Impacts of Nebraska Legislative Policies on Selected Small Nebraska School Districts

Curtis Cogswell
Seton Hall University

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Impacts of Nebraska Legislative Policies on Selected Small Nebraska School Districts

By

Curtis Cogswell

Dissertation Committee

Elaine Walker, Ph.D., Mentor
Daniel Gutmore, Ph.D.
Thomas Sharp, Ph.D.
Fred Hardin, Ed.D.

Submitted in a Partial Fulfillment
Of the Requirements for the Degree
Doctor of Education
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DEDICATION

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Abstract

The 1997 Nebraska Legislature enacted Bill 806 to promote school consolidation, which legislators believed would lead schools to become more cost-efficient and provide a significantly larger curriculum. This legislative action begged the question: Has the move to consolidate schools made Nebraska schools more efficient while providing greater educational opportunities as promoted in the policy of LB 806?

In this mixed-method study, the researcher investigated the impact of Nebraska legislative policies on small rural school districts in Nebraska and conducted a comprehensive efficiency analysis of these small school districts by examining both inputs and outputs. The quantitative portion of the study included 52 k-12 Class Two and Class Three School Districts with K-12 enrollment of less than 300 students: data were collected for three school years: 2003-2004, 2004-2005, 2005-2006. The qualitative element of the study utilized interviews with nine superintendents from schools included in the quantitative study.

The study examined educational and financial efficiency using quantitative data to compare the following educational outputs: attendance rates, drop-out rates, state writing scores, and graduation rates and the input of cost-per-pupil of the small school sample to that of the state average using a one sample t-test. The data indicated that small Nebraska school districts had a significantly higher attendance rate than that of the state average in two of the three years of the study. The small Nebraska school districts also had a significantly lower drop-out rate than the state average in two of the three years of the study. The data revealed that the fourth grade students from the small schools significantly outperformed the state average on the state writing exam in two of
the three years of the study, and in one year of the study, both the eighth and eleventh grade writing students from small schools surpassed the state average. Small school districts' graduation rates were significantly higher than the state average in all three years of the study. The small school districts were significantly lower than the state average only in one year and in one output measurement of the three year's of collected data: eighth grade writing in 2004-2005. The data indicated that the cost per pupil of small school districts was significantly higher than the state average based upon average daily membership and average daily attendance.

Common themes emerged from the five categories of questions asked of the superintendents: Student Benefits of Small Schools, Community Benefits of Having a School, Challenges Faced by Small School Districts, Definition of Efficiency, and Impact of Financial Legislation on Small Nebraska School Districts.

The researcher concluded that (a) small school districts significantly outperformed the state average on almost all measurements of outputs, (b) that small schools provided numerous benefits to the students they serve, (c) it cost significantly more to educate students in small school districts when looking at cost-per-pupil, (d) small schools provide a social and economic benefit to their communities, (e) that legislative policy had not negatively impacted all small school districts, (f) that legislators' definition of educational efficiency must be expanded to take into account how inputs (cost) are converted into valued education outputs.
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APPROVAL FOR SUCCESSFUL DEFENSE

Doctoral Candidate, Curtis Cogswell, has successfully defended and made the required modifications to the text of the doctoral dissertation for the Ed.D. during this Spring Semester 2008.

DISSERTATION COMMITTEE
(please sign and date beside your name)

Mentor:  
Dr. Elaine Walker  
Dr. Daniel Gutmore  
Dr. Thomas Sharp  
Dr. Fred Hardin  

External Reader:  

The mentor and any other committee members who wish to review revisions will sign and date this document only when revisions have been completed. Please return this form to the Office of Graduate Studies, where it will be placed in the candidate's file and submit a copy with your final dissertation to be bound as page number two.
Impacts of Nebraska Legislative Policies
on Selected Small Nebraska School Districts

Chapter I
Introduction

Statement of Problem

The Nebraska Legislature has implemented state policies that encouraged school districts to consolidate voluntarily by accepting incentives or be forced to consolidate through the elimination of funding. Although the reasons for this seemingly high-handed act of hostility cannot fully be accurately recounted, this push for consolidation was primarily driven by the philosophy as how best to use limited state funding for education: Nebraska legislators believe themselves to be morally obligated to shift appropriations from high spending and often high performance small schools to lesser spending schools with lower school performance in order to provide better learning opportunities for the majority of Nebraska's children. This study investigated the guiding tenet of this philosophy that cost per student should be the sole determiner in devising an equitable funding formula for Nebraska schools.

Nebraska's Legislative Bill 806, enacted in 1997, stated, "...to encourage consolidation of school districts, incentives shall be paid to reorganized districts in certain size ranges for a three year period to reward the reorganized districts for their efforts to increase efficiency in the delivery of educational services.” To force consolidation the funding formula was also revised to remove funding from small schools that were within fifteen miles of another high school. LB 806 replaced a tier funding
system which compared like-size schools to each other when looking at a cost per pupil. The tiered cost grouping acknowledged that there were justifiable differences in per-pupil expenditures based on school size (Funk, 2000). A study by Bailey (2005) found that, since LB 806 was enacted, small Nebraska schools with less than 70 students in high school saw their revenues decline while overall statewide revenues increased. Under LB 806 total Nebraska state aid increased by 28% while state aid to small schools decreased by 20%. Finally, Nebraska legislation has allowed taxpayers to override the state tax levy lid of $1.05 with a majority vote of the district’s patrons, but LB 806 provided punitive consequences for small Nebraska school districts (districts with under sixty students in high school and within 15 miles of another school) if they successfully overrode the tax levy: such districts ran the risk of losing taxable property through owner-initiated transfers to neighboring school districts.

One of the major emphases of the policies enacted in LB 806 was to make Nebraska school districts more “cost efficient.” In her opening comments introducing LB 806, Senator Ardyce Bohlke announced her concept of efficient schools. “We work from the theory that we should find a method of setting a statewide average of per-pupil cost and hold that amount as a goal for schools to reach. If a school spends more than the average amount, the district will have to work harder at becoming efficient” (LB 806 Transcripts, 1997). Policy researcher Patricia Funk (2000) concluded that LB 806 was a deliberate attempt to reduce resources to small schools so they would have to either cut costs to match the statewide average or consolidate with another district. Funk (2000) also mentioned that LB 806 created a third scenario which forces small school districts to increase their local property taxes.
After studying legislative transcripts from the debate over LB 806, the researcher concluded that the use of the word "efficient" by the sponsor of LB 806, Senator Bohlke, was limited to one input: per-pupil expenditures. Several senators argued that such a limited definition of "efficient" was problematic when developing public school policy. Senator Floyd Vrtiska stated, "There are a number of schools, who, by the way, are very well-managed schools and have done a great job of instruction for students, the students graduate, and have gone out in the world and done very well. And we're saying to those schools, you're not doing a good job, you're inefficient, therefore, you should close or you should merge with somebody else" (LB 806 Transcripts, 1997). Senator Elaine Stuhr interjected into the debate, "I have some areas to address in the lines of efficiency. I don't believe as an Education Committee we have actually addressed what we mean by efficiency. Are we only looking at cost per student? I feel there are more factors that we need to consider when looking at efficiency than just dollars and cents" (LB 806 Transcripts, 1997).

Efficiency analysis research indicated that a definition of efficiency must include both input and outputs. In 2006 Smith and Street were commissioned by the Department for Education and Skills in England to analyze secondary school efficiency in that country. They stated, "...efficiency analysis is centrally concerned with measuring the competence with which inputs are converted into valued outputs; models of public service efficiency almost always entail consideration of multiple outputs" (Smith & Street, 2006, p. 4). In the United States, companies such as the Standard and Poor's School Evaluation Services have been conducting research regarding school efficiency since 2001. The state of Kansas currently underwent a Standard and Poor's efficiency
analysis. Margo Quiriconi, director of Education Research and Policy at the Kaufman Foundation, which sponsored the Kansas efficiency study, indicated that efficiency analysis is a powerful tool that allowed Kansas school districts to understand better how their use of resources influenced their student performance (Shafer, 2007). Lawrence et al. (2002) argued that one should view economies of scale in education as the costs of producing (educating) a product (students) that meets certain quality controls (graduation requirements) to measure its costs and rate of success in the marketplace.

Researchers agreed that efficiency should measure outputs relative to input, yet the Nebraska legislature only looked at half the equation: policymakers need to look at the effectiveness as well as the efficiency of schools when developing policy.

State policy that moved school districts in a direction of “economy of scale” districts – which the Nebraska legislature equates with “more efficient” based primarily upon lower per-pupil cost – could be regarded as skewed. Yet, there was one influential author who supported the concept of economy of scale efficiency as the dominant trait of effective schools. James Conant’s 1959 book, *The American High School Today*, greatly accelerated the momentum of the school consolidation movement. “Conant argued that, in order to be cost effective and to offer a sufficiently large and varied curriculum, a secondary school had to have at least 100 students in its graduating class. Conant claimed that the small high school was the number one problem in education; and that its elimination should be a top priority” (as cited in Cotton, 1996, p. 2).

In 2008 the Nebraska Legislature adopted LB 988 which changed the way Nebraska calculated the state aid formula for school districts. This legislation took away the cost grouping system found in LB 806 and replaced it with a comparison group
model. The new state aid formula compared each school district with ten school districts of similar enrollment (LB 988, 2008). On the surface the comparison group model found in LB 988 appeared to be a more equitable way to compare and calculate state aid than the cost grouping model found in LB 806. However, there were several "adjustments" that the Legislature made to the formula which again were punitive towards small Nebraska schools. One of the adjustments was entitled the "local choice" adjustment. This adjustment reduced state aid to small "standard" school districts which had less than 390 students and did not receive federal funds in excess of 25%. (Note: the category "standard" refers to school systems not determined to be sparse or very sparse in terms of the number of students per square mile.) School districts subject to the local choice adjustment have had their funding needs calculated based on 50% of the adjusted formula student cost for the school district closest to 390 students. Bailey (2005) stated, "The latest state funding formula introduced in the Nebraska legislature ... includes a 'small by choice' factor that would penalize any school district with a K-12 enrollment of less than 390 students by taking away more state funding. If this bill passes in the next legislative session, some small schools could lose up to half of their state aid, leaving them little options but consolidation" (p. 3). School districts most impacted by this legislation were small rural K-12 districts that house all 13 grades in one building.

Through policy analysis the researcher sought to determine the effectiveness of LB 806 and explored alternatives to consolidation that might make small Nebraska schools a viable and efficient policy option. "Policy analysis has been defined as the evaluation of alternative government policies or decisions in order to arrive at the best (or a good) policy or decision in light of given goals, constraints, and conditions" (Nagel as
cited by Fowler, 2004, p. 18). To determine if small schools were a viable policy alternative to consolidation, the researcher looked at national research and Nebraska state data (graduation rates, attendance rates, drop-out rates, per-pupil cost, state writing scores, etc.) and conducted interviews with selected superintendents who led small school districts (under 300 students) in Nebraska. The superintendent interviews gave the researcher an opportunity to gather input regarding the benefits and challenges facing small schools. The interviews also allowed the researcher to gather information on the direct impact of legislative policies upon small Nebraska school districts. The researcher looked at practices such as consortia or shared services which were already implemented by small school districts to combine resources and bring them more inline with the "economy of scale," the goal of state policy.

**Conceptual Framework**

The conceptual framework for this study focused upon the organizational practices of small Nebraska school districts and the measurement of "efficiency" of small schools when analyzing outputs as well as inputs. Since research identified the benefits of small schools and their effectiveness when looking at a number of different output measurements (Cotton, 1996; Howley, 2000; Hass, 2000), comprehensive efficiency analysis should include organizational design, inputs (cost and curriculum) and their utilization, and the results (effectiveness) of both quantitative outputs (graduation rates, drop-out rates, attendance, and academic achievement) and qualitative outputs (additional benefits of attending a small school) (Smith & Street, 2006; Shafer, 2007; Lawrence et al. 2002).
Purpose of the Study

The purpose of this study was to perform a comprehensive efficiency analysis of selected small Nebraska school districts. The researcher investigated selected small Nebraska schools for viable alternatives to school consolidation and practices which enabled schools to offer the state curriculum mandated in Nebraska's accreditation policy Rule 10 while maintaining cost efficiency.

This study purposed to:

a) Investigate the benefits (outputs) of small Nebraska school districts as measured by academic achievement, attendance, graduation rates, and dropout rates;

b) Identify practices used by small Nebraska school districts which allowed them to offer the required state curriculum while maintaining cost (inputs);

c) Examine the impacts of state legislation on small Nebraska school districts.

Research Questions

The researcher attempted to answer the following questions:

1. To what extent do small Nebraska schools affect student engagement when examining academic achievement, drop-out rate, attendance rate, and graduation rate? What benefits are found in small schools?

2. What benefits do small schools provide to their communities?

3. What challenges do small school districts in Nebraska face?

4. How do the cost-per-pupil expenditures of small Nebraska schools compare to the state average? What organizational practices have been implemented by small Nebraska school districts in order to compare more efficiently with the
economy of scale found in larger school districts?

5. How do participants describe the effects which resulted from enacted state legislative policies such as LB 806?

Research Design

A mixed-method study was designed to gather quantitative and qualitative data pertaining to selected Nebraska small school districts. The quantitative data collected in this study came from the State Report Cards of 52 Class Two and Class Three school districts with less than 300 students. Graduation rates, drop-out rates, attendance rates, state writing scores and per-pupil costs were analyzed and compared to the state average to look at the efficiency of small schools looking at both inputs and outputs.

Nine superintendent interviews were included in the study to gain further insight into the benefits and challenges of small school districts. The superintendents were selected from the 52 schools that were represented in the quantitative portion of the study. The interviews were recorded and transcribed so the researcher could identify common themes that emerged from the superintendents. “The themes, patterns, understandings, and insight that emerge from fieldwork and subsequent analysis are the fruits of qualitative inquiry” (Patton, 2002, p. 5).

Research Analysis

Quantitative data were analyzed using a one sample t test to compare the mean of the 52 sample schools to the state average to look for statistically significant differences. All statistically significant differences were noted and reported in Chapter IV.

