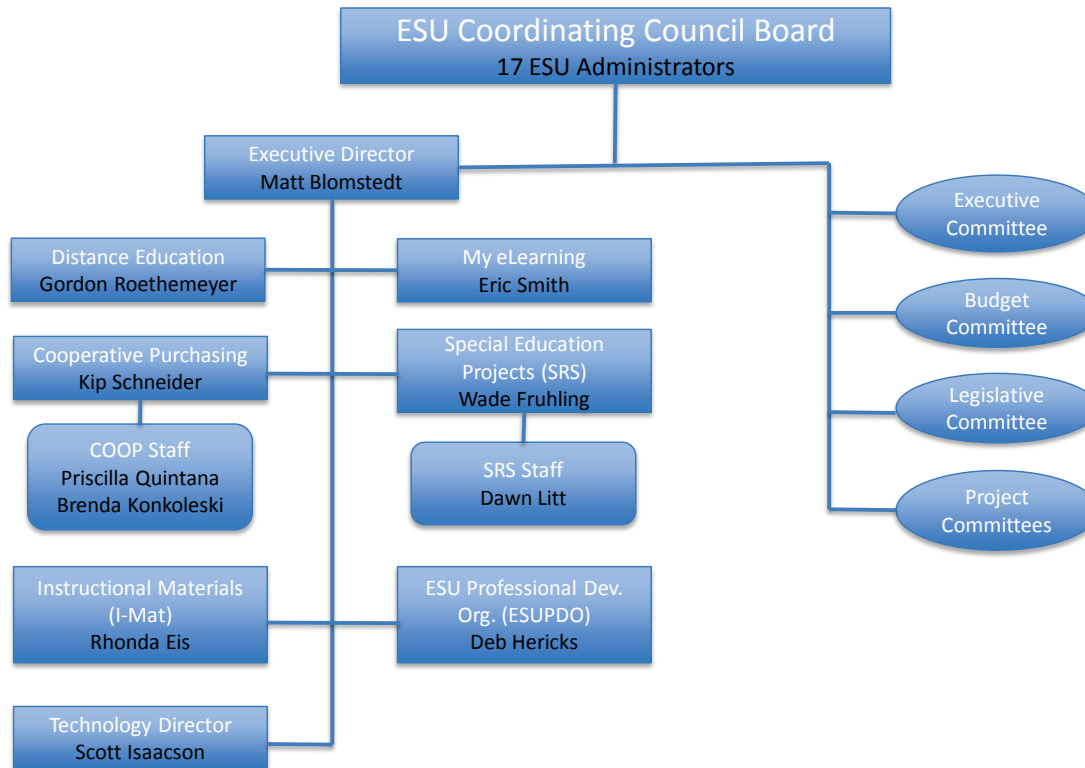
MISSION STATEMENT

The mission of the ESUCC is to provide the most cost effective educational support for the students, teachers, and school districts in each Nebraska educational service unit by facilitating statewide coordination of educational services and strategic planning.

EDUCATIONAL SERVICE UNIT COORDINATING COUNCIL

ESUCC Organizational Chart

As of 8/31/2013



EDUCATIONAL SERVICE UNIT COORDINATING COUNCIL

EXIT CONFERENCE

An exit conference was held March 26, 2014, with the Educational Service Unit Coordinating Council to discuss the results of our examination. Those in attendance for the ESUCC were:

NAME	TITLE
Dennis Pool	Past Council President (1)
Jeff West	Council President (1)
Dennis Radford	Council Treasurer (1)
Scott Isaacson	Transition Project Coordinator
David Ludwig	Incoming Executive Director
Priscilla Quintance	Business Manager (1)
Deb Hericks	Assistant to Executive Director (1)

(1) Via Teleconference

EDUCATIONAL SERVICE UNIT COORDINATING COUNCIL

SUMMARY OF COMMENTS

During our audit of the Educational Service Unit Coordinating Council (ESUCC), we noted certain matters involving the internal control over financial reporting and other operational matters that are presented here.

1. ***Organizational Structure and Internal Control Systems:*** A lack of segregation of duties exists throughout the organization since staff is spread out amongst the various projects. There was also a lack of policies and procedures to govern the ESUCC's payroll, expenditures, revenues, travel, and capital assets.
2. ***Contractual Employees:*** Several findings were noted in this area, as follows: a lack of segregation of duties overall; a lack of support for pay splits; and an overall lack of policies and procedures.
3. ***Expenditures:*** Our review noted an overall lack of segregation of duties and an overall lack of policies and procedures. We noted several contract issues, including: contracts not on file; several contracts not going through the competitive bidding process; no basis for selecting the vendor for several contracts; and no documented legal review on contracts. Lastly, we noted these issues involving travel expense reimbursements: inadequate support for reimbursements; lack of approval for the reimbursements; and a lack of timely submission of reimbursement requests.
4. ***Revenues:*** The Master Service Agreements (Agreement) between the ESUCC and the various ESUs did not include a reference to the 3.5% fee the ESUCC charges on Coop annual buy purchases, and the SPED SRS fees in the Agreement did not agree to the amount being charged. Additionally, we noted a lack of segregation of duties.
5. ***Capital Assets:*** Policies and procedures were not in place to govern capital assets, and a lack of segregation of duties existed.

More detailed information on the above items is provided hereafter. It should be noted this report is critical in nature since it contains only our comments and recommendations on the areas noted for improvement.

Draft copies of this report were furnished to the ESUCC to provide its management with an opportunity to review the report and to respond to the comments and recommendations included in this report. All formal responses received have been incorporated into this report. Responses have been objectively evaluated and recognized, as appropriate, in the report. Responses that indicate corrective action has been taken were not verified at this time, but they will be verified in the next audit.

EDUCATIONAL SERVICE UNIT COORDINATING COUNCIL

COMMENTS AND RECOMMENDATIONS

1. Organizational Structure and Internal Control Systems

As described in the Background Section of this report, the organizational structure of the Educational Service Unit Coordinating Council (ESUCC) operated under from its inception on July 1, 2008, through the fiscal year ended August 31, 2010, was essentially an umbrella organization made up of several statewide projects. This umbrella organization was based on all statewide projects previously offered in partnership with various Educational Service Units (ESUs) on July 1, 2008. The ESU hosting the statewide project became known as the “fiscal agent” for that project, now under the ESUCC. The ESUCC then established agreements with each fiscal agent to continue to provide the services of the project.

Beginning in September 2010, the ESUCC started the process of transitioning from a decentralized entity with multiple locations for accounting and administrative functions to a more centralized entity with one location for accounting and payroll functions. This was accomplished by the ESUCC contracting with ESU 17 in Ainsworth, Nebraska, to provide all payroll processing functions for the ESUCC and to have the ESUCC project staff responsible for accounting functions housed at ESU 17 facilities. In addition, effective September 2011, the ESUCC transitioned all ESUCC project employees to ESU 17 employees. This transition took the form of the ESUCC contracting with ESU 17 to provide all staff for the ESUCC. This was accomplished by ESU 17 developing employment contracts with all previous ESUCC project employees, including the Executive Director of the ESUCC. Thus, all ESUCC project employees and the ESUCC Executive Director became ESU 17 employees. Through an interlocal agreement, the ESUCC agreed to reimburse ESU 17 for all salaries and benefits for these employees.

Due to the decentralized organizational structure and internal control system established by the ESUCC at its inception on July 1, 2008, the Auditor of Public Accounts (APA) has made Comments and Recommendations to the ESUCC to improve its organizational structure and internal control systems in the past four audits. The ESUCC has implemented some of our recommendations; however, during the fiscal year ended August 31, 2013, the following three issues remained uncorrected for the current audit:

- A. Because of the current organizational structure, which remains somewhat decentralized, it continues to be difficult for the ESUCC Board and Executive Director to be involved in the day-to-day administrative review and approval process. While improvements have been made in this area, there are still areas of concern, as noted in Comments 2 and 3 below.
- B. There was a lack of segregation of duties, as noted in Comments 2 through 5 below, which would likely be corrected if there were some cross-training of the accounting and payroll positions, as well as an adequate review process completed and documented.
- C. There were limited formalized policies and procedures for the ESUCC as a whole. The ESUCC is currently in the process of building formal policies and procedures. This process began in the fall of 2010, and the actual start of the adoption of the policies and procedures began on March 2, 2011. However, as noted in Comments 2, 3, and 5 below, additional detailed formalized policies and procedures are still needed.

EDUCATIONAL SERVICE UNIT COORDINATING COUNCIL

COMMENTS AND RECOMMENDATIONS

(Continued)

1. Organizational Structure and Internal Control Systems (Concluded)

Policies and procedures were most notably lacking as they relate to the Cooperative Purchasing Unit (Coop). The Coop provides purchasing services to ESU member schools throughout the State of Nebraska, with expenditures totaling over \$5 million for the fiscal year ended August 31, 2013. In our fiscal year ended August 31, 2012 Comments and Recommendations, we noted:

There are currently no policies and procedures in place to govern the bid process or vendor selection. We noted during testing that a bid committee does review vendor bids for the Coop Annual Buy; however, there are no policies or procedures in place to govern how the committee makes their selections or who the committee should consist of.

During our current audit, we noted the ESUCC has started work on developing formal policies and procedures in the areas of Coop purchasing, payroll, expenditures, revenues, travel, and capital assets; however, as of the date of this report, these policies have not been finalized or approved by the Board.

A good internal control system requires some centralization of administrative responsibilities and management's involvement in reviewing and approving transactions, the ability to adequately segregate duties and pay all payroll expenses appropriately, as well as the establishment of formalized policies and procedures. Without good internal control systems that include these elements, there is an increased risk of errors, fraud, waste, or abuse occurring and not being detected. Some specific errors were noted as a result of the current internal control systems, as described in Comments 2 through 4 below.

We again recommend the ESUCC continue improving its internal control systems. There should also be a process to ensure adequate and complete documentation of the review process is maintained, segregation of duties is in place, and policies and procedures for the ESUCC as a whole, and for the Cooperative Purchasing Unit specifically, are formalized and adopted.

ESUCC's Response: Although the organizational structure including the physical location of key staff remains somewhat decentralized, the ESUCC continues to evolve the structure and processes to accommodate for various internal controls. Specifically, as of January 1, 2014, the ESUCC has implemented new accounting software that will allow enhanced internal controls and management oversight of accounting and payroll functions. Additionally, during the summer of 2013 the ESUCC reviewed and drafted a number of policies that are awaiting legal review and board adoption. The ESUCC will continue during a 6-week period in the summer of 2014 the review of policies, processes and procedures with a focus on areas identified by the APA including the cooperative purchasing project and other fundamental areas of the ESUCC processes including documentation.

EDUCATIONAL SERVICE UNIT COORDINATING COUNCIL

COMMENTS AND RECOMMENDATIONS

(Continued)

2. Contractual Employees

During the fiscal year ended August 31, 2013, the ESUCC had a total of 11 employees, which included the Executive Director, working on ESUCC projects. These 11 employees were officially ESU 17 employees. This was accomplished through an interlocal agreement between the ESUCC and ESU 17, which stipulated the employees were under the direct supervision of the ESUCC, and the ESUCC was ultimately responsible for the payroll costs of the employees.

In testing of payroll, we noted multiple findings in both the processing of payroll and the personnel policies and procedures for the ESUCC. The findings are outlined below.

A. The contract between the ESUCC and ESU 17 for employees was not dated when signed and does not state the time period of the contract.

The ESUCC and ESU 17 entered into an interlocal agreement that ESU 17 employees were to work on ESUCC projects, and, in return, the ESUCC would pay ESU 17 the cost of those employees' payroll. In our prior audit, we noted these agreements covering the fiscal years ended August 31, 2013, and August 31, 2014, between the ESUCC and ESU 17 revealed that the ESUCC had dated its signature, but ESU 17's signature was not dated, and the agreements did not specify a time period. For the current audit, we noted the ESUCC did not correct these issues on the August 31, 2013, and August 31, 2014, agreements.

A good internal control plan requires that contracts be dated, as well as state the time period covered by the contract.

A contract that is neither dated by the signatories nor specifies the time period to be covered may give rise to legal complications, including misunderstandings that lead to concerns over possible noncompliance.

We again recommend the ESUCC ensure its contracts are dated by the signer and specify the time period for which they are valid.

B. A lack of segregation of duties exists in the payroll process, and certain controls over the payroll could be improved.

During our prior audit for fiscal year ended August 31, 2012, we noted:

Only one employee, the ESU 17 Business Manager, has access to the Harris Fund Accounting program used to process payroll at ESU 17 for ESUCC project employees, and the review process for the payroll registers is inadequate. The payroll registers are run by ESU 17's Business Manager, who also notes changes from the prior month's payroll register and gives it to the ESU 17 Administrator for review.

EDUCATIONAL SERVICE UNIT COORDINATING COUNCIL

COMMENTS AND RECOMMENDATIONS

(Continued)

2. Contractual Employees (Continued)

Our review in this area for fiscal year ended August 31, 2013, noted that no change was made on access to the Harris Fund Accounting program. Specifically, there is still only one employee, the ESU 17 Business Manager, who has access to the Harris Fund Accounting program used to process payroll. The ESUCC did take corrective action to improve its review process over the payroll register, and we believe its review process is now adequate.

We also noted the following during our prior audit: 1) only one employee, the Business Manager for the ESUCC, has access to AccountEdge, the accounting system used by the ESUCC to process payroll reimbursement payments to ESU 17; 2) a review of the payroll reimbursement entries is performed by an individual other than the individual entering the payroll entries into the ESUCC's general ledger, but this review is not adequately documented to ensure that it has been performed; and 3) the ESUCC does not compare what it is billed to the actual payroll costs incurred by ESU 17 for ESUCC project employees. Such a comparison is necessary to ensure the ESUCC is paying ESU 17 the correct amount for payroll costs on an annual basis.

Our review in this area for fiscal year ended August 31, 2013, noted that no change was made to the above processes and procedures.

A good internal control plan requires a segregation of duties that prevents one individual from processing a transaction from beginning to end.

A lack of segregation of duties and a lack of controls over the payroll process creates an increased risk of asset misappropriation.

We again recommend the ESUCC develop a proper segregation of duties over the payroll process. If a proper segregation of duties cannot be developed due to a shortage of staff, we recommend compensating controls be developed. The ESUCC might consider the following:

- Continue to perform a documented, detailed supervisory review of payroll records before the payroll is processed.
- Compare what is billed to the actual payroll costs incurred by ESU 17 to ensure the ESUCC has paid the correct amount.
- Document the review of the payroll entries in AccountEdge by an individual other than the individual processing the entries.

EDUCATIONAL SERVICE UNIT COORDINATING COUNCIL

COMMENTS AND RECOMMENDATIONS

(Continued)

2. **Contractual Employees** (Continued)

C. Pay Splits between ESUCC Projects are Inadequately Supported

During our prior audit, we noted the following:

ESUCC has one employee whose pay is split equally between two different projects. However, this employee does not track her time worked on each project, and no time study has been completed to determine if the split is reasonably accurate.

Also, per the Executive Director, ESUCC employees are often utilized in different projects depending on the expertise needed for the projects managed by ESUCC. Their time worked on the different projects was not recorded and pay was not split between the projects to account for that time.

During our current audit, we noted the ESUCC took action to partially correct this finding. In December 2013, the ESUCC started splitting four employees' time between projects. According to staff, the split times were based on a general understanding of the executive director's discussion with staff of the time they worked on the projects. No formal time study was used by the ESUCC to determine the time splits, and the ESUCC did not have any documentation of how these time splits were determined.