The researcher used the formal analysis introduced by Marshall and Rossman (2006) to analyze the transcripts of the superintendents. Marshall and Rossman’s
analysis process included seven phases: 1) Organization of Data, 2) Immersion in the Data, 3) Generating Categories, Theme, and Patterns, 4) Coding the Data, 5) Offering Interpretation through Analytic Memos, 6) Searching for Alternative Understanding, and 7) Writing the Report for Presenting the Study.

Limitations of Study

This study was limited to the following factor:

Sample Size – The study included 52 small Nebraska school districts (fewer than 300 students) that were classified as “standard cost group” for Nebraska State Aide purposes. The sample size may lead to generalizations not found throughout every small Nebraska school district.

Delimitations of the Study

This study was delimited to the following factors:

1. To small Nebraska school districts
2. To the interview responses of superintendents only
3. To the data sets of per-pupil cost, graduation rates, drop-out rates, attendance rates, and state writing scores as reported by the Nebraska Department of Education from the years 2003 to 2006

Significance of the Study

Nebraska currently has 257 K-12 public school districts. “During the 2004-2005 school year, there were 141 school systems with fewer than 390 students or 55% of Nebraska’s public school systems” (Bailey, 2005, p. 3). All 141 of these districts represented schools located in rural communities; some had already consolidated without legislative intervention. Legislative Bill 806, along with other legislation, provided the
catalyst for the consolidation of many small Nebraska school districts. This study demonstrated the essential need of defining efficiency in broad, inclusive terms instead of narrowly confining efficiency only in terms of cost-per-pupil expenditures.

This finding could assist policymakers at all levels of government in creating a solid understanding of the complexity of establishing efficiency benchmarks from which to evaluate the overall quality of a school district and thus guide improvement efforts.

Finally, this study may provide a base of knowledge upon which further longitudinal research could be conducted.

**Definitions of Terms**

**Class One School District:** Nebraska’s classification for elementary (K-6) or K-8 only school districts. Class One school districts were dissolved during the 2004-2005 legislative session (Nebraska Department of Education, 2005).

**Class Two School District:** Defined by Nebraska statute as any school district embracing territory having a population of 1,000 inhabitants or less that maintains both elementary and high school grades under the directions of a single school board (Nebraska Department of Education, 2007).

**Class Size:** The number of students that a teacher is primarily responsible for during the school year (Achilles, 2003).

**Class Three School District:** Any school district embracing territory having a population of more than 1,000 and less than 150,000 inhabitants that maintains both elementary and high school grades under the direction of one board (Nebraska Department of Education, 2007).
Community: A system of shared values related to the school and to education in general; common activities that link school members to each other and to school traditions (Bryk, & Driscoll, 1988).

Consolidation: The merger of two or more attendance areas to form a larger school district (Peshkin, 1982).

Economy of scale: Application of the business model of bigger being more efficient, thus increasing student enrollment will offset the expense of offering students more curriculum opportunities (Bingler et al., 2002).

Rule 10: The state regulations and procedures for accreditation of all Nebraska public schools. (NDE 2006)

Small school: Less than 300 students (Cotton, 2001).

Small school district: A kindergarten through twelfth grade district with fewer than 300 students enrolled under the guidance of one Board of Education.

Freeholding: The transfer of land from an existing Class II or Class III school district to an accredited district which is contiguous to such land if: the Class II or III district has an average daily membership less than 60 students; the Class II or III school district has voted to exceed the maximum levy; and the high school is within 15 miles on a maintained public highway or public road of another high school. (Section 79-458).

Very Sparse (cost group) school districts:

- less than 0.5 students per square mile in the county where the high school is located;

- less than 1.0 formula students per square mile in the local system; and
more than 15 miles between the high school and the next closest high school on paved roads

**Sparse (cost group) school districts:**

- local systems that do not qualify for the very sparse cost grouping;
- less than 2.0 students per square mile in the county where the high school is located;
- less than 1.0 formula student per square mile in the local system; and
- more than 10 miles between the high school and the next closest high school on paved roads

**Standard (cost group) school districts:**

- local systems that do not qualify as very sparse or sparse

**Successive Chapters in this Study**

In Chapter II the researcher reviewed relevant research, empirical studies, and literature which focused on the history of small schools, the benefits of consolidation, benefits of small schools, the cost effectiveness of small schools, and the impact of consolidation on communities. Chapter II also examined research that supported small schools as a viable reform initiative and demonstrated how some small school districts were sharing services and resources to compete with the economy of scale found in larger school districts. The methodology and procedure used to collect data for this study was explained in Chapter III. Chapter IV reported the analysis of the qualitative and quantitative data from the study. The final chapter, Chapter V, discussed the implications of the research and provided recommendations for future research.
Chapter II

Review of Research and Literature

This chapter reviewed research and relevant literature. It was organized into seven sections: (1) discussion of the relevance of small schools (2) a history of small schools and consolidation, (3) the advantages and disadvantages of consolidation, (4) the benefits of small schools, (5) why small schools and small learning communities became a viable education reform initiative (6) why small schools may be viewed as cost effective vs. large schools/economy of scale, and (7) the impact of consolidation on rural communities.

Discussion of the Relevance of Small Schools

The nation-wide movement to consolidate schools has progressed even as research continues to provide considerable evidence of the benefits of small schools compared to their large school counterparts. In a fifty-year span between 1940 and 1990, the total number of elementary and secondary public schools had declined 69%, approximately 200,000 to 62,037, despite a 70% increase in the U.S. population (Cotton, 1996). Research findings supported the common sense notion that young people learn best in intimate settings where teachers get to know their students more in-depth and understand how each student achieves and what best peaks their curiosity (Haas, 2000).

A 2007 study by Johnson and Strange found that a growth trend occurred in rural schools districts (schools in communities with less than 2,500 people): enrollment in these districts increased at a faster rate than that of suburban and urban school districts. Overall, the U.S. public school enrollment had a net increase of 602,000 or about 1%
from 2002-03 to 2004-05; enrollment in rural schools increased by 1,339,000 or 15%; but enrollment for schools in communities of greater than 2,500 decreased by over 738,000 or 2% (Johnson & Strange, 2007). Researchers noted that the increase in rural school enrollment represented a reversal of the trend they saw in their 2005 study when comparing enrollment figures for 2000-2001 and 2002-2003 (Johnson & Strange, 2007).

"Research has repeatedly found small schools to be superior to large schools on most measures and equal to them on the rest; this holds true for both elementary and secondary students of all ability levels and in all kinds of settings" (Cotton, 1996, p. 2). Findings from small school research have led the Bill and Melinda Gates Foundation to help city school districts in Washington reorganize 17 large comprehensive high schools into 72 smaller high schools while some state legislatures continue to promote consolidation of small school districts which possess the educational qualities that reformers seek to replicate. In her review of school size studies, Hofstra University Professor Mary Anne Raywid wrote that the relationship between size and positive education outcomes had been “confirmed with a clarity and a level of confidence rare in the annals of education research” (Cotton, 2001, p. 3).

One of the greatest benefits of small rural school districts has been the small class size. In examining enrollment data, Jimerson (2006) found an unremarkable yet statistically significant positive correlation between school size and class size: smaller schools tend to have smaller class sizes. Researchers have found that small class size had a positive impact on student achievement especially in grades K-3 (Achilles, 1999). Achilles defined class size as “the number of youngsters who regularly appear in a teacher’s classroom and for whom that teacher is primarily responsible and accountable”
Small class size has been a beneficial educational byproduct of most small Nebraska school districts. Teachers in small Nebraska school districts generally had a low student-to-teacher ratio.

Tennessee’s Project STAR, one the largest longitudinal experimental designed studies in education, promulgated the Lasting Benefits Study of small class sizes research in early elementary classes. Achilles (1999) found that the Project Star Study indicated the benefits of small class size in grades K-3 included but were not limited to the following:

- Higher levels of performance on all cognitive measures into grade eight
- Fewer discipline problems
- More on-task time for teachers
- Fewer students being retained
- Smaller test-score gap between white and non-white students

Tennessee, California, and North Carolina have structured their policies around “class size” research and implemented class size reduction laws.

In Wisconsin the Student Achievement Guarantee in Education (SAGE) project, using findings from STAR, reduced class size for low-income students in grades K-3 to 15 students. SAGE demonstrated that students in smaller classes (15 students or less) had higher scores in reading, language arts, and math than students in comparison schools. African-American males in small classes showed the greatest improvement as their test scores rose 40% more than African-American males in the control schools (Gursky, 1998). Data have supported the benefits of small class size particularly in elementary grades, and studies such as the “Small Schools Project” funded by the Gates Foundation showed the benefits of smaller class size in the high school setting as well (Wallach & Lear, 2003).
Another advantage of most small Nebraska rural schools was that the district is housed in one building/location. In a 1998 study of more than 700 rural schools, Franklin and Glascock concluded those sixth and seventh graders in K-6, K-7, and K-12 schools performed significantly higher on state achievement tests than students in 6-8 and 7-9 schools. “In addition, students in tenth grade had significantly higher test scores, and fewer behavior problems in K-12 schools than in 7-12, 8-12, or 9-12 schools” (Coladarci & Hancock, 2002, p. 3).

Nebraska legislative policy was effective at consolidating a number of school districts in Nebraska. LB 126 was proposed to replace the current LB 806. LB 126 would further force consolidation by cutting state funding to any school district with less than 390 student enrollment. As the legislature continued to promote laws forcing consolidation, did consolidated school districts prove to be more efficient at delivery of educational services as promised in LB 806? If so, how had the legislature measured efficiency? The state legislature should consider the benefits of small schools that were documented in research and look at alternative policy which would give rural communities the option to keep their small schools. Research by Nelson (1985) concluded that the benefits of school consolidation such as cost effectiveness and greater curriculum outweigh the negative of closing schools. However, there was additional research that discounted the cost effectiveness of consolidation when increased cost of salaries, workspace, and other operational expenses were factored into the equation (Bingler et al., 2002).

Some of the strongest praise for small rural schools came from urban reform efforts, where they were reforming large schools into small schools (O'Neal & Cox,
2002). Why were urban districts trying to downsize and become smaller? Studies showed that students in smaller schools achieve higher academically and had lower dropout rates. Students in small schools were more motivated, felt more connected to school, and were more likely to remain until graduation (Vander Ark, 2002). Educators knew that for students to be successful, they had to have a positive attitude towards their school. Research on student attitudes overwhelmingly favored small schools to larger schools (Cotton, 1996).

Even with all the advantages of small schools well documented by research, the Nebraska legislators found themselves in a difficult situation when addressing the topic of consolidation. Legislators often faced the demand to fund schools with limited state resources by seeking cost-savings. Bolman and Deal (2003) suggested that the concept of scarce resources make politics more salient and intense in difficult times. The perceived notion was that school consolidation automatically cut cost even if consolidation caused a reduction in education quality and effectiveness. However, states that already adopted mandatory school consolidation policy like West Virginia and Arkansas did not experienced the cost savings that was promised.

Another factor that drove states to develop school consolidation legislation was adequate and equitable funding. The Arkansas consolidation policy was adopted after the Arkansas Supreme Court declared the state’s school funding system inadequate and inequitable. Arkansas policymakers developed the merger law to help redirect funds and become compliant with the ruling of the Arkansas State Supreme Court. Ironically some of Arkansas’ small school districts that were successful in suing the state regarding inadequate funding became the victims of the mandatory consolidation (Buchanan,
A study by Robert Jewell stated that as schools and districts became larger, the enrollment in private schools increased (Cox, 2002). If legislators take away the “public” option to attend small schools, then the luxury of attending small schools will remain only to the few who can afford to attend small private schools.

**History of Small Schools and Consolidation**

Sixty years ago it was common to see one-room schools spread across the landscape of this nation especially in rural states like Nebraska. Since then rural America and the size of schools have changed. The increase in school size came from the redistribution of the population to larger communities as well as a change in philosophy from the late 1950’s that “bigger is better.”

Between 1940 – 1990 the total number of elementary and secondary public schools declined 69% approximately 200,000 to 62,037 – despite a 70% increase in the U.S. population (Walberg & Walberg, 1994). In 1937 the average daily attendance per school district was 187 students. By 1996 average daily attendance per school district had increased 1,400% to 2,848 students (Howley, 2000). In just one year (2005) Nebraska reduced the number of school districts from 699 to 479 with the assimilation of all Class One (elementary only) school districts. Much of the movement to consolidate schools was attributed to James Conant’s 1958 book *The American High School Today*. Conant, a former chemistry professor and president of Harvard University, argued in his book that schools needed at least 100 students in their graduating classes. “Conant said that the first priority for many states should be the ‘elimination of the small high school by district reorganization’ also known as consolidation” (Bingler et al., 2002, p. 2).
The push for school consolidation continued to be a major topic of debate in state legislatures. "Smith and DeYoung (1998) identified several factors driving this long-term consolidation trend. One major factor was the desire of school administrators to "...demonstrate their commitment to the forces of science, progress, and modernization' by seeking to make schooling more efficient, a notion importantly borrowed from the private sector" (Cotton, 1996, p. 1).

Adequate and Equitable Education Funding

In recent years the concern of providing adequate and equitable school funding for all students forced state policymakers to use consolidation of school districts as a tool to address this concern. "Educational adequacy is a term-of-art used extensively in school finance world to describe the amount of funding schools need to educate children to high standards" (Malhoit, 2005, p.3). Malhoit (2005) found three factors behind the "educational adequacy" movement: First, state courts interpreted their constitutions to require a greater investment in the education of children; second, state policy makers and education leaders wanted more funding to help improve public school achievement to meet the demands of the parents and taxpayers; and third, the standards-based reform movement required in No Child Left Behind caused states to define high standards and required students and schools to meet them.

The influence of court decisions was evident in the Arkansas consolidation movement. The Arkansas consolidation policy was enacted after the Arkansas Supreme Court declared the state's school funding system inadequate and inequitable. Although Nebraska's policymakers have failed to develop a school funding formula that provided adequate and equitable funds to all school districts, the courts of Nebraska made it clear
that school funding is a legislative matter and not one to be decided by the courts. In August of 2004 a coalition of 34 rural Nebraska school districts filed a school funding lawsuit against the state. The coalition alleged that school districts in Nebraska were unable to offer the adequate education guaranteed to the students in the Nebraska Constitution because of insufficient funding (Hunter, 2005). Unlike Arkansas courts, the District Court of Lancaster County in Nebraska dismissed the coalition’s lawsuit citing that the Nebraska Constitution gives the Legislature the oversight of public education in Nebraska (District Court Transcripts, 2005).

Advantages and Disadvantages of Consolidation

Consolidation has been viewed as a way for policymakers to solve the issues of financial cutbacks and declining enrollment faced by rural schools. Declining enrollment and budget constraints continued to drive the ongoing movement towards consolidations in Nebraska and many other rural states. In Iowa the number of school districts was reduced from 438 to 377 in the last 14 years. A recent report showed that West Virginia’s mandate to consolidate schools closed over 300 schools since 1990 (Eyre & Finn, 2002). In 2004 Arkansas passed legislation which required all districts with enrollment below 350 students for two straight years to consolidate with another school district. The result of this legislation was the closure of 57 school districts in just two years (Sadler, 2006). New York consolidated its community districts into a single centralized system, and Michigan gave consolidated districts a per-pupil bonus in state aid (Murray & Green, 2004). In Nebraska almost 800 school districts were consolidated in 20 years as the state went from 1,044 school districts in 1984 to 257 districts in 2005 (Aiken, 2005).
Proponents of consolidation believed that larger schools were more efficient and economical. Those who championed school consolidation believed that curricular and financial advantages outweighed the negatives of school closing (Nelson, 1985). Nelson's (1985) research concluded that consolidation provided both cost and efficiency benefits. Consolidated districts were able to share courses and facilities; thus they offered a more varied curriculum. Capital improvement expenditures and basic maintenance costs were reduced because of the eliminated need to maintain duplicate facilities. Increasing class size, which allowed a consolidated district to teach more students with fewer teachers, did create savings. Nelson (1985) concluded that consolidated school districts saved money through decreased collective administrative expenses. In addition to increased academics and lower costs, Kay (1982) found that sports and extra-curricular activities flourished in consolidated schools because larger schools enjoyed additional funding to support these activities.

Findings from additional studies concluded consolidation allowed schools to be more efficient when looking at indicators such as per-pupil cost and expenditures. Consolidation proposals under consideration in Arizona focused on the reduction of administration expenses so additional money would be available in the classroom. A 2002 Arizona Legislative Budget Committee study determined efficient large districts in Arizona spent $300 per pupil on administration expenses while some smaller districts spent as much as $1,000 per pupil on administration (Murray & Green, 2004). Findings in a New York study by Duncombe and Yinger (2001) reported that a school district with a student population of 300 could cut its total costs by 28% if it doubled its enrollment. Their study also predicted that a district with 1,500 students could save up to 9% if it
increased its enrollment to 3000 students. According to Duncombe and Yinger (2001), the optimal school district size based completely on cost effectiveness was a district with 6000 students. A similar study of Vermont school districts suggested that a district with 3,525 students was the ideal size when focusing only on per-pupil cost (Eggers, Wavra, Snell, & Moore, 2005).

In contrast, other researchers found that consolidation did not always live up to the promise of greater curriculum offerings at a lower cost. Lee and Smith (1996) reported that the savings projected by proponents of school consolidation had not materialized. Instead of the economies of scale promised by larger schools, larger schools needed more layers of support and administration to handle the increase in numbers (Lee & Smith, 1996). Purcell and Shackelford (2005) reported that the promise of savings millions of dollars made by the West Virginia legislature never occurred. Clacy Williams, executive director of the West Virginia School Building Authority, acknowledged that the closing of schools and consolidation had not saved the taxpayers any money. In fact, West Virginia spent a higher percentage on maintenance and utilities than it did prior to consolidation: the expense of restructuring and redistricting the schools in West Virginia cost the taxpayers over one billion dollars (Purcell & Shackelford, 2005). Even Duncombe, cited earlier in this research, noted “... despite substantial literature on economies of scale in education, there is little consistent evidence on whether school district consolidation saves money, while maintaining educational quality” (Duncombe as cited by Picard, 2003, p. 14).

Research indicated that saving money was the primary reason for increasing school district size and that, when state legislatures were left with the choice of
consolidating school districts or allocating funds to rural schools, consolidated policies were usually enacted. "...it is interesting to note that researchers indicate that the impetus to consolidate rural or small schools almost always comes from outside the rural community” (Picard, 2003, p. 12).

As school districts continued to grow and consolidate at the recommendation of state legislatures, researchers such as Gregory (2000) found, “It has been over 30 years since the last study recommended large schools; nevertheless, districts continue to build them” (Picard, 2003, p.5). The irony in Nebraska was that the legislative body that promoted consolidation of school districts believed it was using the best “research based” educational practices to guide policymaking.

Benefits of Small Schools

“A large and increasingly consistent body of research suggests that we should be moving, not toward larger high schools, but expeditiously toward smaller ones” (Gregory, 2000, p.2). There were a number of studies that provided strong evidence of the benefits of small schools. Small schools were shown to be more effective than their larger school counterparts when comparisons were made of numerous factors. “Research conducted over the past 15 years has convincingly demonstrated that small schools are superior to large ones on many measures and equal to them on the rest” (Cotton, 2001 p. 1). Students who felt connected to their school showed greater success in all areas of school. Heightened school connectedness reduced student violence, substance abuse, suicidal thoughts, and pregnancy, as well as lowered high school drop-out rates (Jimerson, 2006). Darling-Hammond’s 1998 study concluded that 30 years of research identified four factors which consistently affected student achievement: smaller school
size; smaller class size, especially at elementary schools; challenging curriculum; and more highly qualified teachers (cited in Picard, 2003).

The researcher addressed the following benefits that research and literature attributed to small schools: academic achievement, safety, graduation rates, drop-out rates, student participation, and attendance rates.

**Academic Achievement**

Much of the academic success of small schools was attributed to the relationships formed between students and teachers. Research showed that children performed better in schools where their principal knew their name (Bingler et al., 2002). Students who attended small schools achieved higher scores on both standardized achievement tests and other measures than students in larger schools (Cotton, 2001). LeFevre and Hederman (2001) reported that higher scores on the ACT and SAT, as well as higher graduation rates, may be associated more with school size than with race. Research found a causal negative relationship between large district size and test results. As a district’s size increased, the student achievement decreased (Lawrence et al., 2002).

In a 1999 study that looked at five states (Georgia, Montana, Ohio, West Virginia, and Texas), Howley and Bickel (2000) concluded that small schools were successful at reducing the effects of poverty on student achievement. Bickel (2000) determined two clear principles: (1) in impoverished communities, small school districts boosted performance and (2) in every comparison made in the five states, smaller schools demonstrated greater achievement equity. The implications of these findings may become more ominous as the percentage of economically disadvantaged students rise in rural Nebraska school districts. “Research findings now provide broad support for the
common sense notion that young people learn best in intimate settings, where teachers can know how to boost each student's academic achievement, self-control, and curiosity" (Haas, 2000, p. 2).

**Safety**

"The greatest empirical support [for small schools] is for the relationship between reduced class size and fewer discipline problems" (Finn & Wang, 2000, p. 7). According to the U.S. Department of Education in its report *Violence and Discipline Problems in U.S. Public Schools: 1996-1997*, there was a significant difference when comparing small schools (less than 300) to big schools (1,000 or more). Big schools had:

- 825% more violent crime
- 270% more vandalism
- 378% more theft and larceny
- 394% more physical fights and attacks
- 3,200% more robberies
- 1,000% more weapons incidents

Educators have long believed that students learned best in an environment in which they felt safe. In the findings of Public Agenda’s Report *Sizing Things Up* comparing large schools to small schools, parents whose children attended large schools were more likely to report that students felt alienated (40% to 23%) and bullied (41% to 27%) (2001). Research from the Small Schools Project suggested that creating small school clusters in large high schools had a substantial impact on the reduction of discipline problems (Wallach, 2003).

After the 1999 shootings at Columbine High School in Colorado, Education Secretary Richard Riley convened a panel of school security experts. Their top recommendation had nothing to do with gun control, metal detectors, or police on the
premises of schools. Their top recommendation was to reduce the size of schools; they noted that "small schools are a powerful antidote to the sense of alienation that can lead to violence" (Mitchell, 2000, p. 2). Secretary Riley later endorsed the idea, stating that the "nation needs to create small, supportive learning environments that give students a sense of connection" (Mitchell, 2000, p. 2).

**Graduation Rates and Drop-Out Rates**

The goal of all K-12 schools is to help students obtain their high school diploma and prepare them to further their education or career. In 1998 Galdden observed that students who attended smaller high schools were more likely to pass their courses, earn credits, and attain higher levels of education than students who attended larger schools (Cotton, 2001). Nebraska historically has had a much higher graduation rate than the national average. According to the U.S. Department of Education National Center for Education Statistics, in 2002 Nebraska claimed the highest rural high-school graduation rate in the nation: 90.49%. In their report "Why Rural Matters 2007," Johnson and Strange reaffirmed the 2002 findings by stating the two states with the highest graduation rates, both close to 100%, in rural schools were North Dakota and Nebraska. Nebraska rural counties graduated 17 students for every one who dropped out or a ratio of 17:1 while the three largest Nebraska urban districts had graduation to drop-out ratios of 3.3:1, 2.4:1, and 9.2:1 (Bailey, 2000).

According to McComb in 2000, the average national drop-out rate for schools with over 1000 students was 6.39% compared to 3.47% in schools with less than 200 students (McAndrews & Anderson, 2002). Funk and Bailey (1999) determined that dropouts were three times more likely to be unemployed, two and a half times more
likely to receive welfare payments, and three times more likely to end up in prison than high school graduates with no college. The economic contributions of small schools could be measured by their placement of more productive adults in the work world; this productivity reduces government costs (Bard, Gardener, & Wieland, 2005). The 2005 Manhattan Institute study on school district size and high school completion concluded "... consolidation of school districts into larger units leads to more students dropping out of high school" (Greene & Winters, as cited by Schmidt & Schlottman, 2006, p. 9).

Greene and Winters also found that decreasing the size of school districts had a statistically significant positive effect on graduation rates (Schmidt & Schlottman, 2006).

United States Secretary of Education Margaret Spelling identified low graduation rates as a national epidemic affecting approximately one million students each year (Preston, 2007). An even greater concern was indicated: dropping out of school had a generational effect on children. Wolfe and Haveman (2002) found that children of parents who were high school graduates were far more likely to graduate from high school when compared to the children of parents who dropped out of school.

**Participation**

Studies have showed that students who engaged in extracurricular activities had a greater chance of graduating from school. The National Center for Education Statistics found that students participating in extracurricular activities had a higher grade point average, higher standardized test results, and better attendance (Jimerson, 2006).

According to Barker and Gump (1964) as reported by Howley (1994), one of the strengths of small schools was the high rate of student participation, up to 20 times higher in small schools versus their larger school counterparts. Gump (1964) established that
the number of students participating in artistic, journalistic and student government competitions were highest in high schools that have enrollments between 61 and 150 students. Students in smaller high schools had a higher participation rate and were involved in a greater diversity of activities than students in larger high schools (Schoggen & Schoggen, 1989). Even though larger schools offered a greater variety of activities, research showed that students in smaller schools participated in more varied co-curricular activities (Galletti, 1999). Cotton (2001) reported that students in small high schools had more important roles in extracurricular activities and found more satisfaction in participating in those activities than students who attended larger high schools. Studies showed that as school size increased, participation rates in extra-curricular activities dropped steadily (Jimerson, 2006).

Attendance Rate

Attendance in school is critical for students who wish to take advantage of educational opportunities. Research found that small schools had a positive impact on student attendance. Cotton (1996) documented that students attending small schools had a higher attendance rate than those students who attended large schools. Studies found that students who changed from a large secondary school to attend a smaller alternative school generally exhibited improvements in attendance (Cotton, 1996). Research by Wasley (2000) indicated that small schools had increased student attendance across all types of small school settings, even those large school districts that created smaller schools or schools-within-schools. A study of Boston schools reported that there were significant benefits in attendance at the small schools created in their district. Boston reported that the small schools had a 7% higher attendance rate than the other Boston
Public Schools (Center for Collaborative Education, 2001). In Chicago the results were much the same: students who attended the small high schools that had been created were absent on average six to nine days fewer than students attending other Chicago public high schools (Kahne, J., et al, 2006). A survey of elementary and secondary school principals conducted by the National Center for Education Statistics (1998) reported significantly better attendance among small schools when compared to large schools.

**Small School Reform Movement**

The benefits of small class size and small learning communities had large schools seeking ways to reconfigure their schools into smaller learning groups. The movement to "downsize" schools gained much attention and support from nonprofit organizations. Foundations such as the Annenberg, Bill and Melinda Gates, and the Pew Charitable Trust pledged more than $1 billion for planning and implementing smaller learning communities (Jacobson, 2001). In their 1996 report, the National Association of Secondary Principals and the Carnegie Foundation for the Advancement of Teaching insisted that smaller schools and smaller classes were essential to student improvement (Oxley, 2001). By using strategies such as "schools within schools," larger districts were trying to emulate the benefits found in small schools.

In 2003 New York City Mayor Michael Bloomberg decided to create 47 new small public high schools with the belief that a more close-knit environment would serve students more effectively. According to the 2007 New York City graduation rates, this decision proved to be positive. The average 2007 graduation rate of the 47 small schools was 73% compared to the overall city average of 60% (*New York Times*, June 30, p.)
Eight of the 47 small schools created had more than 90% of their students graduate. Preliminary findings from studies such as the Small School Project also reported a benefit from creating small learning communities in large schools.

Creating small learning communities helped schools comply with federal policy mandates. The goal in the No Child Left Behind legislation was to close the achievement gap between identified groups, which included socioeconomic status (SES). Howley’s study in West Virginia assessed the influence that SES had on school district performance in larger districts compared to smaller districts. The study concluded that the link between SES and achievement was much weaker in both smaller schools and smaller districts (Howley, 2000).