A good internal control plan requires pay splits to be adequately supported by documentation and also requires time worked on a project to be paid from that project's funds.

When time worked is not tracked by project, there is an increased risk that expenses reported for projects will be inaccurate – which, for budgeting purposes, makes it difficult to anticipate the amount of payroll costs needed for each project in the future.

We again recommend the ESUCC either direct its project employees to start tracking their time worked on each project or have the employees do time studies periodically to ensure their pay is being split correctly between the various ESUCC projects.

D. The ESUCC lacks formal personnel policies and procedures for the supervision of its contractual employees for ESUCC projects – including, but not limited to, such areas as termination policies, leave awarding guidelines, monitoring completion of required workdays, and corrective measures should require workdays not be met in the contract period.

During our prior audit, we noted the following:

Per the interlocal agreement between ESUCC and ESU 17, as well as the individual employee contracts, ESUCC is in charge of supervising contracted employees from ESU 17. The prior year's audit noted that ESUCC lacked its own formal policies and procedures for supervising these employees; instead, ESUCC was informally relying upon ESU 17's personnel policies. Since the last audit, ESUCC has been working on drafting the needed policies, but none have been officially adopted by the Board. These policies would need to include termination policies and procedures.

EDUCATIONAL SERVICE UNIT COORDINATING COUNCIL

COMMENTS AND RECOMMENDATIONS

(Continued)

2. Contractual Employees (Continued)

For granting leave to employees each year, the Executive Director uses informal guidelines for authorizing vacation leave each year, but no formal guidelines have been documented and approved by the ESUCC Board as part of its formal policies and procedures. This was also a prior year finding.

The only change completed, in an attempt to address this finding, is that vacation is now formally recognized and awarded in the employment contracts for the fiscal year ended August 31, 2013, as opposed to the fiscal year ended August 31, 2012, in which the Executive Director would informally tell the Business Manager at ESU 17 what to enter into the Harris Fund Accounting system for awarding and tracking leave.

Additionally, in last year's audit, we noted the absence of formal policies and procedures governing employees' progress toward completing the required number of workdays, as outlined in their employment contracts. There were also no corrective measures to address a situation in which an employee fails to complete his or her required workdays for the contract period. Since the finding, the Business Manager at ESU 17, the Administrative Assistant at ESUCC, and the Executive Director track and review employees' workdays each month. However, no formal policies and procedures for such monitoring, much less any related disciplinary measures, have been developed and approved by the Board since the last audit.

During our current audit, we noted the ESUCC has not yet formally adopted personnel policies and procedures to correct this finding.

A good internal control plan requires formal personnel policies and procedures to include, among other things:

- Policies and procedures to supervise contractual employees when the contract states the entity is responsible for supervising the employees.
- Policies and procedures for handling employee terminations.
- Policies and procedures for determining the amount of leave time granted to employees each fiscal year.
- Policies and procedures for monitoring employees' progress toward completing their required number of workdays and establishing corrective measures in the event the required number of workdays are not met.

A lack of formal personnel policies and procedures, as recommended above, gives rise to an increased risk that Board directives may not be followed in accordance with the work performed by ESUCC project employees.

We again recommend the ESUCC adopt formal personnel policies and procedures for the supervision of its contractual employees on ESUCC projects. We recommend further that the ESUCC establish and document its criteria and process for granting

EDUCATIONAL SERVICE UNIT COORDINATING COUNCIL

COMMENTS AND RECOMMENDATIONS

(Continued)

2. Contractual Employees (Continued)

employees vacation leave time. Lastly, we recommend the ESUCC develop documented policies and procedures for monitoring employees' progress toward working the required workdays, per their employment contracts with ESU 17, as well as establish corrective procedures should an employee not work the required amount of workdays.

ESUCC's Response: All of the ESUCC employees are employed as contractual employees through an inter-local agreement with ESU 17. The ESUCC has adjusted internal practices and worked with ESU 17 management to address many of the areas addressed in this audit and will continue to review contracts, payroll processes, and timesheet/leave review. Adjustments to pay splits were made in the 2013-2014 fiscal year in response to previous audit reports. Additionally, the ESUCC will examine doing periodic time studies to further document pay splits between various projects. During the summer of 2013 the ESUCC reviewed and drafted a number of policies that are awaiting legal review and board adoption and will continue to refine those impacting personnel in light of the recommendations provided by the APA.

3. Expenditures

During our review of the ESUCC's expenditures/accounts payable process and our testing of selected transactions, we noted the following:

A. A lack of segregation of duties exists in the expenditures/accounts payable process.

During our prior audit, we noted:

There is a lack of segregation of duties over the expenditures/accounts payable process. The lack of segregation of duties arises as one person has the ability to receive purchased items, approve the invoice for payment, prepare the payment voucher, and reconcile documents to the general ledger. We also noted only one employee has access to the accounting system software utilized by ESUCC, and other employees are not cross-trained to do the employee's duties if the employee is unable to work. This finding was also noted in the prior year.

During our current audit, we noted that the ESUCC had not made any changes in this area. One employee continued to have access to the accounting system software utilized by the ESUCC, and no other employee had been cross-trained on the system for the fiscal year ended August 31, 2013.

A good internal control plan requires an adequate segregation of duties over the expenditures and accounts payable processes.

When segregation of duties does not exist, there is a greater risk of fraud and misuse of funds.

EDUCATIONAL SERVICE UNIT COORDINATING COUNCIL

COMMENTS AND RECOMMENDATIONS

(Continued)

3. Expenditures (Continued)

We again recommend the ESUCC review its staffing and assignments to determine if an adequate segregation of duties can be obtained, so no one individual is able to process a transaction from being to end. We also recommend the ESUCC assign unique user IDs and passwords for the accounting software to other employees and cross-train them to use the program.

B. A lack of policies and procedures to follow up on old outstanding checks.

During our prior audit, we noted: "It was noted that ESUCC does not have policies or procedures to follow up on old outstanding checks." Our current audit noted the ESUCC had not developed or approved a policy in this area.

A good internal control plan would include a requirement that old outstanding checks be followed up on a regular basis. The ESUCC might consider the following policies regarding old outstanding checks: a procedure to review for old outstanding checks on a regular basis; a procedure to follow up on old outstanding checks; and a procedure to determine when old outstanding checks should be cancelled and monies turned over to the Nebraska State Treasurer as unclaimed property in accordance with the Uniform Disposition of Unclaimed Property Act, which is set out at Neb. Rev. Stat. §§ 69-1301 through 69-1332 (Reissue 2009, Cum. Supp. 2012).

When policies and procedures to follow up on old outstanding checks are not available for staff, there is a greater risk these checks may not be detected and the ESUCC may not be in compliance with the Uniform Disposition of Unclaimed Property Act.

We again recommend the ESUCC develop policies regarding the identification and follow-up for old outstanding checks.

C. We reviewed 19 ESUCC contracts and noted the following:

- For two vendor payments tested, we noted that no competitive bidding had been conducted for the services provided.

To start, the ESUCC entered into a contract for a crisis trainer. According to ESUCC staff, the contract was for a specialized trainer in the field of crises training, which constituted sole source vendor to whom the competitive bidding did not apply. For training and related expenses, the ESUCC paid the crisis trainer in excess of \$20,000 in fiscal year ended August 31, 2013. However, there was a lack of documentation showing the basis for designating this vendor as being truly a sole source vendor.

A second vendor was to provide services to connect the BlendED/IMat project to schools throughout the State. The ESUCC was provided a proposal from Safari Montage, the

EDUCATIONAL SERVICE UNIT COORDINATING COUNCIL

COMMENTS AND RECOMMENDATIONS

(Continued)

3. Expenditures (Continued)

vendor, to provide this service in the amount of \$243,619 with payment made to the Safari Montage in the amount of \$111,919 in fiscal year ended August 31, 2013. The ESUCC did not provide documentation that this request for service was bid out or documentation that this was a sole source vendor.

A good internal control plan would include a requirement that the basis for sole source determination be documented to support that the competitive bidding process would not be required.

A similar finding was noted during our prior audit.

When this documentation is not prepared, there is a greater risk the ESUCC may not be giving all potential bidders an opportunity to submit a bid proposal, and the ESUCC may not be receiving the lowest possible price for its services and products.

We again recommend that, when the ESUCC considers a vendor to be a sole source, documentation be prepared to support that decision. If a sole source vendor cannot be supported, the service or goods being purchased should go through the formal bidding process. The final review and approval of this process should be completed by the Coop Purchasing Director.

- During our testing of contracts, we noted ESM, a software vendor, was paid \$110,000 for an annual software subscription fee. To select the vendor, an ESUCC selection committee narrowed the field to three prospective bidders who made presentations to the selection committee. The selection committee evaluated the vendors verbally; therefore, no written documentation was available to support the lowest possible bidder was chosen.

A good internal control plan would include a requirement that written documentation be available to support that the lowest possible bidder was chosen.

When this documentation is not prepared, there is a greater risk the ESUCC may not be receiving the lowest possible price for its services and products.

We recommend that, when the ESUCC selection committee evaluates vendors, written documentation be maintained to support its selection.

- During our testing of the above 19 contracts – 15 of which were standard agreements between the ESUCC and vendors, which must be signed by the vendors before they can bid through Coop purchasing – the ESUCC did not provide documentation to support that all 19 of these contracts had been subject to legal review prior to being signed. This was a prior year audit finding.

EDUCATIONAL SERVICE UNIT COORDINATING COUNCIL

COMMENTS AND RECOMMENDATIONS

(Continued)

3. Expenditures (Continued)

A good internal control plan would include a requirement that all contracts have a legal review.

When a legal review is not documented for each contract entered into, there is a greater risk that all legal contractual requirements will not be considered and included in the contract, resulting in possible unnecessary litigation and disputes with vendors.

We again recommend the ESUCC document the legal review performed prior to the final approval and signing of all contracts.

- For two payments tested, the ESUCC did not have a contract on file. The ESUCC was provided a proposal from Safari Montage to provide services, as noted above. However, the ESUCC did not have a contract with Safari Montage. Additionally, the ESUCC had an agreement with Angel/Blackboard to provide services in the amount of \$133,250 for the period July 1, 2012, to June 30, 2013; however, when the auditor requested a copy of the contract with Angel/Blackboard, the ESUCC had to contact the vendor for a copy of it. No termination clause was included in the contract.

A good internal control plan would require that the ESUCC enter into contractual agreements for all services and maintain such contracts on file. Additionally, a good internal control plan would require that a termination clause be included in all contracts. When contracts are on file and terms are specific and enforceable, the ESUCC's interests are protected during the period of the contract.

We had a similar finding in our prior audit.

When there is no contractual arrangement for services, it is more difficult for the ESUCC to determine if billing statements are accurate and complete. When contracts are not kept on file, the ESUCC is at risk of making payments outside the terms of the contract. When a termination clause is not included in all contracts, the ESUCC is at risk of incurring legal liability for exiting the contract prematurely.

We recommend the ESUCC enter into contracts for all services obtained. In addition to containing a termination clause, those contracts should be maintained on file.

D. The ESUCC lacks formal policies and procedures as related to expenditure documents, including Coop purchasing payments.

As noted in Comment 1, formalized policies and procedures were lacking as related to the Cooperative Purchasing Unit (Coop). For 15 of 15 Coop purchasing payments, the expenditures were not properly approved by an appropriate member of management and/or

EDUCATIONAL SERVICE UNIT COORDINATING COUNCIL

COMMENTS AND RECOMMENDATIONS

(Continued)

3. Expenditures (Continued)

the Board prior to expensing. The expenditure approval procedure for the ESUCC is to have the Board Treasurer and the Executive Director approval all expenditures. For the 15 Coop purchasing expenditures tested, however, the Executive Director did not have documented approval of those expenditures prior to their being expensed.

A good internal control plan requires the establishment of formalized policies and procedures to ensure the proper review and approval of expenditures.

When policies and procedures are not in place to require the proper review and approval of expenditures, there is a greater risk for fraud or abuse.

We recommend the ESUCC develop formalized policies and procedures to ensure all expenditure documents are properly reviewed and approved prior to payment.

E. We reviewed 11 travel-related expenditure documents and noted the following (many of the findings noted during our current audit were also noted during our prior audit):

- During our prior audit, we noted:

Although ESUCC has informal travel policies and procedures, ESUCC does not have formal policies and procedures officially adopted and approved by the ESUCC Board relating to travel expenses and reimbursements. It should be noted that since ESUCC does not have formal policies and procedures related to the payment of travel expenses, the APA performed its testing procedures based on the policies outlined for travel in the State of Nebraska's Department of Administrative Services, State Accounting Manual.

Our current audit noted that the ESUCC had not yet developed formal policies and procedures related to the payment of travel expenses.

A good internal control plan would include adopting formal policies and procedures relating to expensing and reimbursing items for travel.

Lack of formal policies and procedures for travel can potentially lead to payment of unallowable or unnecessary expenses.

We recommend the ESUCC adopt formal policies and procedures that address the requirements for travel expenses, including, but not limited to, policies and procedures related to the exceptions noted in this comment.

- For 3 of 11 travel expenditures tested, auditors were unable to trace the expenditure adequately back to supporting documentation. This was due, in part, to a lack of formal

EDUCATIONAL SERVICE UNIT COORDINATING COUNCIL

COMMENTS AND RECOMMENDATIONS

(Continued)

3. Expenditures (Continued)

policies and procedures relating to travel expenditures. Two expenditures in question lacked supporting documentation in the form of receipts for cab fare and parking fees. For one expenditure, the only supporting documentation attached to the reimbursement form was a printout from the employee's calendar.

A good internal control plan would require information listed on each travel expense reimbursement form to be supported by adequate documentation agreeing with the dates, locations, and amounts listed on the reimbursement form.

When travel expense reimbursements are not adequately supported, there is a greater risk of improper travel reimbursements being made.

We recommend the ESUCC ensure its Application For Expense Reimbursement forms include adequate support for all expenses in the form of receipts or other documentation.

- For four of four mileage reimbursement transactions tested, we were unable to verify mileage reimbursements were reasonable based on the most direct route of travel. The reasonableness of mileage was determined by calculating mileage in excess of 10% of MapQuest mileage. The 10% excess for one employee was based on calculating mileage from his headquarter city or place residence, whichever mileage was less. The employee requested mileage reimbursement from his home, at times getting reimbursed for more mileage than he would have received reimbursement for if he would have requested mileage from his headquarter city.

A good internal control plan would require adequate supporting documentation of mileage incurred for work travel purposes. This would include having travel logs that include start and stop times, travel location, and purpose of travel. In addition, a reasonable policy for travel reimbursement would be to reimburse for mileage from an employee's place of residence or headquarter city, whichever is the least mileage.

When there is a lack of adequate documentation for mileage incurred, there is greater risk for fraud or abuse of travel expenses.

We recommend the ESUCC ensure policies and procedures provide requirements for documenting mileage in a travel log that would be turned in along with the reimbursement request and other supporting documentation verifying the location of the work event. In addition, we recommend the ESUCC establish policies and procedures to define what mileage will be reimbursed when an employee has the option to claim mileage from either his or her residence or headquarter city.

EDUCATIONAL SERVICE UNIT COORDINATING COUNCIL

COMMENTS AND RECOMMENDATIONS

(Continued)

3. Expenditures (Continued)

- For four of nine travel expenditures with meal and lodging reimbursements tested, meal and lodging costs were either not adequately documented with detailed receipts or invoices, or were not considered reasonable based on Federal GSA per diem rates.

Good business practices require meal reimbursements over \$5 to be supported by detailed receipts in order to be approved for reimbursements. Additionally, meal reimbursement requests should include only meals that were actually purchased and allowable, and lodging reimbursements should fall within Federal GSA per diem rates.

When meals over \$5 are not adequately documented with detailed receipts, there is greater risk for expense reimbursement abuse. Additionally, when lodging reimbursements exceed Federal GSA per diem rates, there is an increased risk that reimbursements are not reasonable.

We recommend the ESUCC develop policies and procedures requiring employees to submit detailed receipts with each travel reimbursement request, as well as to submit a meal log itemizing all meal expenses. Additionally, we recommend that Federal GSA per diem rates be followed for lodging expenditures.

- For 4 of 11 travel expenditures tested, in some cases involving multiple reimbursement request forms, the expenditures were not properly approved by an appropriate member of management and/or the Board prior to expensing. In fact, one expenditure was for 22 reimbursement request forms submitted by the Executive Director, all of which were approved only by him.

A good internal control plan would require the proper approval of expenditures, including an adequate review process that is performed before the expenditure is made.

When procedures are not in place to require the proper approval of expenditures, and a review and approval procedure is not performed before the expenditure is made, there is a greater risk for fraud or abuse.

We recommend the ESUCC improve the review process for expenditure documents to ensure no one individual approves his or her own expenditure reimbursements and to ensure all expenditure reimbursement requests are reviewed and approved prior to payment.

- Travel expense reimbursement requests by two individuals were not submitted in a timely manner. Both individuals submitted multiple reimbursement request forms at one time.

EDUCATIONAL SERVICE UNIT COORDINATING COUNCIL

COMMENTS AND RECOMMENDATIONS

(Continued)

3. Expenditures (Concluded)

- One individual submitted 22 reimbursement request forms covering nearly a year period, and one submitted 15 reimbursement request forms covering more than a six-month period. The untimely submission is due to the decentralized nature of the offices and location of ESUCC project employees, and a lack of formal and consistent policies and procedures pertaining to submitting reimbursement requests for travel and general non-travel expenses.

A good internal control plan would require that requests for expense reimbursements be submitted in a timely manner in order to ensure proper documentation, review, and payment of the reimbursement.

When requests for expense reimbursements are not submitted in a timely manner, there is a greater risk of errors, and it is more likely that proper documentation for reimbursement would not be available.

We recommend the ESUCC develop formal, consistent policies for the timely submission of reimbursement requests.

ESUCC's Response: Having implemented a new accounting system as of January 1, 2014, the ESUCC will continue to explore its capabilities to provide increased management oversight, monitoring and detection to assist us in addressing segregation of duty concerns in our small and decentralized staff. The ESUCC will particularly focus on policy areas that impact cooperative purchasing as well as processes to review contract review, expense documentation, and timelines for expense submission and approval.

4. Revenues

In our review of the revenue process and test of revenue transactions, we noted the following:

- A lack of segregation of duties for the revenues/receipts process for the ESUCC exists. One person has the ability to receive checks and record initial control. Another person has the ability to perform the deposit entry and reconcile the deposit document to the general ledger. The ESUCC has multiple review processes in place; however, documentation of these reviews is inadequate. This finding was also noted in the prior year.
- We noted the Master Service Agreements (Agreement) between the ESUCC and the various ESUs did not include a reference to the 3.5% fee the ESUCC charges on Coop annual buy purchases, and the SPED SRS fees in the Agreement did not agree to the amount being charged. The fee amount being charged was changed from the previous year, as approved by the Board; thus, the proper amount was being charged. However, the Agreement was not updated to reflect this change.

EDUCATIONAL SERVICE UNIT COORDINATING COUNCIL

COMMENTS AND RECOMMENDATIONS

(Continued)

4. Revenues (Concluded)

A good internal control plan involves adequate segregation of duties and adequate documentation of reviews performed to ensure no one person is in a position to both perpetuate and conceal errors or irregularities. Additionally, good business practices require that Agreements between two parties include accurate terms and conditions to avoid disagreements and confusion between the two parties.

When there is a lack of segregation of duties, there is a greater risk of error or fraud and misuse of funds. When terms and conditions in Agreements don't match the terms and conditions in practice, there is a greater risk of disagreements and possible lost revenue.

We recommend the ESUCC implement controls that effectively decrease the chance of fraud and misuse of funds and document these controls with signatures, dates, e-mails, etc. We further recommend that the ESUCC review its Agreements to ensure that references to fees charged are included, and the fee amounts, when changed, are appropriately updated in the Agreements.

ESUCC's Response: The Coop Purchasing system has been restructured in the 2013-2014 fiscal year so that the ESUCC is providing an electronic system for ESUs and schools to manage their purchasing while payments will be made directly from school districts and ESUs to the vendors rather than through the ESUCC. In light of these changes and this finding, the Master Services Agreement will be revised in future years. A clerical error was made in the preparation of the 2012-2013 Master Services Agreement resulting in the incorrect SPED SRS fees being shown. The SPED SRS fees were corrected in the 2013-2014 agreement. Generally, the ESUCC will explore options that would enhance monitoring and detective controls recommend by the APA to address segregation of duties.

5. Capital Assets

During our prior audits, we have reported that the ESUCC has no formal system in place to track capital assets. While an informal policy on fixed asset management was developed, including the creation of forms for the disposal of assets, there were no formal and approved policies or procedures in place to govern capital asset additions, deletions, useful life, or depreciation method for the fiscal year. Additionally, there was a lack of segregation of duties noted, as one person can perform all the functions for capital asset inventory.

A good internal control plan requires a system be in place to track capital assets in order to decrease the risk that assets of the ESUCC will be lost or stolen, policies and procedures are followed to ensure capital assets are being recorded properly, and an adequate segregation of duties exists over the capital asset inventory process.

Without the above noted elements of a good internal control plan and good business practices in place, there is an increased risk fraud, waste, or abuse will occur.

EDUCATIONAL SERVICE UNIT COORDINATING COUNCIL

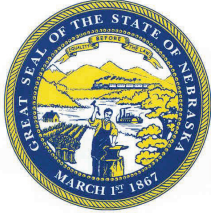
COMMENTS AND RECOMMENDATIONS

(Continued)

5. Capital Assets (Concluded)

We again recommend the ESUCC Board continue to implement a strong internal control plan, which would include policies and procedures for capital assets, and review its staffing and assignments to determine if an adequate segregation of duties can be obtained.

ESUCC's Response: ESUCC management and staff have developed processes and a recommendation for formal policy adoption. The ESUCC tracks inventory and will seek to formalize and refine policies and processes to track capital assets.



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EDUCATIONAL SERVICE UNIT COORDINATING COUNCIL

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Educational Service Unit Coordinating Council
Lincoln, Nebraska

Report on the Financial Statements

We have audited the accompanying modified cash-basis financial statements of the governmental activities, and general fund of the Educational Service Unit Coordinating Council, as of and for the year ended August 31, 2013, and the related notes to the financial statements, which collectively comprise the Educational Service Unit Coordinating Council's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and

disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash-basis financial position of the governmental activities, and the general fund of the Educational Service Unit Coordinating Council, as of August 31, 2013, the respective changes in modified cash-basis financial position for the year then ended in accordance with the modified cash basis of accounting described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Educational Service Unit Coordinating Council's basic financial statements. The combining schedule-general fund is presented for purposes of additional analysis and is not a required part of the basic financial statements.


The combining schedule-general fund is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining schedule-general fund is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Management's Discussion and Analysis and Budgetary Comparison Schedule on pages 29 through 34 and 47 have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standard*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 3, 2014 on our consideration of the Educational Service Unit Coordinating Council's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Educational Service Unit Coordinating Council's internal control over financial reporting and compliance.

Lincoln, Nebraska
April 3, 2014


Don Dunlap, CPA
Assistant Deputy Auditor

EDUCATIONAL SERVICE UNIT COORDINATING COUNCIL

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management of the Educational Service Unit Coordinating Council (ESUCC) provides the following discussion and analysis of the ESUCC's financial performance, as reflected in the financial report for the fiscal year ended August 31, 2013. Please read it in conjunction with the ESUCC's basic financial statements, which follow.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the ESUCC's financial statements. The provisions of Statement No. 34 ("Statement 34") of the Governmental Accounting Standards Board (GASB), "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments," established standards for external financial reporting for all state and local government entities. These standards require three components for the ESUCC's basic financial statements. They are: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains other supplementary information (e.g., combining schedules) and other information (e.g., budgetary information) in addition to the basic financial statements. These components are described below:

Government-wide Financial Statements

These statements are intended to provide a broad view of the ESUCC's operations in a manner similar to the private sector, providing both a short-term and a long-term view of the ESUCC's financial position. The ESUCC prepared its government-wide statements on the accrual basis of accounting. Under the modified accrual basis, revenues are recorded when susceptible to accrual (i.e., are both measurable and available), and expenditures are recorded when the liability is incurred. Accordingly, the ESUCC's government-wide financial statements are not intended to present the financial position and results of operations in conformity with generally accepted accounting principles (GAAP) accepted in the United States of America. The government-wide financial statements include two statements, the Statement of Net Position and the Statement of Activities.

The *Statement of Net Position* on page 35 presents all of the ESUCC's assets and liabilities on the cash and modified accrual basis, as described above, with the difference between the two reported as "net position."

The *Statement of Activities* on page 36 presents information showing how the ESUCC's net position changed during the reported year. Changes reported are on the cash and modified accrual basis, as described above. The statement of activities demonstrates the degree to which the direct expenditures of a given function or segment are offset by program revenues. Direct expenditures are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Appropriations and other items not properly included among program receipts/revenues are reported, instead, as general revenues.

EDUCATIONAL SERVICE UNIT COORDINATING COUNCIL

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Fund Financial Statements

This is the second set of financial statements presented in the report. Under GAAP, these statements would be different from the government-wide statements in that these statements would use a different accounting approach and focus on the near-term inflows and outflows of ESUCC operations.

The ESUCC has only one fund, the general fund. GAAP classifies funds into three categories – Governmental Funds, Proprietary Funds, and Fiduciary Funds. The general fund of an entity is classified as a Governmental Fund, as it accounts for all basic services. The Fund Financial Statements, which can be found on pages 37 and 38 provide detailed information about the ESUCC's general fund. A fund is a method of accounting that uses a set of accounts to maintain accountability and control over specific sources of funding and spending for a particular activity or objective. GAAP requires governmental funds to use the modified accrual basis of accounting.

The six projects that make up the general fund in addition to ESUCC Administration are: ESU Professional Development Organization (ESUPDO); Nebraska ESU Cooperative Purchasing Unit (Coop); Distance Education; My E-Learning (MyE); Instructional Materials (I-Mat); and Special Education Projects (SPED).

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in all of the basic financial statements. The notes can be found beginning on page 39.

Other Information

Following the basic financial statements and the accompanying notes thereto is additional information that further explains and supports the information in such financial statements. The other information consists of the budgetary schedule and notes.

Other Supplementary Information

Other supplementary information consists of combining schedules. This information can be found on page 55.

FINANCIAL AND OPERATING HIGHLIGHTS

The ESUCC's Net Position for the fiscal year ended August 31, 2013, compared to the fiscal year ended August 31, 2012, decreased by \$309,236. This decrease is generally due to modest increases in program expenses compared to slower growth in revenues. The table on the following page provides a more detailed picture of the changes in net position.

EDUCATIONAL SERVICE UNIT COORDINATING COUNCIL

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

FINANCIAL ANALYSIS OF ESUCC AS A WHOLE

Net Position

The ESUCC's assets totaled \$4,122,926 at August 31, 2013, as compared to \$4,378,357 at August 31, 2012. Liabilities totaled \$2,483,490 and net position amounted to \$1,639,436, as of August 31, 2013. As of August 31, 2012, these amounts were \$2,367,997 and \$2,010,360, respectively.

Unrestricted net position is all other net position that does not meet the definition of "restricted" or "invested in capital assets, net of related debt." The ESUCC's unrestricted net position totaled \$1,639,436, as of August 31, 2013.

	Net Position	
	As of August 31	
	<u>2013</u>	<u>2012</u>
ASSETS:		
Cash and Cash Equivalents	\$ 2,767,446	\$ 3,394,129
Accounts Receivable	1,353,078	983,669
Prepaid Items	2,402	559
Total Assets	<u>4,122,926</u>	<u>4,378,357</u>
LIABILITIES	<u>2,483,490</u>	<u>2,367,997</u>
NET POSITION:		
Unrestricted	1,639,436	2,010,360
Total Net Position:	<u>\$ 1,639,436</u>	<u>\$ 2,010,360</u>

As of August 31, 2013, 67% of the ESUCC's assets consisted of cash and cash equivalents. This compares to 77.5%, as of August 31, 2012. The majority of the remaining assets consist of accounts receivable at the Nebraska ESU Cooperative Purchasing Unit in the amount of \$1,353,078 and \$983,669, as of August 31, 2013, and 2012, respectively. The difference between the two years is generally a result of timing of receipts and expenditures of the annual buy project of Cooperative Purchasing.

The ESUCC's liabilities consist primarily of liabilities at the Nebraska ESU Cooperative Purchasing Unit in the amount of \$2,483,490 and \$2,367,997, as of August 31, 2013, and 2012, respectively. The difference in liabilities year to year also varies based on the annual buy project.

ESUCC's net position was \$1,639,436 and \$2,010,360, as of August 31, 2013, and 2012, respectively. ESUCC's net position may vary based on receipts and expenditures in Cooperative Purchasing as well as other ESUCC projects.

EDUCATIONAL SERVICE UNIT COORDINATING COUNCIL

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

Changes in Net Position

The condensed financial information below was derived from the government-wide Statement of Activities and reflects how the ESUCC's net position changed during the year. Following the table is management's analysis of the changes in net position for the fiscal year ended August 31, 2013.

Changes in Net Position

	Fiscal Year Ended August 31, 2013	Fiscal Year Ended August 31, 2012
Revenues:		
Program Revenues		
Charges for Services	\$ 6,336,063	\$ 6,037,674
Operating Grants and Contributions	83,482	60,523
General Revenues:		
State Appropriations	565,593	565,593
Penalties and Fees	102,204	34,187
Miscellaneous	365	502
Total Revenues	<u>7,087,707</u>	<u>6,698,479</u>
Expenditures:		
ESU Professional Development	474,323	414,394
Distance Education Council	287,109	299,416
My E-Learning	279,418	281,457
Special Education	422,073	350,444
Instructional Materials	321,760	207,356
Nebraska ESU Cooperative	5,612,260	5,160,216
Total Expenditures	<u>7,396,943</u>	<u>6,713,283</u>
Change in Net Position	(309,236)	(14,804)
Net Position - Beginning	<u>1,948,672</u>	<u>2,025,164</u>
Net Position - Ending	<u>\$ 1,639,436</u>	<u>\$ 2,010,360</u>

Receipts/Revenues

The largest single source of receipts/revenues for the ESUCC is charges for services. Charges for services are primarily revenues generated by the Nebraska ESU Cooperative Purchasing Unit for services provided to ESUs and school districts and program receipts/revenues for the various projects. Charges for Services for the fiscal year ended August 31, 2013, were \$6,336,063, and for the fiscal year ended August 31, 2012, were \$6,037,674. Some or all of the change between the two periods reflects the timing of Cooperative Purchasing revenues.