Researchers warned that small schools or small learning communities in and of themselves did not guarantee success. Fine stated that “Small . . . will produce a sense of belonging almost immediately, but hugging is not the same as algebra. Rigor and care must be braided together, or we run the risk of creating small, nurturing environments that aren’t schools” (Cotton, 2001, p. 5). Research by Howley, Strange, and Bickel (2000) identified a number of benefits of small schools; however, they extended this caveat in their research: “Small size is a necessary but insufficient condition for school improvement . . . It is important to avoid seeing small schools as the sole solution to all that ails education. Rather we suggest that it is a key ingredient in a comprehensive plan to improve education” (Howley et al., 2000, p. 66).

Cost Effectiveness of Small Schools

Policymakers have long argued that small schools were not cost effective based on per-pupil expenditures. Their assumption was that larger schools represented an
economy of scale and that a lower per-pupil cost represented efficient schools. In Cotton’s (1996) review of more than 100 studies, she found that some large schools were “exorbitantly expensive” and some very small schools operated very cost effectively. Other studies helped to establish that it was dangerous to generalize that larger schools were always more cost efficient than small schools. According to Irnsher (1997), in 1996 Lee and Smith found that the savings projected by proponents of school consolidation did not always materialize as anticipated. They stated that there were “diseconomies” or “penalties of scale” instead of the economies of scale in larger schools. Creating larger schools required more layers of administration and support to handle increased demands. In their study of Texas schools, Bickel and Howley identified 116 small one-school-for-all-grade-levels districts that had expenditures averaging $389 less per pupil than those of large districts (Dunne, 2000).

Economic Impact of High School Graduates

Supporters of small schools claimed that the best measurement of a school’s efficiency should be based on its cost per graduate. Evaluation of schools based on cost per graduate rather than cost per pupil demonstrated the economical efficiency of small schools (Hass, 2000). In a 1989 study, McGuire wrote, “... based on cost per graduate, smaller schools are a better deal and since successful graduates are the overall goal of education, cost per graduates is the measure we should use” (Cox, 2002, p.11).

In Maine where the legislature pushed policies to consolidate school districts, Bowen (2007) noted that the 15 smallest school districts in the state graduated 91.4% of their students with regular diplomas, while the 15 largest school districts graduated only 85.4%; 8100 students in the 15 largest school districts did not receive diplomas.
According to Bowen’s calculations, those 8100 diploma-less students will eventually cost the Maine government $648 million over their lifetimes (Bowen, 2007). Even armed with this knowledge, Maine implemented new consolidation laws which required, with few exceptions, all Maine school districts to serve a minimum of 2500 students. Only 22 school districts in Maine were that size or larger. Of those 22 school districts, the average high school completion and post-secondary enrollment rates were below the state average while the 27 school districts serving fewer than 500 students were above the state average in both high school completion rates and post-secondary enrollment (Bowen, 2007).

Most important in the whole equation is the individual student and his/her future. The return (individual’s earnings) on investment (cost of education) was significantly related to graduation from high school. According to the U.S. Department of Commerce (2002), the average high school graduate’s annual earnings were $26,200 compared to $19,000 for a high school dropout. Using the Nebraska Department of Education’s drop-out statistics and the U.S. Department of Commerce information, the impact of one year’s drop-out earnings in a small state like Nebraska equated to $19,461,600. Cecilia Rouse, a professor of economics at Princeton University, found that each high school drop-out costs the nation approximately $260,000 over his or her lifetime (Rouse, 2005). Rouse concluded that, if high schools cannot reverse the drop-out trend, more than 12 million students will drop out during the next decade: this scenario will result in a loss of three trillion dollars to our nation. In a 1996 review of six studies measuring large schools against small schools in college-related variables - entrance examination scores, acceptance rates, attendance, grade point average, and completion - Cotton reported that
five of the six studies she analyzed determined that small schools were equal or superior to large school in preparing students for college entrance and their eventual success. Using the U.S. Department of Commerce (2002) statistics, a student earning a bachelor’s degree could expect to earn $42,000 annually. Many policymakers have failed to consider that students completing high school and college not only impact the individual’s future but the economy of the state and nation.

Shared Services

Small schools sought ways to compete with the economy of scale argument and make their districts more efficient. One way that small districts did this was through the use of “shared services.” Small districts implemented shared service agreements that allowed them to share everything from school buildings to school personnel. In Nebraska there were numerous small school districts that shared superintendents to help curb administrative costs. A superintendent sharing agreement between the Nebraska school districts of Hershey and Sutherland saved both districts approximately $50,000 (Beem, 2006).

In Kansas, cooperative agreements between nearby school districts allowed them to share specialized teachers such as those in music, media, and foreign language. Schools in Kansas also combined sports programs and shared administration in efforts to cut costs and remain separate districts (Lawrence et al., 2002). Distance learning consortiums formed by rural school districts throughout the country proved to be a viable alternative to consolidation as districts were able to increase program offerings while sharing teachers and the cost of those teachers.

A cooperative agreement was adopted by 16 Nebraska school districts in
Fillmore, Saline, Seward, York, and Lancaster counties working in partnership with Educational Service Unit Six and Southeast Community College to provide regional career academies. These academies offered students the opportunity to explore medical and educational career fields while earning college credits. Courses were offered at centralized locations in the five-county region (Robb, 2007).

In some areas a large number of small school districts banded together to pool their resources to have the same buying power as larger districts. In West Texas, Region 17 Regional Service Center located in Lubbock served schools in an area encompassing 19,000 square miles. The service center provided payroll and accounting services for a number of rural school districts; this service saved each district between 50 and 88% annually. Additionally the service center established an insurance co-op which allowed 20 rural districts to purchase additional insurance coverage at a much lower rate than they could purchase on their own (Eggers, Wavra, Snell, & Moore, 2005).

**Impact of Consolidation on Rural Communities**

There was a non-educational impact on rural communities that lost their schools to consolidation. Research focused on two distinct categories of negative impacts that consolidation had on communities: economic impact and social impact.

**Economic Impact**

Consolidation seems to go against the push for state and national legislation to revitalize rural America. Paul Nachtigall in his research stated, “Seeking economies of scale through school consolidation are, at best, elusive.” He continued, “And, at worst, to the extent that closing schools contributes to the demise of rural communities, the dollars saved are a high price to pay for the loss of those communities” (Murray, V. & Groen, R.,
A study by Lyson (2002) on the impact of school consolidation on communities in New York found towns that lost their schools had a lower social and fiscal capacity compared to towns that kept their schools. In his research Lyson conveyed that 60% of communities with schools showed positive population growth while only 46% of communities without schools grew. Furthermore, average housing values in communities with schools were 25% higher than communities that had lost their schools; also, communities with schools had a higher per capita income.

Why have rural communities been so resistant to school consolidation? According to a study by the Rural Trust cited by the Ford Foundation Report, “Schools are a mainstay of small town life, providing a vital source of jobs and purchasing power and often doubling as community and cultural centers. Losing a school, which makes it much harder to attract young families, can kill a community” (Slavin, 2005, p. 10).

Sandra MacArthur, president of the Maine Small Schools Coalition, stated, “Schools are often the largest employers in small towns. When that payroll is gone, those people are not coming to that community and they’re not spending their money there” (Grard, 2006, p. 2). Research conducted by Kay (1982) concluded that any community looking at consolidating its school should consider the ability of other institutions or social agencies within the community to serve the community. Kay (1982) added that economic efficiency and school size must not overshadow the effect of school consolidation on the community.

Social Impact

A case study conducted by Bryant and Grady (1990) looked at the social impact of school consolidation on the small Nebraska community of Douglas. Bryant and Grady
determined that there were three social forces at work in having a school in a community: centripetalism, inclusiveness, and social distinction. They stated that schools had the effect of unifying communities by bringing together community residents to one place for social interactions. The school served as the community or cultural center: "The removal of the school due to consolidation means it can no longer add to the forces of centripetalism" (Bryant & Grady, 1990, p. 25). The principle of inclusiveness played on much the same concept that schools in a small community united people to support a cause or school. Finally, communities that lost their schools felt as if they had lost their identity or social distinction. No institution promoted a distinctive community identity more powerfully than the school (Salant & Waller, 1998).

In their 1996 research of consolidated school districts in North Dakota, Sells et al. found that there was a negative impact on what they called the "vacated community"—those communities in which the school district's physical location was changed. Vacated community members believed that the participation in community organizations had declined and that the quality of life in their community had also declined after their school districts consolidated. However, the respondents in the study did not perceive that the lack of participation in civic organizations could be attributed only to school consolidation (Sells et al., 1996).

Research indicated that school consolidation shifted control of the schools from local citizens to state government. Numerous studies documented the changes in legislation and regulations that pushed this transfer of power (Salant & Waller, 1998). "Clearly, the direct effect of a centralized decision-making structure has been to divest local communities of oversight on matters such as curriculum, location of schools, and
teacher qualifications" (Salant & Waller, 1998, p. 8). Setting tax levies and controlling budget expenditures had traditionally been the authority of local boards of education. However, Nebraska’s legislature continued to take away more local control from elected school boards by adopting legislation that imposed levy limits and expenditure lids.

Chapter II Summary

This chapter began with an introduction and a review of the history of small schools and the move to make schools larger: a phenomenon attributed greatly to Conant’s research in 1958. A literature review was conducted to explore the benefits and drawbacks of consolidation. The researcher acknowledged the public pressure policymakers face to fund adequately all schools and the role this pressure has played in school consolidation. The review of empirical research demonstrated a number of benefits students received by attending small schools; these benefits included increased academic achievement, increased student safety, improved graduation and drop-out rates, increased student participation, and improved attendance rates. The literature reviewed findings regarding the recent movement to reorganize larger schools into small schools or small learning communities; this movement has gained momentum from private influences like the Gates Foundation. The chapter continued by examining ways small schools were cost effective and a different interpretation of the notion of economy of scale. The literature review addressed the theoretical economic impact of turning high school drop-outs into high school graduates and also the shared service agreements that were used by small school districts to address the economy of scale argument. This chapter finished with a review of empirical research that looked at the impact school consolidation had on the rural communities they once served.
The literature review helped the researcher define the direction of the study by focusing on the student benefits of small Nebraska schools, especially the outputs of graduation, drop-out reduction, attendance, and academic achievement, to examine their alignment with other national studies. The theoretical studies by Rouse (2005) and Bowen (2007) championed the completion of high school as an investment and benefit to the economy instead of a expenditure burden to the state. The researcher also examined how small school districts in Nebraska used cooperative strategies to become more financially efficient. Finally, the researcher incorporated information about the impact of consolidation on communities to address questions in the study.

Chapter III described the methodology used to conduct the research for this study.
Chapter III

Methodology

Introduction

In this chapter the researcher described the data needs, the research design, method, procedures, participants, and instrument used in interviewing the nine school district superintendents for this study. Six sections—introduction, research design, research sample, data collection and method, instrument, data analysis—and the summary of Chapter III are used to explain the research design and methodology.

"Research conducted over the past 15 years has convincingly demonstrated that small schools are superior to large ones on many measures and equal to them on the rest" (Cotton, 2001, p. 1). Decision-makers, however, have been reluctant to embrace small schools for fear they were not economical and placed an unnecessary burden on taxpayers (Bingler et al., 2002). Since being adopted by the Unicameral, Legislative Bill 806 impacted most of Nebraska’s smallest schools by changing the state aid funding system from one which accounted for district size to one that operated from a state average. School districts were placed into one of three cost groups for state aid purposes. These cost groups were primarily based on the proximity of one school district’s high school to that of the closest neighboring school district’s high school. The threat of further funding cuts to small schools was included in additional legislative bills such as L.B. 129 which would have further reduced funding to any K-12 school district with less than 390 students. Critics of this legislation argued that many legislators, in hopes of cutting costs, discounted the benefits of the small Nebraska schools. Funk and Bailey
(1999) found that Nebraska schools with less than 100 students in high school had a graduation rate of 97% while Nebraska districts with high schools of 600 students or higher had a graduation rate of 80%. The financial inefficiencies of small schools were greatly reduced when calculating cost per graduate and virtually disappeared when considering the social costs of non-graduates (Funk & Bailey, 1999).

The purposes of this study were threefold and included: 1) to look at the benefits (outputs) of small schools as measured by academic achievement, attendance, graduation rates, and dropout rates; 2) to identify practices used by small schools in Nebraska which allowed them to offer the required state curriculum while maintaining cost (inputs); and 3) to examine the impact of state legislation on small Nebraska school districts.

**Research Questions**

The following research questions guided the study:

1. To what extent do small schools in Nebraska affect student engagement when examining academic achievement, dropout rate, attendance rate, and graduation rate? What benefits are found in small schools?

2. What benefits do small schools provide to their communities?

3. What challenges do small school districts in Nebraska face?

4. How do the cost-per-pupil expenditures of small Nebraska schools compare to the state average? What organizational practices have been implemented by small Nebraska school districts in order to compare more efficiently with the economy of scale found in larger school districts?

5. How do participants describe the effects which resulted from enacted state legislative policies such as LB 806?
Research Design

The researcher investigated the benefits, fiscal and political challenges, and organizational practices used to make small Nebraska schools efficient by using the following methods of inquiry: analysis of Nebraska Department of Education data, literature review, and superintendent interviews. The researcher incorporated both quantitative and qualitative approaches to determine the benefits, fiscal and political challenges, and organizational practices used in small Nebraska schools. The quantitative portion of the research analyzed statistical data from the Nebraska Department of Education, including graduation rates, dropout rates, attendance rates, and student scores on the State Writing Assessment (outputs) as well as cost per pupil (inputs). The State Writing Assessment was selected as it was the only locally administered assessment that was developed and scored under the direction of Nebraska Department of Education personnel. All other academic assessments which measure student performance on standards set by the Nebraska State Board of Education were developed and scored at the local level. The researcher gathered this data from the Nebraska Department of Education School Report Card of the 52 school districts included in the study sample. The data used in this study were collected from the past three years’ report cards. The School Report Card included both inputs and outputs for each school district as well as state averages. After the data were collected, the researcher compared the average graduation rate, dropout rate, attendance rate, state writing scores, and cost per pupil of the 52 schools included in the study with that of the Nebraska state average using a one sample t test. After calculating the t value, the researcher investigated any significant
relationship between the sample Nebraska small schools' (that are classified in the standard cost group) graduation rate, attendance rate, dropout rate, writing scores, and cost per pupil when compared to the state average.