EDUCATIONAL SERVICE UNIT COORDINATING COUNCIL

**MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)**

The second largest source of receipts/revenues is generated by general receipts/revenues. The general receipts/revenues were primarily made up of State appropriations for 2% of core services funding, but also included capital grants. General receipts/revenues for the fiscal year ended August 31, 2013, were \$668,162 and for the fiscal year ended August 31, 2012, were \$600,282. Some or all of the change between periods is the availability of general revenues from State appropriations as well as grant sources supporting ESUCC projects.

Expenditures

The largest single purpose of expenditures for the ESUCC was expenditures for goods and services expended by the Nebraska ESU Cooperative Purchasing Unit for goods and services that are then provided to ESUs and school districts. Disbursements/expenditures for these services for the fiscal year ended August 31, 2013, were \$5,612,260 and for the fiscal year ended August 31, 2012, were \$5,160,216. Some or all of the changes between periods reflect the level of participation in Cooperative Purchasing annual buy.

The remaining expenditures for the ESUCC relate primarily to the various other programs managed by the ESUCC. Disbursements for various programs for the fiscal year ended August 31, 2013, were \$1,784,683 and for the fiscal year ended August 31, 2012, were \$1,553,067. Increases in disbursements for other programs managed by the ESUCC are basic inflationary increases in program costs, including, but not limited to, salary and benefit increases and general inflationary costs of maintaining existing programs and services.

ANALYSIS OF ESUCC'S GENERAL FUND VARIATIONS

The table below provides a comparison of budgeted revenues and expenditures to actual revenues and expenditures.

	<u>Budget</u>	<u>Actual</u>	<u>Positive (Negative) Variance</u>
Beginning Balance	\$ 1,960,847	\$ 1,948,672	\$ (12,175)
Total Revenues	10,629,843	7,087,707	(3,542,136)
Total Expenditures	<u>10,940,850</u>	<u>7,396,943</u>	<u>3,543,907</u>
Net Increase (Decrease)	<u>(311,007)</u>	<u>(309,236)</u>	<u>1,771</u>
Ending Balance	<u>\$ 1,649,840</u>	<u>\$ 1,639,436</u>	<u>\$ (10,404)</u>

The largest variance between budgeted and actual revenues was Local Revenues, which were budgeted to be \$10,064,250 but were actually \$6,316,063. The majority of this variance can be explained primarily by the ESU Coop, which typically experiences large fluctuations each year between budgeted and actual figures due to the high volume of purchases that can be made.

EDUCATIONAL SERVICE UNIT COORDINATING COUNCIL

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

The largest variances between budgeted and actual expenditures were due to the Coop Annual Buy and the Coop Special Buy, which had budgeted \$6,500,000 and \$1,660,000, respectively, but incurred actual costs of \$4,633,913 and \$109,898, respectively. Again, this is due to the potential for ESU Coop's large fluctuations described above.

FACTORS THAT WILL AFFECT THE FUTURE

Several factors influence the future of the ESUCC and its projects. Projects that are based on conditions of ESUs and school districts, as far as purchasing of products and services, tend to vary depending on the levels of participation in Cooperative Purchasing, My E-Learning, and professional development. General economics have created an environment where schools and ESUs have fewer resources available to buy goods and services. Additionally, State appropriations have been reduced for support of the ESUCC and the Distance Education program. These reductions will impact overall resources available for the foreseeable future. Long-term trends will include further strategic reorganization of projects and services to address the likelihood of a decrease in future resources. Strategic reorganization efforts impacting the future will include organizing professional development services under a new structure that will allow for the development of new statewide projects. Additionally, existing projects in technology are being organized to most efficiently and effectively manage the changing environment in educational technology. Future fiscal years will combine efforts in instructional materials, My E-Learning, and distance education under a "BlendEd" initiative. Similarly, professional development efforts will include new statewide projects and services. Future projects and services of the ESUCC will be maintained through expanded partnerships and possibly through statewide grants or contracts facilitated by the ESUCC.

CONTACTING ESUCC'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens and taxpayers a general overview of the ESUCC's finances and to demonstrate the ESUCC's accountability for the money with which it is entrusted. If you have questions about this report or need additional financial information, contact Scott Isaacson, Transition Project Coordinator, Educational Service Unit Coordinating Council, 455 South 11th Street, Suite C, Lincoln, Nebraska, 68508. The telephone number is (402) 597-4866, and the email address is sisaacson@esucc.org.

EDUCATIONAL SERVICE UNIT COORDINATING COUNCIL

STATEMENT OF NET POSITION

August 31, 2013

	<u>Governmental Activities</u>
ASSETS	
Cash and Cash Equivalents	\$ 2,767,446
Accounts Receivable	1,353,078
Prepaid Items	<u>2,402</u>
Total Assets	<u>4,122,926</u>
LIABILITIES	
	<u>2,483,490</u>
NET POSITION	
Unrestricted	<u>1,639,436</u>
Total Net Position	<u><u>\$ 1,639,436</u></u>

The accompanying notes are an integral part of the financial statements.

EDUCATIONAL SERVICE UNIT COORDINATING COUNCIL

STATEMENT OF ACTIVITIES
For the Fiscal Year Ended August 31, 2013

	<u>Expenditures</u>	<u>Program Revenues</u>		<u>Net (Expenditures), Revenues, and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Total Governmental Activities</u>
FUNCTIONS/PROGRAMS:				
Primary Government				
ESU Professional Development	\$ 474,323	\$ 202,817	\$ 38,470	\$ (233,036)
Distance Education Council	287,109	5,189	-	(281,920)
My E-Learning	279,418	130,419	-	(148,999)
Special Education	422,073	371,708	45,012	(5,353)
Instructional Materials:				
General Administration	162,249	463,798	-	301,549
I-Mat Spring Buy	69,386	-	-	(69,386)
I-Mat Special Project	(875)	-	-	875
Media on Demand	91,000	-	-	(91,000)
Nebraska ESU Cooperative Purchasing:				
General Administration (Note 7)	868,449	5,162,132	-	4,293,683
Coop Annual Buy	4,633,913	-	-	(4,633,913)
Special Buy	109,898	-	-	(109,898)
Total Governmental Activities	<u>\$ 7,396,943</u>	<u>\$ 6,336,063</u>	<u>\$ 83,482</u>	<u>(977,398)</u>
General Revenues:				
				565,593
				102,204
				365
				<u>668,162</u>
				(309,236)
				<u>1,948,672</u>
				<u>\$ 1,639,436</u>

The accompanying notes are an integral part of the financial statements.

EDUCATIONAL SERVICE UNIT COORDINATING COUNCIL
STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCE
GOVERNMENTAL FUND
August 31, 2013

	<u>General Fund</u>
ASSETS:	
Cash and Cash Equivalents	\$ 2,767,446
Accounts Receivable	1,353,078
Prepaid Items	<u>2,402</u>
Total Assets	<u><u>\$ 4,122,926</u></u>
 LIABILITIES AND FUND BALANCE:	
Liabilities	<u>\$ 2,483,490</u>
Fund Balance	
Assigned	1,063,916
Unassigned	<u>575,520</u>
Total Fund Balance	1,639,436
Total Liabilities and Fund Balance	<u><u>\$ 4,122,926</u></u>

The accompanying notes are an integral part of the financial statements.

EDUCATIONAL SERVICE UNIT COORDINATING COUNCIL

**STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND**

For the Fiscal Year Ended August 31, 2013

	General Fund
REVENUES:	
Local	\$ 6,316,063
State	565,593
Federal	83,482
Penalties and Fees	102,204
Miscellaneous	20,365
Total Revenues	<u>7,087,707</u>
EXPENDITURES:	
Purchased Services (Note 6)	1,218,945
General Administration	139,296
Supplies and Equipment	264,495
Capital Outlay	13,649
Miscellaneous (Note 7)	689,774
I-Mat	4,166
NOC	17,426
SDA	112,073
SPED	30,762
TAG	3,035
I-Mat Spring Buy	69,386
I-Mat Special Project	(875)
Media on Demand	91,000
Coop Annual Buy	4,633,913
Coop Special Buy	109,898
Total Expenditures	<u>7,396,943</u>
Excess of Revenues Over (Under) Expenditures	(309,236)
Fund Balance - Beginning (Restated - Note 8)	<u>1,948,672</u>
Fund Balance - Ending	<u><u>\$ 1,639,436</u></u>

The accompanying notes are an integral part of the financial statements.

EDUCATIONAL SERVICE UNIT COORDINATING COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

For the Fiscal Year Ended August 31, 2013

1. Summary of Significant Accounting Policies

A. Organization

The Educational Service Unit Coordinating Council (ESUCC) was created in statute to coordinate statewide activities of Nebraska's 17 Educational Service Units (ESUs). The governing body for the ESUCC consists of an administrator representative from each of the 17 ESUs and an executive director. The ESUCC was created by LB 603 (2007) and officially came into existence, according to statute, on July 1, 2008. Neb. Rev. Stat. § 79-1246(1) (Reissue 2008) outlines the ESUCC's general responsibilities and duties, as follows:

The Educational Service Unit Coordinating Council shall work toward statewide coordination to provide the most cost-effective services for the students, teachers, and school districts in each educational service unit....[ESUCC's] duties include, but are not limited to:

- (a) Preparation of strategic plans to assure the cost-efficient and equitable delivery of services across the state;*
- (b) Administration of statewide initiatives and provision of statewide services; and*
- (c) Coordination of distance education.*

Prior to the creation of the ESUCC by the Nebraska Legislature, the 17 ESUs worked in partnership to provide statewide activities. Based on the above statutory authority, the ESUCC decided that all statewide activities offered in partnership by the ESUs would be placed under the umbrella of the ESUCC. Although identified separately in the "ESUCC Admin and Professional Development Organization" column of the Combining Schedule, the ESUCC reports the general administrative costs of the ESUCC overall along with the ESUPDO project costs. The ESUCC contracts with ESU 17 to provide all staff for the ESUCC. This is accomplished annually by ESU 17 developing employment contracts with all ESUCC project employees, including the Executive Director of the ESUCC. Thus, all ESUCC project employees and the ESUCC Executive Director are ESU 17 employees. Through an interlocal agreement, the ESUCC reimburses ESU 17 for all salaries and benefits for these employees.

The following is a brief description of each statewide project budgeted for and administered by ESUCC:

- **ESU Professional Development Organization (ESUPDO):** The ESUPDO serves as a collaborative effort to provide statewide training for ESU employees statewide. Professional development is among the core services identified by State statute for ESUs.

EDUCATIONAL SERVICE UNIT COORDINATING COUNCIL

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

1. **Summary of Significant Accounting Policies** (Continued)

- **Distance Education:** Distance Education originated with the Distance Education Council formed by legislation in 2006 and evolved into a program under the ESUCC. The State's distance education director is housed at ESU 10. Neb. Rev. Stat. § 79-1248 (Cum. Supp. 2012) includes among the powers and duties of the ESUCC various responsibilities pertaining to the operation of the State's distance education network.
- **Nebraska ESU Cooperative Purchasing (Coop):** Coop provides cooperating purchasing services to Educational Service Unit Member schools throughout the State of Nebraska. The Coop director is in Lincoln, and operations are housed at ESU 17 (Ainsworth).
- **Instructional Materials (I-Mat):** I-Mat is a statewide project that purchases rights to media materials and makes them available through local ESUs in a variety of formats. The staff member for I-Mat is housed at ESU 5 (Beatrice).
- **My E-Learning (MEL or MyE):** MyE is a statewide project to make available an online learning management system (LMS) to school districts, teachers, and students. MyE staff are housed at ESU 3 (Omaha).
- **Special Education (SPED) Projects:** There are three special education projects managed by the ESUCC in its Lincoln offices. The purpose of the SPED Projects is for participating parties to pool their resources in connection with the special education services and for the training of special education teachers and other staff members employed by educational institutions within the State of Nebraska.
- **BlendEd Initiative (Technology Direction):** In the fall of 2012, the ESUCC submitted an overview of the BlendEd Initiative to the Nebraska Information Technology Commission (NITC) with the vision of creating an eLearning system, bringing together the work of the ESUCC project areas into a more seamless shared learning environment. Projects involved in this effort are the I-Mat Learning Object Repository, MyE Learning Management Systems, and the ESU Professional Development Organization and affiliates.

B. Reporting Entity

The ESUCC is a governmental entity established under and governed by the laws of the State of Nebraska. In evaluating how to define the ESUCC for financial reporting purposes, all potential component units have been considered. The basic – but not the only – criteria for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the

EDUCATIONAL SERVICE UNIT COORDINATING COUNCIL

**NOTES TO THE FINANCIAL STATEMENTS
(Continued)**

1. Summary of Significant Accounting Policies (Continued)

ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, and the ability to significantly influence operations and accountability for fiscal matters. Based upon the above criteria, the accompanying financial statements include all funds for which the ESUCC has oversight responsibility. The ESUCC does not have any component units and has only one fund – the General Fund.

C. Government-wide and Fund Financial Statements

The basic financial statements include both government-wide and fund financial statements. The reporting model, based on GASB Statement 34, focuses on the ESUCC as a whole in the government-wide financial statements and major individual funds in the fund financial statements. The government-wide financial statements report information on all of the activities of the primary government and any component units. The ESUCC has only one fund – the General Fund – and has no component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately.

The statement of activities demonstrates the degree to which the direct expenditures of a given function or segment are offset by program revenues. Direct expenditures are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Appropriations and other items not properly included among program receipts/revenues are reported instead as general receipts/revenues.

D. Fund Types

The accounts of the ESUCC are organized on the basis of funds. The ESUCC has only one governmental fund type – the General Fund.

E. Basis of Accounting

The ESUCC prepares its financial statements, both its governmental-wide and fund statements, on the modified cash basis of accounting. Under the modified cash basis of accounting, the ESUCC has modified the cash basis of accounting to record accounts receivables, as such all revenues are recorded when susceptible to accrual (i.e., both measurable and available). Available means collectible within the current period or soon enough thereafter to pay current liabilities. The ESUCC has modified the cash basis of accounting to record accounts payables, as such expenditures are recorded when the

**NOTES TO THE FINANCIAL STATEMENTS
(Continued)**

1. Summary of Significant Accounting Policies (Continued)

liability is incurred. Under Generally Accepted Accounting Principles (GAAP), the government-wide financial statements would be prepared using the full accrual basis of accounting. The governmental fund statements would be prepared on the modified accrual basis of accounting. Consequently, these financial statements are not intended to present financial information in accordance with GAAP.

F. Cash and Cash Equivalents

In addition to the ESUCC's bank account, this classification includes all short-term investments, such as certificates of deposit, repurchase agreements, and U.S. obligations guaranteed as to principal by the U.S. Treasury, and U.S. agency and instrumentalities having original maturities of one year or less, as invested with the Nebraska Public Agency Investment Trust (NPAIT). These investments are valued at amortized cost, which approximates fair value due to the short-term nature of the investments.

G. Receivables

Receivables are stated without estimated allowances for uncollectible amounts. This determination is based upon past collection experience and current economic conditions. Historically, the ESUCC has not experienced any uncollectible accounts.

H. Basis of Presentation

The ESUCC adopted the provisions of Statement No. 34 (Statement 34) of the Government Accounting Standards Board (GASB), "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments." Statement 34 established standards for external financial reporting for all state and local government entities, which includes government-wide financial statements, fund financial statements, and the classification of net position into three components – (a) invested in capital assets, net of related debt; (b) restricted; and (c) unrestricted. The ESUCC reported only unrestricted net position.

I. Net Position Classification

Government-Wide Statements. Net Position is displayed as unrestricted net position. Unrestricted net position is all other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

Fund Financial Statements. Governmental fund equity is classified as fund balance. Fund balances are further classified as assigned or unassigned. Assignments of fund balances are established to identify the existence of assets that are intended to be used for specific purposes. The Executive Director is the official authorized to assign amounts to a specific purpose. The ESUCC had assignments of fund balance in the Nebraska ESU Cooperative Purchasing in the amount of \$1,063,916. Unassigned fund balance is the residual classification for the general fund.

EDUCATIONAL SERVICE UNIT COORDINATING COUNCIL

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

1. **Summary of Significant Accounting Policies** (Concluded)

J. Capital Assets

The ESUCC expenses its capital outlays as they are purchased. Under GAAP, capital outlays would be capitalized as capital assets and recorded on the Government-Wide Statement of Net Position and depreciated/expensed over the life of the asset on the Statement of Activities.

K. Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

2. **Deposits and Investments**

Listed below is a summary of the deposit and investment portfolio that comprises the Cash and Cash Equivalents on the ESUCC's August 31, 2013, basic financial statements.

Deposits – Custodial credit risk is the risk that, in the event of a bank failure, a government's deposits may not be returned to it. The ESUCC does not have a policy for custodial credit risk associated with deposits. At August 31, 2013, the ESUCC's carrying amount of bank deposits was \$51,463, and the bank balance was \$53,716.

The bank deposits at August 31, 2013, were covered by the Federal Depository Insurance Corporation (FDIC). However, at certain times during the year, deposits were not fully covered by the FDIC or secured by collateral.

Investments – State statute authorizes the ESUCC's Board to invest funds in securities, the nature of which individuals of prudence, discretion, and intelligence acquire or retain in dealing with property of others.

The ESUCC has chosen to invest its available cash reserves in the Nebraska Public Agency Investment Trust (NPAIT). The NPAIT was established in June 1996 through the Interlocal Cooperation Act and commenced operations July 25, 1996. The NPAIT was established to assist public bodies throughout the State of Nebraska with the investment of their available cash reserves. Participation in the investment trust is voluntary for its members. The objective of the NPAIT is to provide its owner members with a conservative and effective investment alternative tailored to the needs of its members. The NPAIT currently consists of and operates one portfolio and a fixed term account. The NPAIT portfolio management generally follows established investment

EDUCATIONAL SERVICE UNIT COORDINATING COUNCIL

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

2. **Deposits and Investments** (Concluded)

criteria developed by the Securities and Exchange Commission (SEC) for money market funds designed to offer acceptable yield while maintaining liquidity. The NPAIT is not registered with the SEC as an investment company. For a copy of the most recent audit report for the NPAIT, contact Scott Isaacson, Transition Project Coordinator, Educational Service Unit Coordinating Council, 455 South 11th Street, Suite C, Lincoln, Nebraska, 68508. The telephone number is (402) 597-4866, and the email address is sisaacson@esucc.org.

The NPAIT may legally invest in direct obligations of and other obligations guaranteed as to principal by the U.S. Treasury and U.S. Agency and Instrumentalities and in bank repurchase agreements. It may also invest in guaranteed student loans, loans guaranteed by the Small Business Administration, Federal Home Administration, or any other agency of the United States, as well as any other type of investment permitted for public agencies by State law. At June 30, 2013, all of the Trust's investments in U.S. agencies and repurchase agreements mature in a period of less than two years.

Interest Rate Risk – As a means of limiting its members' exposure to fair value losses arising from rising interest rates, all of the NPAIT's investments have maturities of less than two years.

Credit Risk – Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. According to the latest audit report on the NPAIT, as of June 30, 2013, the NPAIT's investments in government agency securities were rated as AA+.

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of the failure of the counterparty, the NPAIT will not be able to recover the value of its investment or collateral securities that are in the possession of the outside party. The NPAIT has no specific policy as to credit risk. All of the underlying securities for the NPAIT investments in repurchase agreements at June 30, 2013, the latest audit report date for the NPAIT, are held by the counterparties in the NPAIT's name.

Concentration of Credit Risk – The NPAIT places no limit on the amount that may be invested in any one issuer.

Reconciliation of deposits and NPAIT investments to Cash and Cash Equivalents on the Statement of Net Position is as follows:

Carrying Value:

Bank Deposits	\$ 51,463
NPAIT Investments	2,715,983
	<hr/>
Cash & Cash Equivalents	\$ 2,767,446
	<hr/>

EDUCATIONAL SERVICE UNIT COORDINATING COUNCIL

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

3. **Contingencies and Commitments**

Risk Management – The ESUCC is exposed to various risks of loss related to torts, theft of, damage to, or destruction of assets, errors or omissions, injuries to employees, and natural disasters. During the fiscal year, the ESUCC chose to purchase the following commercial insurance policies to cover these risks:

	Limit	Deductible
Personal Property Coverage (per location)	\$ 1,000	\$ 500
General Liability	\$ 2,000,000	\$ -
Employee Benefits Liability (deductible is per employee)	\$ 3,000,000	\$ 1,000
School Leaders E&O Liability	\$ 1,000,000	\$ 5,000
Automobile (Non-Owned & Hired) Liability	\$ 1,000,000	\$ -
Workers Compensation Insurance	\$ 500,000	\$ -
Transportation Coverage	\$ 300,000	\$ 1000

No insurance claims resulting from these risks were filed during the fiscal year by the ESUCC, except for the Nebraska ESU Cooperative Purchasing. Settled claims for the Nebraska ESU Cooperative Purchasing have not exceeded the above coverage in the past three years.

4. **School Retirement**

The ESUCC contracts with ESU 17 to provide all staff for the ESUCC. Thus, all ESUCC project employees and the ESUCC Executive Director are ESU 17 employees. Through an interlocal agreement, the ESUCC agreed to reimburse ESU 17 for all salaries and benefits for these employees. Benefits provided by the ESUCC included retirement benefits, as ESU 17 employees are eligible to be members of the Nebraska School Employees Retirement System. Thus, ESU 17 contributes to the Nebraska School Employees Retirement System on behalf of the ESUCC. The Nebraska School Employees Retirement System is a cost-sharing, multiple-employer defined benefit pension plan administered by the Nebraska Public Employees Retirement System (NPERS). Benefits are based on both service and contributions or salary. The plan has been created in accordance with the Internal Revenue Code, Sections 401(a) and 414(h). Contributions and benefit provisions are established by State law and may only be amended by the State Legislature.

The State's contribution is based on an annual actuarial valuation. The employees' contribution was 9.78% of their compensation, and the ESUCC's contribution was 101% of the employees' contribution for the fiscal year ended August 31, 2013. ESUCC employees contributed \$73,338, and the ESUCC contributed \$74,075, which equals the required contribution.

EDUCATIONAL SERVICE UNIT COORDINATING COUNCIL

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

4. **School Retirement** (Concluded)

NPERS issues a publicly available financial report that includes financial statements and required supplementary information for the Nebraska School Employees Retirement System. That report may be obtained by writing NPERS, 1526 K Street, Suite 400, P.O. Box 94816, Lincoln, NE, 68509-4816.

5. **Lease Commitments**

The ESUCC leases office facilities under operating leases. Operating lease payments for the year ended August 31, 2013, totaled \$25,635. The ESUCC's future minimum lease payments are as follows:

<u>Year</u>	<u>Governmental Activities</u>
2014	\$ 13,831
2015	3,327
Total	<u>\$ 17,158</u>

6. **Reclassification**

The ESUCC records in its general ledger employee salaries and benefits; however, ESUCC staff are ESU 17 employees, as the ESUCC contracts, through an interlocal agreement, with ESU 17 to provide staffing for ESUCC, making all employees of the ESUCC contract employees. To better reflect the nature of these expenditures, the amount of these salaries and benefits of \$792,840 was classified as Purchased Services on the Statement of Revenues, Expenditures, and Changes in Fund Balance.

7. **Cooperative Purchasing Refund of Fees to ESUs**

The ESUCC Board approved refunds of cooperative purchasing fees, and the ESUCC refunded fees in the amount of \$481,206 to ESUs during the fiscal year. These refunds are classified as Nebraska ESU Cooperative Purchasing General Administration Expenditures on the Statement of Activities and as a Miscellaneous Expenditure on the Statement of Revenues, Expenditures, and Changes in Fund Balance.

8. **Prior Period Adjustment**

The beginning fund balance was decreased by \$61,688 to reflect the change in a prior period adjustment in fiscal year 2012. This amount was removed from the financial statements to reflect an amount that was an expense in 2011, not an amount on deposit with ESU 17 for purchased services (payroll).

EDUCATIONAL SERVICE UNIT COORDINATING COUNCIL

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
BUDGET AND ACTUAL
GENERAL FUND

For the Fiscal Year Ended August 31, 2013

	Budget (Original/Final)	Actual	Positive (Negative) Variance with Final Budget
REVENUES:			
Local	\$ 10,064,250	\$ 6,316,063	\$ (3,748,187)
State	565,593	565,593	-
Federal	-	83,482	83,482
Penalties and Fees	-	102,204	102,204
Miscellaneous	-	20,365	20,365
Total Revenues	<u>10,629,843</u>	<u>7,087,707</u>	<u>(3,542,136)</u>
EXPENDITURES:			
Purchased Services	1,207,500	1,218,945	(11,445)
General Administration	449,325	139,296	310,029
Supplies and Equipment	360,750	264,495	96,255
Capital Outlay	-	13,649	(13,649)
Miscellaneous	394,875	689,774	(294,899)
I-Mat	5,000	4,166	834
NOC	26,500	17,426	9,074
SDA	32,800	112,073	(79,273)
SPED	36,000	30,762	5,238
TAG	10,000	3,035	6,965
I-Mat Spring Buy	76,500	69,386	7,114
I-Mat Special Project	81,600	(875)	82,475
Media on Demand	100,000	91,000	9,000
Coop Annual Buy	6,500,000	4,633,913	1,866,087
Coop Special Buy	1,660,000	109,898	1,550,102
Total Expenditures	<u>10,940,850</u>	<u>7,396,943</u>	<u>3,543,907</u>
OTHER FINANCING SOURCES (USES):			
Interfund Transfers	-	-	-
State Appropriations	-	-	-
Total Other Financing Sources (USES)	<u>-</u>	<u>-</u>	<u>-</u>
Excess Revenues Over (Under) Expenditures	(311,007)	(309,236)	1,771
Fund Balance - Beginning	1,960,847	1,948,672	(12,175)
Fund Balance - Ending	<u>\$ 1,649,840</u>	<u>\$ 1,639,436</u>	<u>\$ (10,404)</u>

See Notes to Required Supplementary Information.

EDUCATIONAL SERVICE UNIT COORDINATING COUNCIL

NOTES TO OTHER INFORMATION

1. Budget

Basis of Budgeting – The ESUCC prepares its budget on the modified cash basis, which includes consideration of accounts payable and accounts receivable and is consistent with the financial statement presentation.

Budget Process and Property Taxes – The ESUCC follows these procedures in establishing the budgetary data reflected in the accompanying statements:

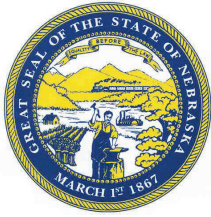
- Public hearings are conducted at public meetings to obtain taxpayer comments.
- Prior to September 20, the budget is legally adopted by the Board through passage of a resolution. Total expenditures may not legally exceed total appropriations. Appropriations lapse at year end, and any revisions require Board approval.

EDUCATIONAL SERVICE UNIT COORDINATING COUNCIL

**COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
GENERAL FUND**

For the Fiscal Year Ended August 31, 2013

	ESUCC Admin and Professional Development Organization	Distance Education Council	Instructional Materials	My E- Learning	Special Education	Nebraska ESU Cooperative Purchasing	Total General Fund
REVENUES:							
Local	\$ 182,817	\$ 5,189	\$ 463,798	\$ 130,419	\$ 371,708	\$ 5,162,132	\$ 6,316,063
State	275,228	290,365	-	-	-	-	\$ 565,593
Federal	38,470	-	-	-	45,012	-	\$ 83,482
Penalties and Fees	-	-	-	-	-	102,204	\$ 102,204
Miscellaneous	20,365	-	-	-	-	-	\$ 20,365
Total Revenues	\$ 516,880	\$ 295,554	\$ 463,798	\$ 130,419	\$ 416,720	\$ 5,264,336	\$ 7,087,707
EXPENDITURES:							
Purchased Services	\$ 165,962	\$ 265,235	\$ 34,542	\$ 122,992	\$ 402,926	\$ 227,288	\$ 1,218,945
General Administration	97,564	2,915	3,015	12,674	6,583	16,545	\$ 139,296
Supplies and Equipment	3,705	267	158	134,809	3,955	121,601	\$ 264,495
Capital Outlay	-	12,995	654	-	-	-	\$ 13,649
Miscellaneous	39,630	5,697	123,880	8,943	8,609	503,015	\$ 689,774
I-Mat	4,166	-	-	-	-	-	\$ 4,166
NOC	17,426	-	-	-	-	-	\$ 17,426
SDA	112,073	-	-	-	-	-	\$ 112,073
SPED	30,762	-	-	-	-	-	\$ 30,762
TAG	3,035	-	-	-	-	-	\$ 3,035
I-Mat Spring Buy	-	-	69,386	-	-	-	\$ 69,386
I-Mat Special Project	-	-	(875)	-	-	-	\$ (875)
Media on Demand	-	-	91,000	-	-	-	\$ 91,000
Coop Annual Buy	-	-	-	-	-	4,633,913	\$ 4,633,913
Coop Special Buy	-	-	-	-	-	109,898	\$ 109,898
Total Disbursements/Expenditures	\$ 474,323	\$ 287,109	\$ 321,760	\$ 279,418	\$ 422,073	\$ 5,612,260	\$ 7,396,943



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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Independent Auditor's Report

Board of Directors
Educational Service Unit Coordinating Council
Lincoln, Nebraska

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, and general fund of Educational Service Unit Coordinating Council, as of and for the year ended August 31, 2013, and the related notes to the financial statements, which collectively comprise Educational Service Unit Coordinating Council's basic financial statements, and have issued our report thereon April 3, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Educational Service Unit Coordinating Council's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Educational Service Unit Coordinating Council's internal control. Accordingly, we do not express an opinion on the effectiveness of the Educational Service Unit Coordinating Council's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Comment Section of this report, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying Comment Section of this report as Comment Number 1 (Organizational Structure and Internal Control Systems) to be material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying Comment Section of this report as Comment Number 2 (Contractual Employees), Comment Number 3 (Expenditures), and Comment Number 4 (Revenues) to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Educational Service Unit Coordinating Council's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.


The Educational Service Unit Coordinating Council's Response to Findings

The Educational Service Unit Coordinating Council's responses to the findings identified in our audit are described in the accompanying Comment Section of this Report. The Educational Service Unit Coordinating Council's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Lincoln, Nebraska
April 3, 2014


Don Dunlap, CPA
Assistant Deputy Auditor



If you had not turned in a Spring Conference evaluation form, please go to the www.nrcsa.net website to download a form, complete it from your perspective, and get it back to us online. It is very helpful to the review process and planning for 2015. Attendees, please take the time to do this! By the way, contact information about Danny Woodhead appearing/speaking is through his agent "Chris Gittings" <chrisg@onewestsports.com>

Be sure to let me know before May 1 if you are interested in an opportunity to be involved in an REL Central (Regional Education Lab – Central Region of NE, KS, CO, WY, ND, and SD) research project toward developing Best Practices for rural schools! The NRCSA Executive committee has spent time with Shelley Billig, REL Central researcher, toward developing a rural set of best practices for Teaching and Learning (curriculum, instruction, assessment, and professional development), District Leadership (instructional leadership, district governance, strategic planning, and performance and accountability), and Organizational Structure and Climate (financial resources, human resources, organizational structure and processes, and organizational culture). So far, there are nine NRCSA superintendents planning to participate. We are looking for a maximum team limit of 15 NRCSA superintendents. So far: Caroline Winchester (Chadron), Jamie Isom (Valentine), Charles Isom (Superior), Trudy Clark (Bruning-Daveenport), Paul Sheffield (Exeter-Milligan), Julie Otero (Centura), Beth Johnson (Conestoga), Keith Leckron (Elkhorn Valley), Brian Redinger (Shelton).