The Nebraska Department of Education defined each output and the input of "cost per pupil" used in this study as follows:

**Graduation Rate:** “High School Graduation Rate is based on standards published by the National Center for Education Statistics; this definition combines the dropout and high school diploma recipient data. This rate seeks to answer the question 'Of those students who have left school, what proportion has done so as completers?' (Retrieved from the Nebraska Department of Education Website, 2007).

**Attendance Rate:** “The attendance rate shows the total number of days students are actually in school compared to the number of days they should be in school. The attendance rate is the average daily enrollment/membership divided into the average daily attendance” (Retrieved from the Nebraska Department of Education Website, 2007).

**Dropout Rate:** “A district’s dropout rate is calculated by dividing the total number of 7th through 12th grade students who dropped out by the official enrollment for grades 7 through 12” (Retrieved from the Nebraska Department of Education Website, 2007).

**A dropout is a student who:**

*Enrolled in school the previous school year but did not enroll at the beginning of the current school year.

*Has not graduated from high school or completed a state or district-approved education program” (Retrieved from the Nebraska Department of Education Website, 2007).

**Statewide Writing Performance (Writing Scores):** “The Statewide Writing Assessment results show the percentage of students meeting the Nebraska writing standards (proficient) for grades 4, 8, and 11.”

“*The proficiency level represents the minimum score students must achieve in order to demonstrate they have met the state writing standards”* (Retrieved from the Nebraska Department of Education Website, 2007).
Cost per Pupil: The state of Nebraska reported two “annual cost per pupil” statistics; one was based on a school’s Average Daily Attendance and the other on the school’s Average Daily Membership. According to the Annual Financial Report of Nebraska School Districts, annual cost per pupil based on average daily attendance was calculated by dividing the total annual cost by average daily attendance. The annual cost per pupil based on Average Daily Membership was calculated by dividing total annual cost by average daily membership (NDE, 2007).

To gain further insight of the benefits, fiscal and political challenges, and organizational practices used by small schools, the researcher included a qualitative portion incorporating interviews of small school superintendents.

Study Sample

The small school sample for the quantitative portion of the study included all 52 Class Two and Class Three school districts with less than 300 students; these districts were classified in the Standard Cost group for state aid calculations. Class Two school districts were school districts that maintained both an elementary and high school under the direction of a single school board in a territory of less than 1,000 inhabitants (Nebraska Department of Education, 2005). Class Three school districts were school districts that maintained both an elementary and high school under the direction of a single school board in a territory having a population of more than 1,000 and less than 150,000 inhabitants (Nebraska Department of Education, 2005). Nebraska Schools were classified into three cost groupings, Very Sparse, Sparse, and Standard (LB 806, 1997), based on the following criteria. Very Sparse (cost group) school districts were school districts that had less than 0.5 students per square mile in the county where the high school was located, had less than 1.0 formula students per square mile in the local
system, and were located more than 15 miles between the high school and the next closest high school on paved roads (LB 806, 1997). Sparse (cost group) school districts were local systems that did not qualify for the very sparse cost grouping, had less than 2.0 students per square mile in the county where the high school was located, had less than 1.0 formula student per square mile in the local system, and were located more than 10 miles between the high school and the next closest high school on paved roads (LB 806, 1997). Standard (cost group) school districts were all other local systems that did not qualify as very sparse or sparse.

Participants

The superintendents included in this study were selected to give the researcher a good representation of the small Nebraska school districts. The participants in the interviews included nine Nebraska superintendents from the 52 Class Two and Class Three school districts. The researcher purposely selected superintendents who led districts that most closely mirrored the average demographics of the state of Nebraska based on ethnicity, economically disadvantaged (free/reduced lunch), and percent of special education. Superintendent selection was also based on the student population; the researcher intentionally interviewed three superintendents from districts with approximately 300 student districts, three superintendents from districts with approximately 250 students, and three superintendents from districts with less than 200 students. The superintendents' years of experience in small school districts ranged from 5 to 39 years.

Data Collection and Method

The researcher reviewed literature and research dedicated to the study of small
schools. The findings supported the existence of a number of benefits of small schools including but not limited to: academic achievement, graduation, dropouts, safety, participation, preparation for higher education, and cost effectiveness, especially when measured by cost per graduate (Cotton, 2001). To gain a better understanding of Nebraska legislation, the researcher reviewed the statutes found in LB 806, the transcripts from the testimony of the Legislative Education Committee, and the transcripts from the Unicameral debates.

Quantitative analysis of the research examined the measurement of outputs and inputs of small Nebraska schools compared to the state average (Nebraska Department of Education, 2004-2007). In this study the researcher looked at the following outputs: dropout rate, attendance rate, graduation rate, state writing assessment scores, and inputs: cost per pupil — to identify any statistical significance when comparing the 52 sample school districts to the state average. According to Haller and Kleine (2001) statistical significance depended upon differences found in the study being real and the results being consistent if replicated in a similar study. The researcher compared outputs to input (cost per pupil) with particular emphasis on cost effectiveness. The output and input data needed for this study was historical data kept by the Nebraska Department of Education that was accessible to the public and was reported on each district’s annual School Report Card.

The benefits of small schools, challenges of small schools, and impact of legislation upon small schools in Nebraska were subjects that warranted a deeper dialogue than one could ascertain from just the quantitative data. The research also incorporated qualitative methodology through the use of superintendent interviews.
Patton (2002, p. 49) stated, “To get at deeper meaning and preserve context, face-to-face interaction is both necessary and desirable.” The interviews both supported and disputed the findings of the quantitative portion and literature review of the study regarding benefits and challenges of small schools. The interviews also allowed the researcher to investigate the impact of legislation on small schools. Denzin and Lincoln (1994) described qualitative inquiry as utilizing one of the following approaches: “personal experiences, introspective accounts, life stories, interviews, observations, histories, and visual texts” (Haller & Kleine, 2001, p. 93). Through the use of interviews, the researcher gathered insight from superintendents of small schools and later sought to identify common themes relating to benefits of small schools, challenges of small schools, cost efficiency of small schools, the impact of legislation, and the superintendents’ perspectives regarding the future of small schools in Nebraska. The interview questions were designed to allow participants the opportunity to tell their stories. Qualitative interviewing was a way of finding out how others felt about the world in which they lived (Rubin & Rubin, 1995). The researcher scheduled an hour-long interview with each superintendent so questions could be answered with the necessary degree of depth. The interviews were recorded and transcribed for data analysis. The transcript of each interview was included in the appendix of the research.

**Instrument**

The researcher replicated interview questions from a study by Burton (2005) that focused on the benefits of small schools, the challenges of small schools, and cost containment strategies currently which helped make small schools more cost effective. The research also included additional questions that related to the impact of state
The researcher utilized a multi-site case study design to gain an understanding of benefits, challenges, and the impact of legislative policies on selected small school districts in Nebraska. The multi-site case study included nine superintendents that represented nine of the school districts from the 52 in the schools in the quantitative study. Patton (2002) explained that the extended field work in case studies typically involved mini cases (nine school districts): studies of various units of analysis all of which make up the overall case study. The advantage of using multiple sites was evident and was more compelling (Herriott & Firestone, 1983). The nine school superintendent interviewed provided a wealth of information for the researcher to answer the research questions found in the study. The interview questions that were asked to the superintendents in this study were listed in Table One. Interview questions were sent to five Nebraska superintendents (jury of experts) who provided recommendations for revisions.

Table 1

Interview Questions

Background Information:

1. To gain background information on each superintendent, please state:
   a. Your name
   b. Number of years in education
   c. Number of years in the current district/number of years in a small district
   d. Number of students in the district.

2. The term small school can mean different things to different people. How would you describe the term “small school”?
Table 1 Continued

Interview Questions

Benefits:
3. How do students benefit by attending a small school? Include attendance, graduation, academics, participation, etc.
4. What are the benefits of having a school in your community?

Challenges:
5. What challenges do administrators face in running a small school? Why have some small schools had to close or been forced to consolidate?
6. What financial challenges do administrators face in running a small school?
7. Nebraska Rule 10 mandates a curriculum for all certified schools. What challenges do you find in offering a comprehensive curriculum in a small school?

School efficiency:
8. LB 806 put school districts into three cost groups with the intention of making schools more efficient by working towards a state average per-pupil cost. How has your district tried to contain costs to help bring your per-pupil expenditures in line with the state average?
9. What other cost saving strategies have you thought about implementing?
10. Researchers such as Nelson (1985) are proponents of school consolidation because they find that larger schools are more efficient based on cost per pupil. How would you define an efficient school?

Legislation
11. What has been the major impact of LB 806 on your school district?
Data Analysis

The quantitative data of the study were analyzed using a one sample t test. The one sample t test determined if there were statistically significant differences between the small school district sample means and the state mean when analyzing graduation rates, dropout rates, attendance rates, writing scores, and cost per pupil. The researcher used the social science standard of .05 to determine significance.

The transcripts of the superintendent interviews allowed the researcher to look for emerging themes and patterns from the qualitative data. Polit and Hungler (1983) explained that the researcher conducting qualitative research attempts to analyze the variables and themes relevant to the study. The challenge of empirical studies was to derive meaning and insight from the word usage and frequency patterns found in the text (Yin, 2003). The opportunity to interview nine superintendents gave the researcher the ability to compare responses and look for emerging themes. The researcher selected the use of formal analysis introduced by Marshall and Rossman (2006) to analyze the qualitative data. Their formal analysis process included the following seven phases.

**Phase 1 - Organization of Data:** During this phase the researcher organized the information into manageable data for thorough review. The researcher organized the responses from all superintendent interviews with the correlating question for comparison. For example, all nine superintendent responses to Question Two were placed together. This gave the researcher the ability to look at all responses to each question to find common themes. According to Marshall and Rossman (2006), this was also the time to make minor editing to all note cards from the field and interview transcripts.
Phase 2 – Immersion in the Data: It was important for the researcher to become intimately familiar with the data (Marshall & Rossman, 2006). This was the phase in which the researcher read, reread, and then continued to read the data to gain insight. Patton (2002) explained that immersion is the stage where the researcher must place himself in all that is, of contacting the texture, tone, mood, range, and content of the experience. The researcher must start to make sense out of the data collected from the pages of interview transcripts. It was during this phase that the researcher began to streamline the data by sorting the important information from the trivial.

Phase 3 - Generating Categories, Themes, and Patterns: The process of category generation involved noting patterns that were evident in the setting and expressed by the participants in the research (Marshall & Rossman, 2006). Patton (2002) expressed that “the themes, patterns, understandings, and insight that emerge from the fieldwork and subsequent analysis are the fruit of qualitative inquiry” (p. 5). The researcher looked for emerging themes from the four major categories of questions asked to each superintendent in the study: Benefits of Small Schools, Challenges of Small Schools, School Efficiency, and Legislative Impact. The researcher compared responses from each superintendent, looking for common beliefs and meaning that were held by participants in the study. The researcher then defined the common themes that ran throughout the responses.

Phase 4 - Coding the Data: After the researcher generated categories and themes from the data, it was time to code the data. According to Marshall and Rossman (2006), codes may be abbreviations of key words, color codes, numbers, or anything that will help the researcher identify relating data. The choice was left up to the researcher.
In this study the researcher used abbreviations and different colored highlighters to code key information. An example of the coding that was used in this study is as follows: in the benefits category, attendances were coded (att.) and highlighted with a yellow marker. The researcher read through the transcripts of the interviews and field notes a number of times and carefully marked the passages using the appropriate codes. The coding process helped the researcher gain additional insight to the responses of each superintendent.

**Phase 5 – Offering Interpretations through Analytic Memos:** The analytic process occurred when the researcher wrote reflective memos that provided deeper thought and insight. In this phase Marshall and Rossman (2006) challenged the researcher to analyze the data for *unusual insight*, insight that would move the analysis from the mundane and obvious to the creative. It was after gaining such insight that the researcher began to interpret what he found, to bring meaning and coherence to the research. Patton (2002, p. 480) noted, “Interpretation means attaching significances to what was found, making sense of findings, offering explanations, drawing conclusions, extrapolating lessons, making inferences, considering meanings, and otherwise imposing order on an unruly but surely patterned world.” The interpretation by the researcher showed how the gathered data supported the emerging story in relation to the research questions being explored (Marshall & Rossman, 2006).

**Phase 6 - Searching for Alternative Understanding:** After the researcher began to gain insight to the themes, categories, and patterns that emerged in the research, it became critically important to challenge results. The researcher questioned if there were other reasonable explanations for the themes and patterns that emerged and their
relationships to each other. According to Marshall and Rossman (2006), alternative explanations always existed. The researcher had to identify alternative explanations and then explain which interpretation of the data was more plausible than alternative explanations. Using this type of critical analysis assisted the researcher in gaining further meaning to the relationships that emerged in the research.

Phase 7 – Writing the Report for Presenting the Study: Reporting the qualitative data was a delicate balance between how much descriptive data should be included in the research versus the amount of the researcher's own interpretation. Patton (2002) talked about the importance of giving the readers enough data to allow them to enter into the situation or thoughts of the people represented in the research. However, Patton (2002) concluded that “. . . description should stop short of becoming trivial and mundane” (p. 503). Marshall and Rossman (2006) made it clear that writing about qualitative data cannot be separated from the analytic process. Choosing the right words to represent the complexity of the data while bringing meaning to the reader was critical for the researcher. The hope of researchers is that their reports will contribute to the improvement of society by either direct action or by enhancing policy or program decisions (Marshall & Rossman, 2006).

The Marshall and Rossman (2006) analysis process incorporated in this research gave the researcher opportunities to look at the collected data to gain understanding of how the qualitative data addressed the research questions posed in the study.

Chapter III Summary

Chapter III described the overall research design and methodology used in the study. The chapter began with an introduction to the study and the restating of the posed
research questions. The researcher then explained how the design of the study incorporated both quantitative methodology and qualitative case study methodology to address the research questions. Criteria were outlined for selecting school districts, the superintendents interviewed, the data collection, and data sources. The researcher then explained the research instruments (interview questions) that were incorporated in the study and how the instrument was validated. The chapters concluded with how the data collected in this study were analyzed. The quantitative data were analyzed using a t test and the qualitative data were subjected to a process defined by Marshall and Rossman (2006). Table 2 found at the end of this chapter included a matrix of data collected to address each question in this study.
### Table 2

**Data Collection Sources**

<table>
<thead>
<tr>
<th>Research Questions</th>
<th>Data Collected</th>
<th>From Whom Sampled</th>
<th>How Data Were Collected</th>
<th>Analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. To what extent do small schools in Nebraska affect student engagement when examining academic achievement, drop-out rate, attendance rate, graduation rate? What benefits are found in small schools?</td>
<td>Graduation rates, attendance rates, dropout rates, and state writing assessment</td>
<td>All 52 schools in the study sample</td>
<td>Collected from each district’s “school report card” from the Nebraska Department of Education</td>
<td>Marshall and Rossman (2006) analysis process looking for themes and patterns</td>
</tr>
<tr>
<td>3. What challenges do small school districts in Nebraska face?</td>
<td>Challenges small schools face and how they are addressing those changes (Interview questions 5 through 7)</td>
<td>The nine superintendents interviewed</td>
<td>Interviews</td>
<td>Marshall and Rossman (2006) analysis process looking for themes and patterns</td>
</tr>
</tbody>
</table>
Table 2 Continued

Data Collection Sources

<table>
<thead>
<tr>
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<th>Data Collected</th>
<th>From Whom Sampled</th>
<th>How Data Were Collected</th>
<th>Analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td>4. How do the cost-per-pupil expenditures of small Nebraska schools compare to the state average? What organizational practices have been implemented by small Nebraska school districts in order to compare more efficiently with the scale found in larger school districts?</td>
<td>Cost Per Pupil</td>
<td>All 52 schools in the study's small district sample</td>
<td>Collected from each district's &quot;school report card&quot; from the Nebraska Department of Education</td>
<td>Marshall and Rossman (2006) analysis process looking for themes and patterns</td>
</tr>
<tr>
<td>5. How do participants describe the effects which resulted from enacted state legislative policies such as LB 806?</td>
<td>Practices small schools have used to try to be efficient (Interview question 8 &amp; 9)</td>
<td>The nine superintendents interviewed</td>
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<tr>
<td></td>
<td>Definition of efficient schools (Interview question 10)</td>
<td></td>
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<tr>
<td></td>
<td>Impact of legislation (Interview question 11)</td>
<td>The nine superintendents interviewed</td>
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</tr>
</tbody>
</table>
Chapter IV
Analysis of Data and Findings

Introduction
The purpose of this study was to examine the effectiveness of small Nebraska school districts (less than 300 students) and to evaluate the impact that current legislation had on Nebraska's smallest school districts. The researcher performed a descriptive comprehensive efficiency analysis of 52 of Nebraska's smallest school districts by looking at the following outputs from quantitative data attained from the Nebraska Department of Education historical data as found in the 2004, 2005, and 2006 Nebraska Schools Report Card: drop-out rates, attendances rates, graduation rates, and academic achievement (the study examined the scores from the state writing test in grades four, eight, and eleven). The data were compared to state averages by looking at "cost per pupil by average daily attendance" and "cost per pupil by average daily membership" using a one sample t test.

To get an in-depth understanding of the benefits, fiscal and political challenges, and organizational practices used by small school districts, the researcher performed a qualitative investigation through one-on-one interviews with superintendents of nine small school districts. The researcher investigated organizational practices small school districts implemented to contain cost while maintaining a competitive curriculum.

Organization of the Analysis
The study was designed to attempt to answer the following research questions:
1. To what extent do small school districts in Nebraska affect student engagement when examining academic achievement (state writing scores), drop-out rate, attendance rate, and graduation rate? What other benefits are found in small schools?

2. What benefits do small schools provide their community?

3. What challenges do small school districts in Nebraska face?

4. How do the cost-per-pupil expenditures of small Nebraska schools compare to the state average? What organizational practices have been implemented by small Nebraska school districts in order to compare more efficiently with the economy of scale found in larger school districts?

5. How do participants describe the effects which resulted from enacted state legislative policies such as LB 806?

Analysis of Quantitative Data

(one sample t test)

The researcher compared the outputs (attendance rates, drop-out rates, writing scores, graduation rates) and the inputs (per-pupil cost based on average daily attendance and the per-pupil cost based on average daily membership of the small school sample) to the state average for the three years of collected data using a one sample t test. After calculating the t value, the researcher determined if there was a statistically significant relationship between school size and attendance rates, drop-out rates, writing scores, graduation rates, and per-pupil costs. The results of each t test were reported for the outputs and inputs.
Attendance Rates

The small school districts' attendance rates were higher than the state average during the three years of collected data. In 2003-2004 there were only three out of the 52 investigated districts whose attendance rate was below that of the state average. The same three districts were below the state average in both 2004-2005 and 2005-2006. There were two additional school districts in the study that fell below the state average attendance in 2004-2005 and three in 2005-2006.

Table 3
Mean Attendance Rates and Standard Deviations

<table>
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<tr>
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<tbody>
<tr>
<td></td>
<td>M  SD  SM</td>
<td>M  SD  SM</td>
<td>M  SD  SM</td>
</tr>
<tr>
<td>Small Schools</td>
<td>52  95.94 2.32 94.70</td>
<td>95.68  2.19 94.63</td>
<td>95.62  2.58 94.94</td>
</tr>
</tbody>
</table>

*SM = State Mean

The Null Hypothesis stated no difference between the attendance rate of the small school sample and the state average; however, there was significant difference between the small districts and the state average in attendance rates in 2003-2004, \( t = 5.713, \text{df} = 51, \text{and } p = 0.000 < .05 \). The small districts had a mean attendance rate of 95.94 while the state average was 94.70. Thus the null hypothesis was rejected. The evidence suggested that, on average, students who attended small school districts had a higher attendance rate than the state average in 2003-2004.
There was also significant difference between the small districts and the state average in attendances rates in 2004-2005, \( t = 3.461, \ df = 51, \) and \( p = 0.001 <.05. \) The small districts had a mean attendance rate of 95.68 while the state average was 94.63. The null hypothesis was rejected. The evidence suggested that, on average, students who attended small school districts had a higher attendance rate than the state average in 2004-2005.

Although the small school attendance was higher than the state average in 2005-2006, the difference was not statistically significant.

**Drop-out Rates**

The small school districts’ drop-out rates were lower than the state average in all three years of collected data. In 2003-2004 and in 2004-2005, 44 of the 52 small school districts in the study had a lower drop-out rate than the state average. In 2005-2006, 47 of the small school districts had a lower drop-out rate than the state average. Only three of the small school districts had a higher drop-out rate than the state average in all three years.

**Table 4**

**Mean Drop-out Rates and Standard Deviations**

<table>
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<tbody>
<tr>
<td></td>
<td>M SD SM</td>
<td>M SD SM</td>
<td>M SD SM</td>
</tr>
<tr>
<td>Small Schools</td>
<td>52 1.30 3.12 1.92</td>
<td>0.98 2.66 1.86</td>
<td>0.71 1.93 1.81</td>
</tr>
</tbody>
</table>

*SM = State Mean*
The Null Hypothesis stated no difference between the drop-out rates of the small school sample and the state average.

There was significant difference between the small districts and the state average in drop-out rates in 2004-2005, \( t = -2.382 \), \( df = 51 \), and \( p = 0.021 < .05 \). The small districts had a mean drop-out rate of 0.98 while the state average was 1.86. The null hypothesis was rejected. The evidence suggested that, on average, students who attended small school districts had a lower drop-out rate than the state average in 2004-2005.

There was also significant difference between the small school districts and the state average in drop-out rates in 2005-2006, \( t = -4.108 \), \( df = 51 \), and \( p = 0.000 < .05 \). The small districts had a mean drop-out rate of 0.71 while the state average was 1.81. The null hypothesis was rejected. The evidence suggested that, on average, students who attended small school districts had a lower drop-out rate than the state average in 2005-2006.

**Writing Scores**

Students in Nebraska were required to take the statewide writing assessment in grades four, eight, and eleven. The research indicated that students in fourth and eleventh grades from the small school sample had a higher average than the state average when looking at “meeting or exceeding” standards on the writing assessment in all three years of the study. However, the eighth grade students from the small schools had a lower average of students meeting or exceeding writing standards than the state average in two of the three years.
Fourth Grade Writing

The Null Hypothesis stated that there was no difference between the percentage of students meeting or exceeding writing standards of the small school sample and the state average on the fourth grade statewide writing assessment.

Table 5

Mean Fourth Grade Writing Meeting/Exceeding Expectations and Standard Deviations

<table>
<thead>
<tr>
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<tbody>
<tr>
<td></td>
<td>M</td>
<td>SD</td>
<td>SM</td>
</tr>
<tr>
<td>Small Schools</td>
<td>43</td>
<td>84.08</td>
<td>12.97</td>
</tr>
</tbody>
</table>

*SM = State Mean

There was significant difference between the small districts and the state average in fourth grade writing in 2003-2004, \( t = 2.285 \), \( df = 42 \), and \( p = 0.027 < .05 \). The small districts had a mean average of 84.09 while the state average was 79.57. The null hypothesis was rejected. The evidence suggested that, on average, students who attended small school districts had a higher percentage of fourth grade students meeting or exceeding state writing standards than the state average in 2003-2004.

There was also a significant difference between the small districts and the state average in fourth grade writing in 2004-2005, \( t = 2.439 \), \( df = 37 \), and \( p = 0.020 < .05 \). The small districts had a mean average of 87.85 while the state average was 82.99. The null hypothesis was rejected. The evidence suggested that, on average, students who attended small school districts had a higher percentage of fourth grade students meeting
or exceeding state writing standards than the state average in 2004-2005.

_Eighth Grade Writing_

The Null Hypothesis stated no difference between the percentage of students meeting or exceeding writing standards of the small school sample and the state average on the eighth grade statewide writing assessment.

**Table 6**

**Mean Eighth Grade Writing Meeting/Exceeding Expectations and Standard Deviations**

<table>
<thead>
<tr>
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<tbody>
<tr>
<td><strong>N</strong></td>
<td><strong>M</strong></td>
<td><strong>SD</strong></td>
<td><strong>SM</strong></td>
</tr>
<tr>
<td>Small Schools</td>
<td>46</td>
<td>87.22</td>
<td>11.71</td>
</tr>
<tr>
<td></td>
<td>50</td>
<td>79.94</td>
<td>17.00</td>
</tr>
<tr>
<td></td>
<td>50</td>
<td>82.75</td>
<td>15.61</td>
</tr>
</tbody>
</table>

*SM = State Mean*

There was significant difference between the small districts and the state average in eighth grade writing in 2003-2004, $t = 2.698$, $df = 45$, and $p = 0.010 < .05$. The small districts had a mean average of 87.22 while the state average was 82.56. The null hypothesis was rejected. The evidence suggested that, on average, students who attended small school districts had a higher percentage of eighth grade students meeting or exceeding state writing standards than the state average in 2003-2004.

There was also a significant difference between the small districts and the state average in eighth grade writing in 2004-2005, $t = -2.081$, $df = 49$, and $p = 0.043 < .05$. The small districts had a mean average of 79.9364 while the state average was 84.94. The null hypothesis was rejected. The evidence suggested that, on average, students who
attended small school districts had a lower percentage of eighth grade students meeting or exceeding state writing standards than the state average in 2004-2005.

**Eleventh Grade Writing**

The Null Hypothesis stated no difference between the percentage of students meeting or exceeding writing standards of the small school sample and the state average on the eleventh grade statewide writing assessment.

**Table 7**

**Mean Eleventh Grade Writing Meeting/Exceeding Expectations and Standard Deviations**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>M</td>
<td>SD</td>
<td>SM</td>
</tr>
<tr>
<td>Small</td>
<td>46</td>
<td>90.26</td>
<td>7.37</td>
</tr>
<tr>
<td>Schools</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*SM = State Mean

There was significant difference between the small districts and the state average in eleventh grade writing for 2003-2004, t = 2.636, df = 45, and p = 0.011 < .05. The small districts had a mean average of 90.25 while the state average was 87.39. The null hypothesis was rejected. The evidence suggested that, on average, students who attended small school districts had a higher percentage of eleventh grade students meeting or exceeding state writing standards than the state average in 2003-2004.

**Graduation Rates**

The average graduation rates of the small school districts included in the study were higher than the state average in all three years of the study. The small school
averages were significant for each year of the study. However, the researcher noted that two of the school districts included in the small school sample had significant lower graduation rates and were considered outliers to the rest of the schools districts included in this study sample. Those two districts' graduation rates were represented with rates of 33.33, 55.56, 40, 25, 47.06 and 57.14 in each of the respective years. The outlier data were included when figuring the graduation rate for the small school district means. The demographics of these two districts were very unique because of their large percentage of Native American students; demographics which were not representative of average small Nebraska school districts. The researcher addressed further in Chapter V.

The Null Hypothesis stated no difference between the graduation rate of the small school sample and the state average.