First, I will hold a meeting, hopefully in early June in person or by distance technology, to review progress to date, plan for next steps, and organize to attend discussions with Colorado rural school superintendents at a conference at Breckenridge, CO. The Colorado group will help with expenses, as will NRCSA. REL Central researcher Shelley Billig expects to participate.

Second, attend a Colorado conference on July 21, 2014 at Breckenridge and be part of a larger meeting of superintendents sponsored by the Colorado Department of Education that includes the Colorado Rural Alliance superintendents. The meeting is an afternoon of discussions followed by dinner. This is not a requirement for being on the team.

Third, continue working with your Nebraska team, with the possibility of further joint meetings. Dr. Billig will lead the Breckenridge meeting and direct research work. Your experiences with your own accreditation, planning, leadership, teaching, etc. are the exact background needed to make this successful.

Fourth, the end product will be a research-based best practices set of standards for rural schools to use, with a primary goal of identifying school districts that exemplify narrowing any achievement gaps among students. The Executive Committee has already identified data sources for Dr. Billig to identify districts that exhibit current successful attributes toward this goal. Those districts would be invited to become a part of the study.

Are you interested in being part of this research leadership team? I would like to assemble this team of ten to fifteen superintendents before May 1. Every NRCSA school district member superintendent is eligible. I hope you will consider this invitation as an opportunity! Former NDE Commissioner Dr. Breed recommended NRCSA since this was focused on rural education. Let me know if you are interested, questions are welcome.



LB 682 (Scheer) There will be an Interim Study on this topic. You may have received a questionnaire from Senator Scheer about distance education in your school district. This will take time, but you need to complete the questionnaire with everything distance education currently and being planned in your district. Be complete with what you are offering, what is being taken, your technology capabilities, why you choose what you choose, etc. One question that has been brought up to me is about AP Courses. If you would rather use dual credit and college credit instead of AP courses, explain why and be clear. The same is true across the survey. Think of this as a high stakes study to look at curriculum opportunities in rural schools. Although NRCSA did not support this LB 682, NRCSA supports the interim study as further opportunity to demonstrate the strength of rural education toward explaining current and future opportunities without unfunded mandates.

LB 1103 (Sullivan) Another interim study/review that authorizes the Education Committee to conduct a strategic planning process to create a coordinated statewide education plan. This planning and review process can take on many different issues but will NOT focus on changing the state-aid formula in the first phase. Senator Sullivan will let everyone know how the study will proceed. NRCSA supported this bill. Governor Heineman has signed this bill.

LB 967 (Sullivan) makes changes to the state-aid formula that will take effect for 2015/16 and 2016-17, a 50% reduction in Teacher Education Allowance/aid and Instructional Allowance/aid before full elimination of both. There are several items related to the Education Innovation Fund for 2014-15 and 2015-16, including \$2 million (half each year) in reorganization support funds; sets \$2 million, then \$2.5 million for distance education equipment and incentives; as well as additional provisions from LB 842 (Davis), LB 835 (Avery), LB 754 (Smith), LB 984 (Sullivan), LB 1069 (Sullivan), LB 958 (Cook), LB 125 (Haar). NRCSA supported this amended bill. The Governor has signed this amended bill.

LB 946 (Murante) was amended to include **LB 726 (Scheer)** which allows Class II and Class III school districts to change the number of school board members and outlines their election procedures. NRCSA supported LB 726. The governor has signed the bill.

LB 276 (Nordquist/Kolowski) appears to increase the Medicaid Reimbursement funds back to Nebraska school districts, but also requires all districts to participate. One note, the funds back to non-equalized districts would not be an accountable receipt. Refer to the NCSA Legislative update. This is not about Medicaid administrative cost claiming.

LB 907 (Ashford, Avery) delays disclosure by applicants until after applicants have been judged as qualified for the positions they are seeking. This means employers cannot ask the “have you ever been” questions until a second round, requiring a second contact. Senator Scheer and both sponsors are considering an amendment to exclude sex offender questions from this delay. An attempt by education associations to exclude public schools completely does not appear acceptable.

Interim Studies to watch will be included after the session sine die April 17.



Some ballot notes: If Stephen Grizzle is elected President-elect, we need to replace him on the Legislative Committee for his remaining two years. If Greg Sjuts is elected as President-elect, we need to appoint a replacement as Northeast District Representative to the Executive Committee for his remaining two years. Dennis Shipp has no opposition for South Central District Representative to the Executive Committee, and has completed his service on the S & R Committee. Ballots are being returned.

In the Legislative Committee, Co-chairs Dan Bird and Randy Page can be re-appointed as co-chairs only, as there is no limit on terms of co-chairs. Committee members that can be re-appointed to a second term are Bill McCallister (NC) and John Poppert (NC). Ex-officio member Jim Havelka can be re-appointed as ex-officio. Member Stephen Grizzle (SE) will need to be replaced if he is elected to the President cycle. The member that cannot be re-appointed, having served two three-year terms, is Marge Beatty (ESU at-large).

In the Scholarship & Recognition Committee, co-chairs Jack Moles and Clint Kimbrough will make recommendations for new members.

Whenever you become interested in being appointed to the Legislative or Scholarship & Recognition committees, let the co-chairs or myself know well in advance of any June summer meeting.

The NRCSA Superintendent Search consultants have completed their work with Newman Grove and Winside. Do you know of other superintendent vacancies? Let us know. We will take it from there. **Think of NRCSA Superintendent Search!**

Check the National Rural Education Association (NREA) www.nrea.net and take a look at what is going on. In the future, I will include some concerns about NREA programs and federal activity regarding e-rate, REAP, Title I, vouchers, competitive grants, etc. in the Update. For \$75, you can be a 12-month NREA member.

We are also working on a survey to send to members and non-members in our size range regarding our events, activities, advocacy, communication, programs, and awards and scholarships. Our intent is to gather information for our June Executive Committee discussions and planning. Please respond when it comes to you.

And for all of you golfers, don't forget to begin assembling a four-person team for the July 29, 2014 NRCSA Golf Tournament at Meadowlark Hills in Kearney. More information coming!

**2014-15 Master Services Agreement Between the
Educational Service Unit Coordinating Council and
Educational Service Unit ___**

THIS MASTER SERVICES AGREEMENT (“Agreement”) is entered into this ____ day of _____, 2014 (“effective date”) by and between THE EDUCATIONAL SERVICE UNIT COORDINATING COUNCIL, a political subdivision of the State of Nebraska, hereinafter referred to as “the Council” or “the ESUCC,” and EDUCATIONAL SERVICE UNIT NO. ____, a political subdivision of the State of Nebraska referred to as “the ESU.”

Recitals

Whereas, ESUCC is charged by NEB. REV. STAT. § 79-1245 with the administration of statewide education initiatives and provision of statewide education services;

Whereas, the ESU wishes to receive certain services and participate in certain Projects that are conducted by the ESUCC; and

Whereas, the ESU wishes to have certain services and initiatives made available to its member school districts.

Now, therefore, the ESUCC and the ESU agree as follows:

I General Provisions

1 Purpose. The purpose of this Agreement is to establish the general terms and conditions applicable to the education initiatives, services and projects (collectively “Projects”) which ESUCC supplies to the ESU for the 2014-15 school year. This Agreement is intended to serve as a framework for the provision of services under one or more of the ESUCC’s Projects.

2 Participation in Individual Projects. This Agreement outlines several Projects, which ESUCC has undertaken for the statewide benefit of Nebraska educational service units and their member school districts. The ESU may choose to participate in some, but not all of the Projects referenced by this Agreement. The ESU shall indicate its intention to participate in a particular Project by marking, where indicated, each Project in which it wishes to participate or make available to its member school districts. ESUCC is only obligated to provide services to the ESU for the Projects, which the ESU has marked as provided herein.

3 Term. The term of this Agreement shall be one (1) year, commencing on August 1, 2014 and ending on July 31, 2015.

4 Provision of Services by ESUCC's Agents. The ESUCC may contract with third parties to provide some or all of the services described in this Agreement. The ESU hereby expressly agrees to the provision of those services by said third-party agents and agrees to cooperate with all agents of ESUCC in the implementation of such Projects including, but not limited to, invoicing, payment and administration necessary for the delivery of Project services in the name of ESUCC.

5 Compliance with State Law. Each Party will comply with applicable laws in its performance hereunder and will advise the other of changes in laws that concern the conduct of the Projects and services contemplated by this Agreement. Each Party shall obtain and maintain all approvals required to perform its obligations under this Agreement.

6 Right to Make Changes. ESUCC reserves the right in its sole discretion, to make changes to the operation of each of the individual Projects referred to herein, including, but not limited to, an increase in the fees charged for particular Projects, if the ESUCC determines that such fee increase is necessary for the continued operation of the particular Project, provided, however, that no such change shall have a material adverse impact on the ESU.

7 New Projects. In the event ESUCC determines to offer a new Project during the term of this Agreement and the ESU wishes to participate in said new Project, the parties may describe the new Project in writing and incorporate that writing as a formal addendum to this Agreement.

8 Amendments in Writing. Notwithstanding any provision of this Agreement to the contrary, any amendment to this Agreement must be in writing and signed by an authorized representative of each Party. No oral understanding or agreement not incorporated in this Agreement is binding on any of the Parties.

9 Indemnification. Each Party shall indemnify, defend and hold the other and its officers, members, employees and agents, harmless from any and all claims, causes of action, fines, penalties, damages, liabilities, judgments and expenses (including reasonable legal and other professional fees) incurred in connection with or arising from (1) the operation of any of the Projects referred to herein, (2) any violation or failure to comply with any federal, state or local law, ordinance or

regulation by one of the parties, its employees or other agents or (3) any breach, violation or nonperformance of any provision of this Agreement.

10 Assignment. The ESU shall not assign any right or delegate any obligation arising hereunder without the prior written consent of ESUCC. This provision does not prevent the ESU from allowing its member school districts to participate in some or all of the Projects described herein.

11 Third Party Beneficiaries. This Agreement shall be binding upon and inure solely to the benefit of and be enforceable by each Party hereto and their respective successors and permitted assigns. Nothing in this Agreement, express or implied, is intended to or shall confer upon any third party any right, benefit or remedy of any nature whatsoever under or by reason of this Agreement

12 Entire Agreement. This Agreement supersedes and replaces all prior agreements or understandings and constitutes the entire agreement between the Parties concerning the subject matter hereof; there are no other agreements, understandings, or representations, whether written or oral, between the ESU and ESUCC concerning the subject matter addressed herein.

13 Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of Nebraska

II Professional Development Projects

1 Purpose of Professional Development Projects. One of the core services provided to school districts is professional development of their staff.

2 Professional Development Advisory Committee. The ESUCC shall appoint educators and other experts to a Professional Development Advisory Committee. The initial committee shall consist of up to 20 members who possess expertise in professional development and specific curriculum areas. The Professional Development Advisory Committee shall provide the ESUCC's Executive Director with suggestions and input on technical and other matters related to professional development and specific special projects involving educators' professional development, within the State of Nebraska. The ESUCC Executive Director may also form ad hoc committees from time to time to address matters relevant to the various Professional Development Initiatives.

3 Annual Professional Development Program. The ESUCC will develop an annual program of professional development offerings that will assist the ESU and its member districts in providing professional development to educators state-wide. The ESUCC will assist the ESU in meeting its obligations pursuant to Rule 84 of the Nebraska Department of Education in collaborating to create opportunities for educational training and staff development for the staff of educational service units, the Nebraska Department of Education, and school districts statewide.

4 ESUPDO Project. The ESU Professional Development Organization serves as a collaborative effort to provide statewide training for all ESU employees. The ESUPDO Project consists of five (5) affiliate groups comprised of ESU employees across the seventeen ESU's. These groups are:

- a Staff Development Affiliate (SDA): Members are generally responsible for providing staff development to their school districts and have assisted the Nebraska Department of Education efforts on statewide and local assessment as well as school improvement.
- b Technology Assistance Group (TAG): Members provide assistance to school districts in the dissemination and integration of new educational technologies deployed by school districts
- c Network Operations Committee (NOC): NOC supports the extensive communications network within and among the ESU's and school districts. NOC provides network security and protocols for their districts and ESU's and ensures the communications network for distance education, internet, email, and phones are functioning and secure.
- d Instructional Materials Affiliate (I-Mat): I-Mat consists of media professionals from across the state. It serves the dual role of providing for and assisting school districts make use of statewide I-mat media as well as the integration of media materials in school districts.
- e ESU Special Populations Directors (ESPD): This group consists of Special Education Directors and staff from across the state. This group was included in the ESUPDO as the need for special education professional development grew in the age of standards and assessment, and the need to develop and

share professional development efforts for special education teachers and classroom teachers alike arose. ESPD is involved with the Nebraska Department of Education in providing leadership for special education training and support as well as programs such as Response To Intervention (RTI).

- f ESUPDO Fees. Each ESU that participates in the ESUPDO Project will contribute **\$4,500** to partially fund the activities of the Professional Development Annual Program.

5 Professional Development Special Projects. The ESUCC may also facilitate special projects, organize and facilitate programs, or serve as a fiscal agent for activities to enhance professional development opportunities. These special projects may include but are not limited to special education grant programs, math grant professional development programs, NDE career education grant programs, and other grant or collaborative efforts that enhance statewide professional development.

6 Fees for Participation in Specific Professional Development Activities. Professional Development activities may include a registration, material, and other fees. Such fees will be set at no more than \$20 per person per day. Material and other fees will be actually incurred costs beyond normal registration. Any fees billed through an agent of ESUCC must identify the specific core activity provided on behalf of the ESUCC and be appropriately allocated by such agent in accordance with agreed upon billing practices. ESUCC will provide to each ESU that participates in the Professional Development Project invoices that detail the expenditures for each event or meeting. Participation fees shall be billed annually by ESUCC at the conclusion of the 2014-15 academic year.

7 Northwest Evaluation Association Certified Trainer Consortium Project (NWEA Consortium Project)

- a Purpose of the NWEA Consortium Project. The ESUCC is facilitating a Northwest Evaluation Association Certified Trainer Consortium. Participation in the NWEA Consortium includes the opportunity to train ESU staff or sponsor the training of school district staff or local consultants.
- b Term of Consortium Participation. Participating ESUs must commit to a three year term, beginning with the 2012-13 year and for each of the two subsequent school years.

- c Annual Fees. The annual fee will be \$3,200 per ESU for the 2014-15 and 2014-15 years. Training fees are \$5000 per person for two trainings to be conducted between June, 2012 and September, 2014.
- d Training Fees. In addition to the annual fee set out above, NWEA will charge \$2,500 per person per training session pursuant to the terms of the NWEA agreement referenced in paragraph (f) below.
- e Additional Fees. Additional fees, if any, will be charged based on additional services requested by participating ESUs.
- f Agreement with NWEA. In addition to being bound by this agreement, each participating ESU agrees to comply with and be fully bound by any additional agreements between ESUCC and NWEA.