Table 8
Mean Graduation Rates and Standard Deviations

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>N</td>
<td>M</td>
<td>SD</td>
<td>SM</td>
</tr>
<tr>
<td>Small Schools</td>
<td>52</td>
<td>93.99</td>
<td>14.28</td>
</tr>
</tbody>
</table>

*SM = State Mean

There was significant difference between the small districts and the state average graduation rates in 2003-2004, t = 3.288, df = 51, and p = 0.002 < .05. The small districts had a mean graduation rate of 93.99 while the state average was 87.48. The null hypothesis was rejected. The evidence suggested that, on average, students who attended small school districts had a higher graduation rate than the state average in 2003-2004.
There was also significant difference between the small districts and the state average graduation rates in 2004-2005, \( t = 4.165, \ df = 51, \) and \( p = 0.000 < .05. \) The small districts had a mean graduation rate of 94.36 while the state average was 88.04. The null hypothesis was rejected. The evidence suggested that, on average, students who attended small school districts had a higher graduation rate than the state average in 2004-2005.

The analysis also found a significant difference between the small districts and the state average graduation rates in 2005-2006, \( t = 3.866, \ df = 51, \) and \( p = 0.000 < .05. \) The small districts had a mean graduation rate of 94.53 while the state average was 88.76. The null hypothesis was rejected. The evidence suggested that, on average, students who attended small school districts have a higher graduation rate than the state average in 2005-2006.

Inputs

The researcher utilized two different data sets to analyze the inputs or cost of educating students. The first analysis looked at inputs based on cost per pupil for average daily attendances. The second analysis examined inputs based on cost per pupil for average daily membership. The analysis indicated that the gap between the small schools and the state average cost per pupil narrowed when comparing cost based on average daily attendance instead of cost based on average daily membership. However, it was still apparent that there was a significant increase in cost per pupil for small school district no matter which method was used to make comparisons.
Cost per Pupil - Average Daily Attendance

The Null Hypothesis stated no difference between the cost per pupil of the small school sample and the state average when cost per pupil was based on average daily attendance.

Table 9

Mean Cost per Pupil (ADA) and Standard Deviations

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>M  SD</td>
<td>M  SD</td>
<td>M  SD</td>
</tr>
<tr>
<td>Small</td>
<td>52</td>
<td>9684.60</td>
<td>2422.14</td>
</tr>
<tr>
<td>School</td>
<td></td>
<td>10063.78</td>
<td>2426.15</td>
</tr>
<tr>
<td>N 52</td>
<td>10694.47</td>
<td>2185.50</td>
<td>8962.96</td>
</tr>
</tbody>
</table>

*SM = State Mean

There was significant difference between the small districts and the state average cost per pupil based on average daily attendance in every year of the study. In 2003-2004, \( t = 4.315, \text{ df} = 51, \text{ and } p = 0.000 < .05 \). The small districts had a cost per pupil mean of $9,684.60 while the state average was $8,235.34. In 2004-2005, \( t = 4.743, \text{ df} = 51, \text{ and } p = 0.000 < .05 \). The small districts had a cost per pupil mean of $10,063.78 while the state average was $8,468.06. Finally, in 2005-2006, \( t = 5.713, \text{ df} = 51, \text{ and } p = 0.000 < .05 \). The small districts had a cost per pupil mean of $10,694.47 while the state average was $8,962.96. The null hypothesis was rejected. The evidence suggested that, on average, the cost per pupil based on average daily attendance was higher in small school districts than the state average in all three years of the study.
listed in Table 11. These descriptors reflected the ever-changing demographics of small rural school districts in Nebraska. The total K-12 district enrollment in the study ranged from 126 students to 300. The data indicated that the homogenous population of Nebraska's rural communities and school districts had changed. All but three school districts in the study had some percentage of minority students enrolled. Seven school districts in the study had higher than 10% minority enrollment with the highest minority enrollment of 98.57%. The impact of educating children of poverty was also evident in the data. Thirty of the 52 school districts had a higher percentage of students on free/reduced lunch than the state average. Free/reduced lunch percentages of school districts in the study ranged from 17.12% to 83.85% with nine school districts having over 50% of their student population on free/reduced lunch. One interesting characteristic of the school districts in the study was that thirty-three of the school districts had a higher percentage of special education students than the state average. One advantage of the small school districts appeared to be the stability of the students staying in the district. Only seven out of the 52 school districts have a higher mobility rate than the state average. Twelve school districts reported a percentage of students classified as Limited English Proficient with one district having a high of 92.5% Limited English Proficient population.
Table 11

Student Descriptors of the Small School Districts in the Study

<table>
<thead>
<tr>
<th>School District</th>
<th>Enrollment K-12</th>
<th>Free/Reduced Lunch (%)</th>
<th>Mobility (%)</th>
<th>L.E.P. (%)</th>
<th>(%) Special Education</th>
<th>Minority (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Listed by size</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>in descending</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>order</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>300</td>
<td>43.35</td>
<td>9.18</td>
<td>0</td>
<td>21.2</td>
<td>13.6</td>
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<tr>
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<td>37.89</td>
<td>9.47</td>
<td>4.21</td>
<td>13.33</td>
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<td></td>
</tr>
<tr>
<td>289</td>
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<td>15.05</td>
<td>0</td>
<td>16.39</td>
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<tr>
<td>289</td>
<td>32.62</td>
<td>5.87</td>
<td>0</td>
<td>15.8</td>
<td>2.12</td>
<td></td>
</tr>
<tr>
<td>289</td>
<td>76.79</td>
<td>67.86</td>
<td>92.5</td>
<td>28.21</td>
<td>98.57</td>
<td></td>
</tr>
<tr>
<td>277</td>
<td>25.09</td>
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<td>1.79</td>
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<tr>
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<tr>
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<tr>
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<tr>
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</tr>
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<td>3.83</td>
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<td>7.17</td>
<td></td>
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<td>0</td>
<td>20.28</td>
<td>9.9</td>
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<td>0</td>
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<td>3.17</td>
<td></td>
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<td>20.88</td>
<td>0</td>
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</tr>
<tr>
<td>174</td>
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<td>5.19</td>
<td>0</td>
<td>14.94</td>
<td>2.58</td>
<td></td>
</tr>
<tr>
<td>171</td>
<td>25.97</td>
<td>4.9</td>
<td>0</td>
<td>16.78</td>
<td>2.6</td>
<td></td>
</tr>
<tr>
<td>169</td>
<td>48.15</td>
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<td>0</td>
<td>13.58</td>
<td>5.56</td>
<td></td>
</tr>
<tr>
<td>165</td>
<td>47.93</td>
<td>3.16</td>
<td>0</td>
<td>13.29</td>
<td>5.32</td>
<td></td>
</tr>
</tbody>
</table>
Table 11
Continued
School District | Enrollment K-12 | Free/Reduced Lunch (%) | Mobility (%) | L.E.P. (%) | (%) Special Education | Minority (%)
---|---|---|---|---|---|---
162 | 83.85 | 54.86 | 0 | 27.33 | 97.51
157 | 46.2 | 15.91 | 0 | 18.18 | 1.08
146 | 38.82 | 5.26 | 3.29 | 15.13 | 8.55
135 | 71.14 | 10.64 | 0 | 21.99 | 0.67
134 | 52.32 | 3.31 | 0 | 15.23 | 0
134 | 54.93 | 4.58 | 0 | 20.61 | 4.92
128 | 27.54 | 2.17 | 0 | 18.84 | 1.45
126 | 26.12 | 0.75 | 0 | 14.93 | 2.24
Sample Ave. | 39.89 | 9.83 | 2.92 | 17.55 | 9.20
State Ave. | 34.66 | 13.77 | 6.17 | 15.21 | 22.52

Analysis of Qualitative Data

Description of the Interview Participants

The qualitative data responses were from superintendents of nine small Nebraska school districts. Seven of the interviews were conducted in the superintendent’s office at his/her respective school district. At the request of the participants, two of the interviews were conducted at the researcher’s school district to fit work schedules. Experience of the superintendents ranged from one year to thirty years. The K-12 student enrollment in the school districts of the participants ranged from 190 students up to 300. The educational background of each participant and his/her definition of small school (Questions One and Two) were recorded in Table 12. Each participant was asked to respond to eleven interview questions. The researcher read each question to the participants. Their responses were recorded and transcribed and presented in the Appendix.
### Table 12

Description of Participants

<table>
<thead>
<tr>
<th>Participant</th>
<th>Years of Superintendent Experience/Total Years in Education</th>
<th>Definition of Small School</th>
</tr>
</thead>
<tbody>
<tr>
<td>Superintendent 1</td>
<td>Five years/twenty-one years</td>
<td>*400 or less students</td>
</tr>
<tr>
<td>Superintendent 2</td>
<td>Two years/sixteen years</td>
<td>*Around 200 students</td>
</tr>
<tr>
<td>Superintendent 3</td>
<td>Thirty two/thirty-seven years</td>
<td>*Somewhere around 300 students or less</td>
</tr>
<tr>
<td>Superintendent 4</td>
<td>One year/ten years</td>
<td>*500 students or less</td>
</tr>
<tr>
<td>Superintendent 5</td>
<td>Five years/thirty-eight years</td>
<td>*300 students</td>
</tr>
<tr>
<td>Superintendent 6</td>
<td>Two years/fifteen years</td>
<td>*Class size under 20 *One class per grade level *Small means very family oriented</td>
</tr>
<tr>
<td>Superintendent 7</td>
<td>Thirty years/thirty-nine years</td>
<td>*Somewhere between 400 and 500 students *Small is a relative term - small schools can do big things</td>
</tr>
<tr>
<td>Superintendent 8</td>
<td>Six years/twenty-eight years</td>
<td>*A small school is one where you work with students that are long-time residents.</td>
</tr>
<tr>
<td>Superintendent 9</td>
<td>Nineteen years/twenty-eight years</td>
<td>*Small schools can be small by choice or small by the demographic make up of the community</td>
</tr>
</tbody>
</table>

### Analysis of the Data Collected in the Interviews

**Research Question One**

Research Question One examined the positive impact of small schools on students. To gather additional data, the researcher asked the participants to examine the benefits that small schools provided for their students. Interview Question Three simply
asked: “How do students benefit by attending a small school?” (Cotton, 2001; Jimerson, 2006; Hass, 2000; Johnson & Strange, 2002). The researcher identified common themes that emerged from the participants’ responses. The categories of benefits, challenges, school efficiency, and legislation were identified from the literature review and the conceptual framework of the study. Many of the participants expanded their responses to this question to relate how their small school benefited the community and staff, as well as the students. The most common themes that emerged from Question Three were relationships, student involvement, and school environment.

Table 13

Common Themes and Examples from Research Question One

<table>
<thead>
<tr>
<th>Category</th>
<th>Common Theme</th>
<th>Examples from Interviews</th>
</tr>
</thead>
<tbody>
<tr>
<td>Student benefits of small</td>
<td>Relationships</td>
<td>*Concern for all students</td>
</tr>
<tr>
<td>schools</td>
<td></td>
<td>*Staff knows all students</td>
</tr>
<tr>
<td></td>
<td></td>
<td>*Staff knows students’ backgrounds</td>
</tr>
<tr>
<td></td>
<td>Student involvement</td>
<td>*Large percentage of student participation</td>
</tr>
<tr>
<td></td>
<td></td>
<td>*Students participate in a number of extra-curricular activities</td>
</tr>
<tr>
<td></td>
<td></td>
<td>*Active students are connected students</td>
</tr>
<tr>
<td></td>
<td>Environment</td>
<td>*Multi-grade level interaction</td>
</tr>
<tr>
<td></td>
<td></td>
<td>*Monitoring of students helps guarantee success. “We’re going to make them</td>
</tr>
<tr>
<td></td>
<td></td>
<td>succeed”.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>*Holding students accountable</td>
</tr>
<tr>
<td></td>
<td></td>
<td>*Smaller class size</td>
</tr>
</tbody>
</table>

The opportunity the staff had to establish and build positive relationships with each student in a small school was a strong sentiment that was shared by most participants. The importance of “caring” about students was emphasized by a number of the superintendents. One superintendent offered, “I think our students know that our
teachers care about them, and I think that is really, really important.” Another participant stated that “Kids graduate from here because the teachers care about them.” Another important component of establishing relationships with students was getting more knowledgeable about the student’s life outside the school. “We have the opportunity as administrators, counselors, and teachers to know the students; to know them well, to know their family background, and to understand when they have a problem if there is a reason for that” (Superintendent Five). The responses to this question reaffirmed the findings from a study by Hass (2000) which indicated that students learn best in an intimate setting where teachers know their students.

Another benefit of small schools theme that emerged in every superintendent interview was the importance of student involvement in extra-curricular activities and the role involvement played in student success in school. The high level of student participation in extra-curricular activities in most small schools in the study was reflected in this superintendent’s response: “We have over 90% of our students involved in some type of extra-curricular activity; kids that are involved . . . there is a connection to their school.” Another superintendent explained that it was just the expectation in a small school to be involved: “It is kind of a given that when you come to a small school, you participate in everything. That’s what we’re all about.” One thing that was shared throughout the interviews was that small schools were able to allow students the opportunities to participate in activities regardless of their talent levels. As one superintendent stated it best. “The neat thing about small schools is that there is so much that can be done by the students. They never have to feel like their talents can’t be examined. If they visualize themselves as being a performer, well, they have the
opportunity to perform because we’re not going to have a situation where we’re going
to call out the ones that aren’t good. Everyone is going to get the opportunity to
participate.”

The last emerging theme relating to the student benefits question was the overall
advantages in the school environment unique to a small school. All of the
superintendents participating in the interviews oversaw K-12 districts with eight of the
nine superintendents operating a one-school facility that housed all K-12 students.
Students had the opportunity to interact with other students regardless of grade level.
One superintendent proudly explained their school had implemented a program where
seniors went to the kindergarten room to help students and the junior class was assigned
to work with second grade. This program provided role models that the younger students
saw each day in the classroom and in the hallways. Additionally, participants talked
about the ability to hold students accountable and to monitor their progress because of
having fewer students to supervise. Some of the superintendents’ comments regarding
accountability included: “We have fewer students per teacher, and they are able to give
them a great deal more, I guess, time and effort.” “We hold our students accountable:
we’re going to make them succeed.” One of the participants who had attended a large
school said, “I graduated from a school with 500 kids in my class. The attention these
students get compared to what I got in high school is night and day. These kids get one-
on-one help all the time.” Another superintendent imparted how his district developed an
individual student learning plan for all students. If a student was down in a class, the
teachers came up with a plan to help him get off the down list. As one superintendent
communicated, “I think it is important that kids are in a school where they are closely
monitored.” This monitoring and attention produced the high graduation rates and high attendance rates that most of the participants proudly shared.