The ESU wishes to participate in the 2014-15 NWEA Certified Trainer Consortium.

III BlendEd Initiative and Projects: Encompassing Distance Education, Instructional Materials, and Learning Management Systems (my eLearning/ANGEL) Projects

1 Purpose of BlendEd Initiative and Projects. The ESUCC shall provide distance education services including brokering and facilitating the exchange of distance education courses, the administration of learning management systems, and the assessment of distance education needs and evaluation of distance education services as provided for in NEB. REV. STAT. § 79-1248 and other state statutes and regulations. Additionally, the ESUCC is charged with the administration of statewide initiatives and provision of statewide services among other duties in NEB. REV. STAT. § 79-1246. The ESUCC also has managed statewide services in “core services” as that term is defined in statute, including instructional materials services. The purpose of the BlendEd Initiative is to assure cost-efficient and equitable delivery of digital education opportunities in partnership with educational service units, school districts, and other potential partners. The BlendEd Initiative will unify ESUCC projects and seeks to collaborate to provide students and school districts across the state with access to a mix of different learning environments to best support the combination of traditional face-to-face classroom methods with more technology-mediated activities.

2 BlendEd Advisory Committee. The ESUCC shall appoint educators and other experts to a BlendEd Advisory Committee. The initial committee shall consist of up to 20 members representing distance education, instructional materials, learning management systems, and general knowledge about professional development relevant to the initiative. The Advisory Committee shall provide the ESUCC's Executive Director and Distance Education Director with suggestions and input on technical and other matters related to distance education, learning management systems, or instructional materials, within the State of Nebraska. The ESUCC Executive Director and Distance Education Director may also form ad hoc committees from time to time to address matters relevant to the BlendEd Initiative.

3 Conditions of Participation.

- a Intellectual Property. The ESU and each of its participating school districts agrees to comply with all relevant laws governing copyright and other intellectual property. The ESU agrees to hold ESUCC harmless for any violation of this provision by the ESU or one of its member school districts.
- b No Assignment. No Party shall assign any of its rights or obligations under this Project without the prior written consent of the ESUCC's Executive Director or the ESUCC board.

4 Projects and Services. The BlendEd Initiative will strive to create an integrated approach for both instructors and learners. ESUs may choose to participate in all or none of the projects and services and many of the services are made available to school districts directly. The BlendEd Initiative will also seek to organize professional development through existing ESUPDO and other ESU staff as appropriate.

The ESU wishes to participate in BlendEd (*Specific participation may be indicated below*)

5 Distance Education ~~Scheduling &~~ Brokering. The ESUCC will provide the NVIS course clearinghouse for use in finding and exchanging distance education courses between participating ESUs and school districts.

- a ~~BlendEd will schedule and broker statewide distance education course offerings using the Renovo software.~~

~~b Fees: Beginning in 2014-15, the hosting fees previously charged to participating ESUs will be absorbed as part of the ESUCC Distance Education Budget.~~

c Additional Fees: If additional fees for distance education scheduling or brokering become necessary, they will be approved by the ESUCC with at least one month's prior notice to participating ESUs.

☐ The ESU wishes to participate in Distance Education

6 Learning Management System (LMS) Administration (ANGEL/Blackboard and parallel services; Formerly myElearning).

a BlendEd provides hosting and paralleled services for learning management systems including but not limited to ANGEL and Blackboard.

b Fees: Each ESU will determine whether the ESU contracts with the ESUCC for individual services under the BlendEd initiative or whether the ESU's participating member school districts will contract directly with the ESUCC.

c Additional Fees: If additional fees for LMS become necessary, they will be approved by the ESUCC with at least one month's prior notice to participants.

☐ The ESU wishes to participate in Learning Management System Administration (ANGEL/Blackboard and parallel services)

7 Instructional Materials. The Instructional Materials portion of the BlendEd Project consists of four separate initiatives. ESUs that participate in the BlendEd Project may participate in none, some or all of the Instructional Materials initiatives. All participating ESUs will pay a fee of **\$3,500** for project administration.

a. Media on Demand Subscription Service: Currently Learn360. This is a statewide digital media subscription service. Participating ESUs will be charged a fee based on the actual contract cost. Each ESU will pay a fee based on a schedule equivalent to fifty percent of the Learn360 contract divided equally among the participating ESUs and the remainder fifty percent of the contract divided based on participating public

school enrollment. The media on Demand/Learn360 may be made available to school districts in non-participating ESUs. The ESUCC will establish fees and invoice any such participating districts in coordination with the non-participating ESU. The ESUCC will provide an estimate for budget purposes for each participating ESU. Invoices will be sent in April, 2015 for the 2015-16 subscription.

The ESU wishes to participate in Media on Demand/Learn360

- b. Learning Object Repository (LOR): Through this service, ESUCC will coordinate a digital library that will enable educators from within participating ESUS to share, manage and use educational resources with a common metadata standard. The ESUCC's learning object repository will also include access to previous media acquisitions (Nebraska Titles), subscription media, National Repository of Online Courses, and other content as it becomes available. Fees for hardware updates, training, software licensing, and other associated project costs will be based on the vendor-provided schedule of fees. The base amount for ongoing licensing & support of the LOR is **\$_____ per ESU plus \$50 per participating school site**. Participating ESUs will be invoiced for their share of the costs as they occur.

The ESU wishes to participate in Learning Object Repository

- c. Instructional Materials - Media Acquisition. Working in conjunction with ESU staff (Instructional Materials Affiliate), this project will identify media titles or other instructional materials to complement the existing Nebraska Titles collection (also known as the "Spring Buy" process). Fee for Media Acquisitions is \$5,000. Fees will not exceed this amount and will be based on actual costs incurred.

The ESU wishes to participate in I-Mat Media Acquisition

- d. Instructional Materials - Special Projects. Special projects funds will help enhance content for the LOR including but not limited to videos, e-books, course content, learning objects,

and professional development content. Working in conjunction with ESU staff (Instructional Materials Affiliate), this project will identify media titles or other instructional materials to complement the existing content of the Learning Object Repository. It is recommended that all ESUs participating in the Learning Object Repository elect to participate in Special Projects. Fee for Special Projects is \$4,500. Fees will not exceed this amount and will be based on actual costs incurred.

The ESU wishes to participate in I-Mat Special Projects

- 8 Federated Identity and Access Management: Through this service ESUCC will provide a framework for authentication into digital services.

Additional Fees/Costs (if any): The ESUCC and participating ESUs may amend this agreement to expand services based on planning efforts for content hosting, identity management infrastructure and related services. Any such fees/costs will be presented by the ESUCC Technology Committee as part of plans for approval by the ESUCC board.

The ESU wishes to participate in LDAP Planning

IV Cooperative Purchasing Project

1 Purpose of Cooperative Purchasing. The Cooperative Purchasing Project aggregates demand for certain items commonly purchased by school districts to get lower prices from selected suppliers.

2 Duties of ESUCC. In connection with the Cooperative Purchasing Program, the ESUCC shall:

- a Combine statewide data relevant to cooperative purchasing in order to promulgate a valid basis upon which to solicit bids.
- b Coordinate activities which are commensurate with updating and perpetuating proper specifications inherent within the bidding process.

- c Prepare official bid documents and invite suppliers to bid via Internet, in connection with supplies to be purchased by ESUCC.
- d Prepare and cause to be published the official legal notices of the bid opening in connection with supplies to be purchased by ESUCC.
- e Conduct the public bid opening and resulting bid reviews in accordance with applicable Nebraska statutory “public lettings” provisions, if any, or ESUCC policy and practice, and be responsible for selecting bids based upon such provisions.
- f Compile price lists and order sheets for each participating educational service unit and make such order lists and price sheets available through the Nebraska ESU Cooperative Purchasing Web Site.
- ~~g Provide technical support for ESUs and school districts in placing orders with suppliers through the Web Site. Merchandise will be shipped as directed by the participating ESU or school district.~~
- ~~h Through the Web Site, provide participating ESUs and school districts the capabilities to track items ordered, confirm receipt, check invoices and detect and report shortages.~~
- ~~i Invoice each educational service unit for the merchandise received.~~
- ~~j Check invoices against orders and pay all outstanding bills.~~
- k Assist any participating educational service unit with problems related to the processing and delivery of orders from the suppliers.
- l Participate in an annual audit of cooperative purchasing accounts and records conducted by a Certified Public Accountant.

~~3 Invoicing and Payment for Annual and Paper Buy. The ESU shall remit payments for merchandise ordered through the Cooperative Purchasing Project to ESUCC's Coop according to the following schedule:~~

a ~~50% of the total cost of merchandise purchased in the annual buy shall be paid on or before August 1 with the remaining 50% paid on or before September 15.~~

b ~~The cost of all merchandise received after August 1 shall be paid within 45 days from the date the merchandise is received.~~

c ~~Payment for the paper buy shall be paid by June 1.~~

d ~~The ESU also agrees to pay ESUCC a 1.5% per-month penalty on all amounts not paid according to the above schedule.~~

4 Administrative Fee. ESUCC will charge a **4%** administrative fee on all items purchased through the annual and paper buy of the Cooperative Purchasing Project.

5 Reimbursement of Certain Administrative Costs. ~~ESUCC will reimburse each participating ESU for certain unit-based administrative costs based on a formula to be determined by the ESUCC during the 2014-15 school year.~~

The ESU wishes to participate in Coop Purchasing.

V Special Education Project

1 Description of Components of Project:

a Student Records System (SRS): SRS is an online special education record keeping system. It creates all special education documents required by Rule 51, including IEP, MDT, IFSP and all required notices. The SRS is a highly secured system that organizes and stores documents and provides easy access to files from anywhere via the internet. SRS training is provided across the state for district staff and college and university staff.

b Improving Learning for Children with Disabilities (ILCD): ILCD is a state self-assessment project that gathers information for federal reporting requirements. The ILCD Project utilizes parent, teacher and administration survey assessments. The survey results can be accessed via the ILCD Website. The ESU's technology role includes purchasing, distributing and

scanning surveys. ESU staff offer technical assistance for the ILCD website and survey design.

- c Project PARA: Project PARA is a web-based method for school districts to provide introductory training for their paraeducators. The Project assists schools in meeting the paraeducator training requirements of No Child Left Behind, Rule 11 and IDEA. Project PARA is a collaborative effort between the University of Nebraska, the Nebraska Department of Education and Nebraska educational service units.

2 Fees. Each participating ESU will pay a fee of \$5,000 to fund the Special Education Project.

3 Additional SRS Fee. School Districts that are members of one of the participating Parties to the SPED SRS Project must pay an additional fee to receive access to SRS. Fees will be assessed in accordance with the following table:

*Tier	(School Membership)	2014-2015 Rate
3	50 - 99 students	\$
4	100 - 249 students	\$
5	250 – 499 students	\$
6	500 – 999 students	\$
7	1,000 – 1,999 students	\$
8	2,000 – 3,999 students	\$
9	4,000 – 17,999 students	\$
10	>18,000 students	\$

The ESU wishes to participate in the Special Education Project.

[THE NEXT PAGE IS THE SIGNATURE PAGE]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized officers.

FOR EDUCATIONAL SERVICE UNIT # ____:

I certify that I have checked the relevant boxes above indicate the Projects in which the Service Unit wishes to participate.

OR

I certify that the Service Unit Wishes to Participate in ALL of the above projects.

(signature)

(printed name)

Administrator, Educational Service Unit No. ____

FOR THE EDUCATIONAL SERVICE COORDINATING COUNCIL:

(signature)

David Ludwig, Executive Director

ESUPDO Budget Requests 2014-15

	ESU-Funded Expenses	Self-Supporting Expenses
General ESUPDO Expenses		
Salaries		
Benefits		
Postage	\$250.00	
Supplies	\$500.00	
Legal Fees	\$1,000.00	
Travel Rembursements	\$1,000.00	
Collaborative Training (PDO event	\$9,000.00	
Contracted Services	\$4,000.00	
IMAT Leadership Meetings		
IMAT Media Nebraska	\$3,500.00	
IMAT Training	\$1,250.00	
NOC O'Reilly Bookshelf	\$5,100.00	
NOC Business Meeting		
NOC Network Security / Admin	\$21,000.00	
SDA Strategist Meetings	\$500.00	
SDA Meetings		
SDA Training	\$17,500.00	

ESPD Bus Meeting / Training		
ESPD IEP Training		\$12,500.00
TAG 21st Century Skills Training		
	\$3,500.00	
TAG Internet Safety	\$2,000.00	
TAG Business Meetings		
BlendEd Printing & Supplies	\$300.00	
BlendEd AV Materials (resources)	\$750.00	
BlendEd Travel & Conferences	\$6,000.00	
NWEA Fees		\$104,000.00
NWEA Training		\$150,000.00
Crisis Prevention - Training		\$40,000.00
	\$77,150.00	\$306,500.00
	\$4,538.24	

;

**Per-Attendee Expenses
(\$20/registration)**

50% of Deb's pay was to come out of PDO

nametags and stuff for meetings
contract review
Deb Travel to PDO

\$3,500.00

ESUPDO website

\$1,000.00 food for meetings
ANGEL Licenses for Media NE
TAG/IMAT Copyright training

\$1,500.00 Safari Books Online
food/meetings
up to \$3000/7 trainings

\$1,500.00 meals and two book studies

\$3,300.00 meals
Rigorous Curriculum for 60 participants

\$2,200.00 meal

\$2,337.50 meals and room fee

\$1,000.00 food 3 meetings
NDE grant via ESU 16

\$1,400.00 Google Certification Training - 2days/\$700/food

\$1,500.00 BlendEd training - Feb

This amount will cover mileage for student winners' trip to Lincoln and as well as incic

\$1,500.00 3 meetings @ \$500/food

Addressed in the MSA NWEA section

\$20,737.50 Total

\$1,219.85 Per ESU

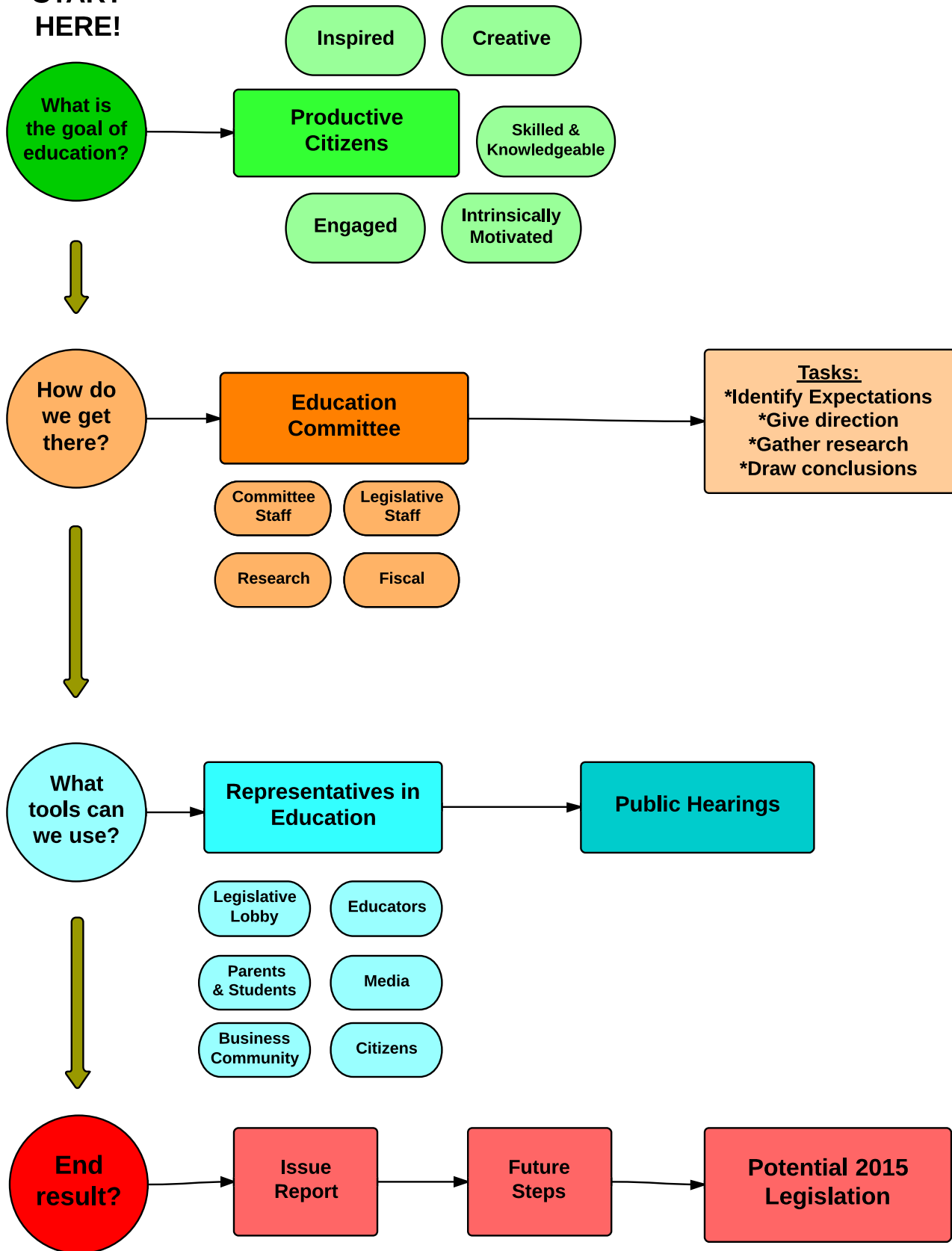
idental expenses with the Digital Citizenship Symposium

Nebraska Vision for Education Roadmap

Third Draft for Education Committee - April 9, 2014

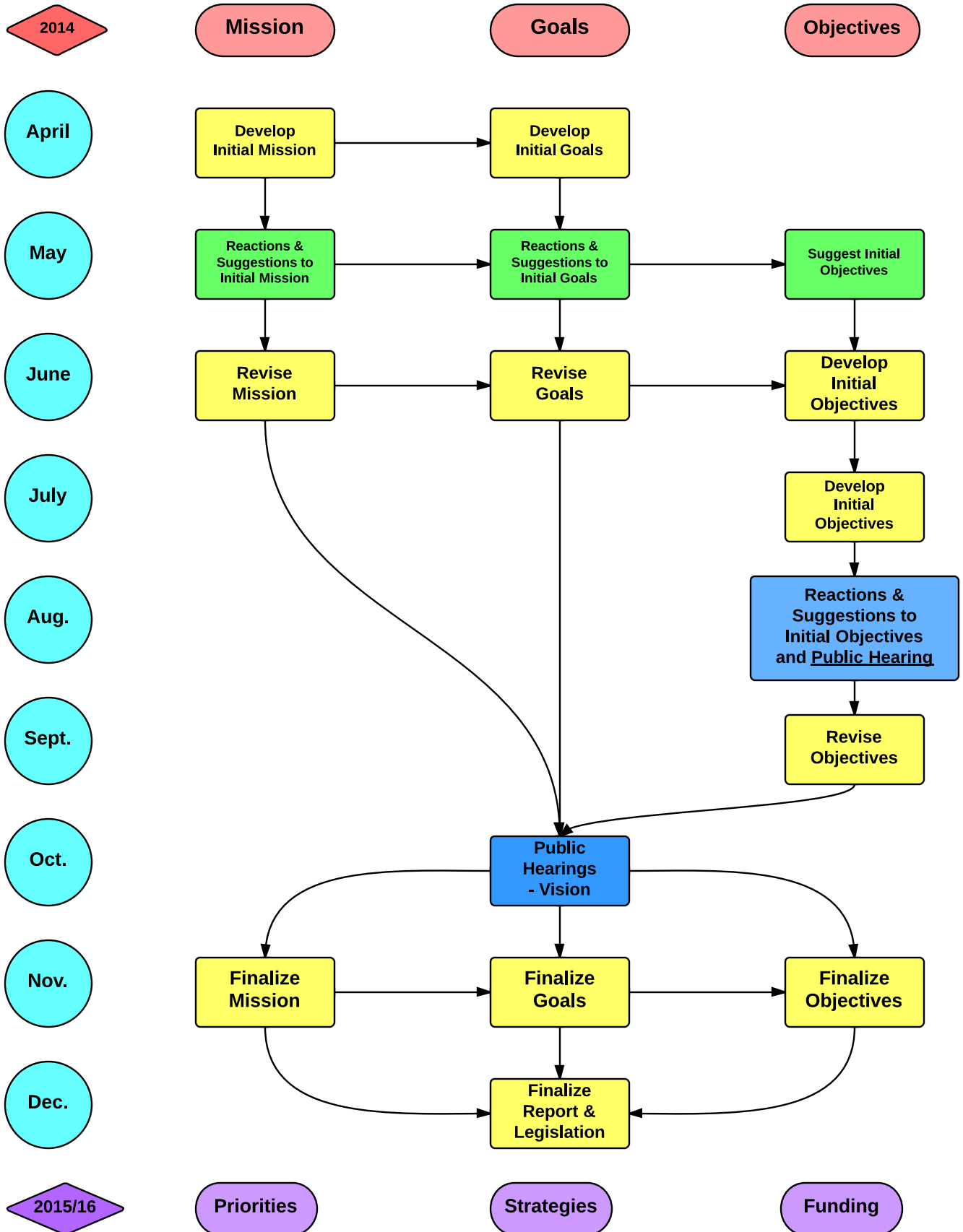
Nebraska Legislature

**START
HERE!**

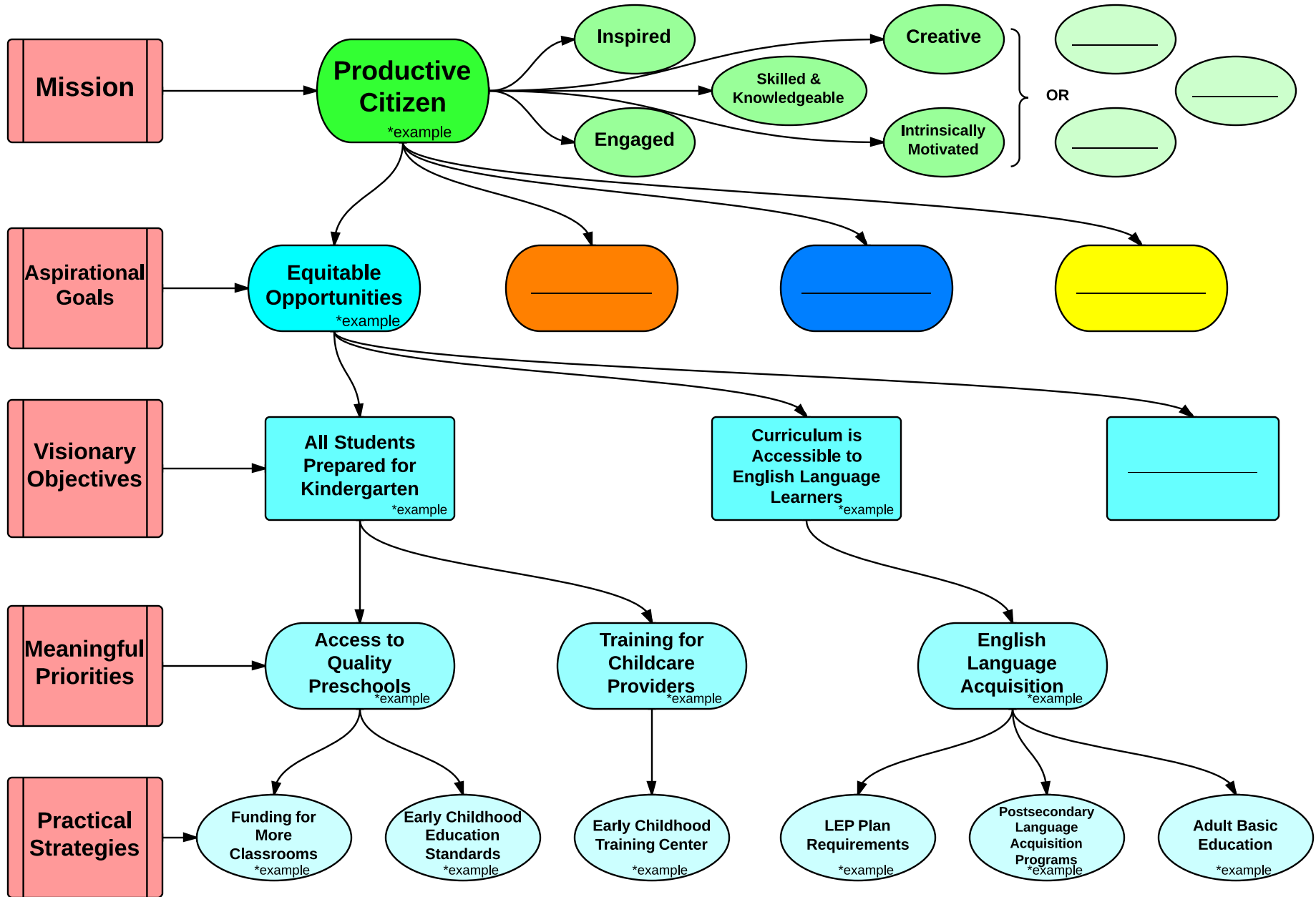


Initial Timeline for Education Committee

KEY: = Committee = Community = Committee & Community



Nebraska Vision for Education Roadmap
 -Example of a Goal through the process-



Nebraska Department of Education
 School Finance & Organization Services
 2014/15 ESU Core Services & Technology Infrastructure Certification
 Local Effort Rate is .0135

Service Unit	Distance Education Telecommunication Allowance	Base Allocation	ESU Satellite Allocation	Student Allocation	Formula Need (Base Revenue Need)	Stabilized Formula Need (Base Revenue Need)	Yield from Local Effort	Calculated Aid
ESU 01	23,697.15	337,154.20	0.00	1,128,771.08	1,489,622.43	1,489,622.43	1,060,426.53	429,195.90
ESU 02	0.00	337,154.20	0.00	1,231,023.03	1,568,177.23	1,568,177.23	1,308,748.27	259,428.96
ESU 03	17,050.01 + 17,050	337,154.20	0.00	6,916,917.68	7,271,121.89	7,271,121.89	4,190,632.10	3,080,489.79
ESU 04	0.00	337,154.20	0.00	626,398.02	963,552.22	963,552.22	709,705.43	253,846.79
ESU 05	10,497.50	337,154.20	0.00	551,539.75	899,191.45	899,191.45	724,074.05	175,117.40
ESU 06	404,553.92 + 396,532	337,154.20	0.00	1,294,601.48	2,036,309.60	2,036,309.60	1,464,122.10	572,187.50
ESU 07	13,674.85 - 31,372	337,154.20	0.00	1,223,685.70	1,574,514.75	1,574,514.75	1,717,674.20	572,187.50 + 276,078
ESU 08	0.00 + 1,233	337,154.20	134,861.68	1,083,509.46	1,555,525.34	1,555,525.34	1,334,561.41	220,963.93
ESU 09	21,289.95	337,154.20	0.00	965,347.31	1,323,791.46	1,323,791.46	1,079,410.18	244,381.28
ESU 10	102,249.89	337,154.20	134,861.68	3,001,798.90	3,576,064.67	3,576,064.67	2,164,358.30	1,411,706.37
ESU 11	53,403.50 + 53,403	337,154.20	0.00	535,612.92	926,170.62	926,170.62	764,123.03	162,047.59
ESU 13	80,962.39	337,154.20	269,723.36	1,584,719.74	2,272,559.69	2,272,559.69	1,209,490.53	1,068,069.16
ESU 15	22,658.45	337,154.20	0.00	419,024.02	778,836.67	778,836.67	526,597.93	252,238.74
ESU 16	0.00	337,154.20	134,861.68	925,168.11	1,397,183.99	1,397,183.99	925,270.85	471,913.14
ESU 17	24,995.77	337,154.20	134,861.68	226,501.35	723,513.00	723,513.00	294,861.34	428,651.66
ESU 18	708.66	337,154.20	0.00	3,595,780.05	3,933,642.91	3,933,642.91	2,316,180.86	1,617,462.05
ESU 19	3,352.17 + 3,352	337,154.20	0.00	4,287,217.54	4,627,723.91	4,627,723.91	2,324,492.89	2,303,231.02
LEARNING COMMUNITY	0.00	0.00	0.00	1,192,454.48	1,192,454.48	1,192,454.48	652,217.79	540,236.69

Distributed to ESUs 13,486,167.97
 2% ESU Coordinating Council Distribution 275,228.03
 Total to be Distributed 13,761,396.00

**ESUCC/NDE Joint Meeting
April 3, 2014**

ESTABLISH a Direction/Vision that will guide the work of ESUPDO

QUESTION from Affiliates – Do you know what we are doing, the purpose, our outcomes?

REQUEST from Affiliates – Provide us a clear direction/vision of where we are headed with the three statewide initiatives.

- Blended
- Use of DATA—SLDS
- Teacher/Principal Evaluation

CHARGE for the DAY: Create a mental picture of a specific target that provides a clear direction for improving conditions, across the state, to support learning. (Advanced Standard 1, Indicator 1.3)

First, DREAM BIG:

What does the NE system of support look like in 5 years?

- Consistency of message, delivery, services, and opportunities
- Visible learning – success for all
- Common understanding
- A coordinated system of support, including ESU, NDE, Governor’s Office, school systems, legislature, State Board, etc (aligned, understanding, and supportive)
- Schools see the ESUs, NDE and school districts as partners
- Customizable education within a Framework
- Intentional direction
- Integration, Collaboration, and Coordination
- Unified leadership that provides equitable access for personalized learning
- Systemic approach to work as a whole – ESU supporting ESU, collaboration, shared services

What must we invest in?

- A seamless evaluative system that compliments continuous improvement
- Common language on all educational initiatives
- Technology supportive of the initiatives
- Infrastructure to handle all needs, bandwidth, internet access
- Building capacity for coaching
- Building Relationships
- Equitable access to resources
- Fidelity of instruction
- One voice with all stakeholders

The Vision – The Direction so the Dream Becomes Reality

- ❖ A data-driven system focused on student learning outcomes, executing purposeful communication, collaboration, and cooperation -- “One state, one system, one direction.”
- ❖ Unified service and leadership for personalized learning.
- ❖ Educate Nebraskans, border to border, through effective and efficient systems of support, ensuring economic viability and prosperity for our state. “Educating Nebraskans anytime, anywhere, anyway.”
- ❖ Build the capacity that allows the learner to control their destiny.
- ❖ Empower the 21st Century Learner with teachers, administrators, and students who are technology literate, supported by strong infrastructure, and resources for improving learning and equitable access.

Today’s Question -- Do any of the above vision statements provide a clear direction/vision of where the ESUs are headed with the three statewide initiatives.

- Blended
- Use of DATA—SLDS
- Teacher/Principal Evaluation

DRAFT