**Research Question Two**

Research Question Two looked into the community benefit of having a school. Research indicated that the relationship between community and school was very important in small rural communities. Question Four of the interview asked the superintendents to identify the benefits small schools provided their communities. “What are the benefits of having a school in your community?” (Grard, 2006; Slavin, 2005; Lyson, 2002; Bryant & Grady, 1990). The researcher concluded that the two major themes that emerged in community benefits were “economic impact” and “social impact.” These themes (Table 22) validated the common themes found in the literature review.

The social impact of having a school in the community aroused emotion from all participants. Superintendents consistently shared that the community’s identity was centered around the school. As one superintendent stated, “In most communities in Nebraska, the community identifies with a school, and if you no longer have a school, you lose part of your identify as a community.” Another superintendent expressed that there was a sense of lineage in the school because many of the current parents attended the school. The role that the school played as the social gathering place for the community was also emphasized throughout many of the interviews. One participant explained, “We are the social gathering point for the people in the community. They come to the football games. They come to the basketball games.” What the school means to small rural communities was best stated, “It is the life and soul of this community.”
Table 14

Common Themes and Examples from Research Question Two

<table>
<thead>
<tr>
<th>Category</th>
<th>Common Themes</th>
<th>Examples from Interviews</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benefits to Community</td>
<td></td>
<td>*The school is the identity of the community</td>
</tr>
<tr>
<td></td>
<td></td>
<td>*Civic pride is garnered from our school</td>
</tr>
<tr>
<td></td>
<td></td>
<td>*It is the gathering place for the community</td>
</tr>
<tr>
<td></td>
<td></td>
<td>*Social aspect of having a school — attend plays, music programs, athletic contests.</td>
</tr>
<tr>
<td>Social Impact</td>
<td></td>
<td>*The extra foot traffic create from having a school helps local vendors</td>
</tr>
<tr>
<td>Economic Impact</td>
<td></td>
<td>*Without a school in the community parents express that they would move their family.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>*Small business that are trying to make it won't make it without our school</td>
</tr>
</tbody>
</table>

The economic impact of having a school in a small rural community was also a reoccurring theme in every interview. Many of the participants shared the economic advantages that they believed the school had on its local economy such as bringing in more foot traffic during school activities. One participant simply stated about the impact of the school on the community: “You have people, you have kids in the community — there are things they do with their money downtown.” Some of the participants revealed their concerns of the negative economic impact their communities would face if they were to lose their schools or if they would be forced to consolidate with another school district. One superintendent shared the negative ripple effect of what he believed would
happen if his community lost its school: "Without a school, people would leave the community, and as people leave the community; small business would have to close." He further stated that property values would go down because more homes would be on the market for sale and that those homes would bring less money because families will not want to move to a community without a school.

**Research Question Three**

"What challenges do small school districts in Nebraska face? The researcher wanted to gather data to see if there were common challenges that small school districts in Nebraska were facing or if there were some unique challenges that some districts faced alone. Three questions were incorporated into the superintendents' interviews to focus on the issue of "challenges." Question Five was a very general question that allowed the superintendents to share any challenge they faced in running a small school district. Question Six concentrated on the financial challenges faced by small school districts. The last interview question, Question Seven focused on the challenges small schools faced in meeting the curriculum requirements found in Nebraska's Rule 10.

The researcher found three common themes that emerged under challenges that superintendents faced: financial challenges, curriculum/staffing challenges, and challenges of overcoming the negative perception of the future of small Nebraska school districts.
### Common Themes and Examples from Research Question Three

<table>
<thead>
<tr>
<th>Category</th>
<th>Common Themes</th>
<th>Examples from Interviews</th>
</tr>
</thead>
</table>
| Challenges Faced by Small School Districts  | Financial                                                                     | *A lot of unfairness in state aid to schools  
*We have had to cut costs 
*As costs go up, state aid is going down 
*Schizophrenic-type state aid funding 
*Limited resources have hurt facility upgrades 
*Spending lids 
*Conducting levy override elections       |
|                                             | Curriculum/Staffing                                                           | *Hard to find certified teachers  
*Finding teachers to teach more than one curriculum area 
*Lower wages in small rural schools. 
*Offering a rich enough curriculum to meet the needs of all learners |
|                                             | The negative perception of the future of small school districts in Nebraska    | *Why would you build – because you know in 10 years you’re not going to have a school  
*Without outside funding from taxes these schools are going to dry up and close 
*Too high of cost per pupil 
*State aid funding is trying to force school consolidation |

All nine superintendents responded that financial challenges were the biggest challenge they faced in running their school districts. The real concern of levy limits,
spending lids, and cuts in funding had forced superintendents to make serious choices. One superintendent disclosed that just this year he had to cut his administrative staff from 2 to 1.5 and that he also had to cut a custodian and cook position. His accountant went from full-time to half-time. He added, "We do a lot of things with less people." Cutting two or three positions in a small school district was monumental with staffs less than 40.

One participant stated that more difficult decisions will need to be made as costs continue to increase but funding to small schools continues to decrease. In regards to the Nebraska tax levy limit of $1.05 for school districts, seven of the nine superintendents interviewed shared that their districts were currently operating because of a tax levy override, which allows the school district to go to its patrons and get a favorable vote to levy more than the $1.05 limit set by the state.

The inequity of the state aid formula was another theme that emerged under financial challenges. Most of the participants were in agreement that the state had not properly financed rural schools. The concern was that a state aid formula based on the number of students does not take into account the unique situations found in rural school districts. One superintendent explained, "Our legislature thinks that because our enrollment goes down we should be able to run our schools cheaper . . . a class size of 20 or a class size of 12 costs the same to operate with minimal differences." Another participant talks about the challenge of building a budget with such an unstable "schizophrenic-type" funding formula. "I've had situations where I lost $200,000 one year and made all kinds of drastic cuts . . . then got back $250,000 the next year . . . you can't go back and repair the damage you did in one year." Many of the participants believed that the intent of the legislature's state aid formula was quite clear. It was best
expressed by one of the superintendents: “I think a lot of the things that have been
done through the legislature over the last few years have been done strictly to force
consolidation in small schools, especially in the rural areas.”

The next greatest challenge every superintendent addressed was in connection to
meeting requirements in Nebraska’s Rule 10 “Regulations and Procedures for the
Accreditations of Schools.” The themes that emerged with this challenge were labeled
curriculum/staffing. Superintendents shared the challenge they faced to recruit qualified
staff to teach in small school districts. Participants felt that there were several reasons for
this difficulty. First, younger teachers were staying away from small school districts
because they were unsure of the future of such districts. One superintendent felt that the
perception of consolidation kept applicants away because they wanted job security which
most small school districts cannot offer with certainty. Second, small school districts
found that keeping up with teacher salaries in larger districts was also a challenge. One
superintendent who had experience as a superintendent in a larger school district
expressed his concern with the wages paid in smaller districts. “If you can’t afford to pay
your teachers and your employees a decent wage, they’re going to be looking other
places, and the other places are going to be more attractive.”

The concern that teachers in smaller districts were asked to teach subject matters
outside of their endorsed area was another area of contention. Superintendents shared
some of the interesting teaching combinations that they had to put together to meet
requirements in Rule 10. The superintendent who led the smallest district in the study
imparted, “We had a home economics teacher who taught Spanish, and when she decided
to retire, that put us in a position where we didn’t have anyone.” The challenge of
offering three years of foreign language was brought up by several superintendents.

One superintendent explained that his English teacher was currently teaching Spanish; he acknowledged that when she retires, it will be almost impossible to find a teacher with the same endorsement combination. Another superintendent discussed that meeting the fine arts requirement was a concern and that his English teacher had to teach a drama class to meet 10 of the 40 credit hours required in Rule 10. Although most superintendents acknowledged the benefits that distance learning had provided in meeting Rule 10 requirements, the sentiment shared by one superintendent best represented them all: “We’re all facing distance learning, tight ways of dealing with Rule 10 mandates and stuff. I don’t think there is any kid that thinks a distance learning class is the same as having a live teacher, but we may not have that luxury here before too long.”

The researcher found that superintendents were not just interested in meeting the minimum curriculum requirements found in Rule 10, but they were more worried about how to enrich their curriculum to meet the needs of all learners. A superintendent with a K-12 enrollment of 274 students explained, “The issue is in offering a diverse enough curriculum to challenge all learners. We’ve tried to supplement our curricular offerings through independent study courses, computer generated study courses, and then through distance learning.” One superintendent communicated the struggle of balancing the number of courses that he wished he could offer his students with the amount of funding he had available for staffing. Another superintendent articulated his desire to offer elementary and middle school students the opportunity to learn a foreign language if he could find it in the budget. The superintendents wanted students in small rural school districts to have as many of the opportunities afforded to students in larger school
The final theme under challenges was combating a negative perception of the future of small school districts. The perception that small school districts are fighting a losing battle hindered making long term future decisions. The need to improve school facilities was brought up by several superintendents. However, they all shared the concerns that their communities feared making large investments in their school when they believed that they would ultimately have close or consolidate. One superintendent emphasized this challenge stating, “The biggest fear, the biggest challenge running through the state right now... every community is saying, ‘How are we going to know when it’s time to say if we need to close the doors or we need to consolidate?’” Another superintendent explained that people in rural Nebraska were losing hope. He shared that when discussing the need to improve building facilities in his district, some people expressed, “Why would you build? Why would you waste your money? Because you know in 10 years you’re not going to have a school.” The ability to promote small schools to the public was discussed by one of the superintendents. He offered that educators must be able to sell small schools to the public to gain financial support. He went on to say that if advocates were unable to make a case for small schools then “These schools are going to dry up and close.”

**Research Question Four**

Research Question Four related to efficiency in small school districts. “How do the cost per pupil expenditures of small Nebraska schools compare to the state average? What organizational practices have been implemented by small Nebraska school districts in order to compare more efficiently with the economy of scale found in larger school
districts?" The researcher incorporated three questions into the superintendents’
interviews to address the main issue of efficiency. Question Eight addressed the
legislative issue of trying to come in line with the state average per-pupil cost. Question
Nine looked at cost-saving strategies that superintendents implemented in their districts
to try and make them more efficient. Question Ten simply asked the superintendents to
define an efficient school; the researcher was interested to see if educators measured
efficiency based on inputs (dollars) or outputs (results with students). The three themes
that emerged aligned with the interview questions: concern for cost per pupil, cost-saving
strategies, and definition of an efficient school.
Table 16

Common Themes and Examples from Research Question Four

<table>
<thead>
<tr>
<th>Category</th>
<th>Common Themes</th>
<th>Examples from Interviews</th>
</tr>
</thead>
<tbody>
<tr>
<td>Efficiency</td>
<td></td>
<td>*Reduction in staff&lt;br&gt;*Sharing teachers with other districts&lt;br&gt;*Talked about sharing a superintendent&lt;br&gt;*Transportation&lt;br&gt;*Teachers teach more than one subject matter&lt;br&gt;*Reduce overtime hours for non-certified staff&lt;br&gt;*Training students to troubleshoot technology problems</td>
</tr>
<tr>
<td></td>
<td>Cost-saving Strategies</td>
<td>*We just haven’t looked at cost per pupil – our costs are going to be higher.&lt;br&gt;*Our costs are our costs! – Our patrons are fine with it.&lt;br&gt;*Cutting cost starts impacting student programs.&lt;br&gt;*Our kids will graduate – I guess that’s more important than cost per pupil.</td>
</tr>
<tr>
<td></td>
<td>Definition of Efficiency</td>
<td>*Students get the best possible education every period.&lt;br&gt;*Providing a quality education to each and every student.&lt;br&gt;*Prepares learners for success and gives them options&lt;br&gt;*An efficient school economically isn’t necessarily an effective school.</td>
</tr>
</tbody>
</table>
According to the superintendents, the charge given by the legislature to set a goal of school districts meeting a statewide average per-pupil cost had not impacted their financial decision-making. In regards to the theme, concerns for cost per pupil, most of the superintendents shared the same sentiments regarding cost per pupil given by a superintendent with close to 40 years of education experience: “It (efficiency) always talks about cost per pupil but it means absolutely nothing, at least in my opinion.” In regards to looking at cost per pupil when making financial decisions, most participants shared that it was not even a factor when their school boards made decisions. One superintendent said that his board was “… very committed to excellence in education … to provide a great education – we just haven’t looked at the per-pupil cost.” Another superintendent shared, “We are going to provide our students a quality education; if that increases the per-pupil cost, so be it!” However, many of the superintendents expressed their concerns that mandates such as state average per-pupil cost and spending lids were usurping the authority of local school boards. One superintendent voiced his concern that local and federal politicians publicly shared their belief in local control of schools but then they continued to adopt “… legislation trying to take local control away.” Even with such concern about state legislation, the superintendents shared that their school boards made the decisions that were best for their students. A first year superintendent emphasized with passion, “Our bottom line is based on what are we doing for the kids and what’s best for the kids, and if that means adding a part-time teacher then that is what we are going to do. If our cost per pupil goes up $300, so be it; if this is what our patrons want, this is what our kids need and that’s what they’ll get.”
Even though the researcher found that cost per pupil was not a factor in the financial decision-making process, total cost of operating the school district was a concern. Superintendents shared the cost-saving strategies that they implemented to keep their school districts in operation. As acknowledged by the superintendents, the major cost of school operation was personnel cost. Five of the nine superintendents revealed that they had to reduce staff. One district reduced its staff by nine teachers in one year. The same superintendent stated that he also eliminated the principal position in his district and that he was the only administrator in the district. He stated, “We’re down just to the bare bones now,” and further cuts would impact the future of his district. Another superintendent shared that just this year he had cut his principal and counselor position from full-time to half-time. One superintendent added that his district put a limit on the number of overtime hours its non-certified staff could work in one week.

Small school districts looked at ways to share staff members and programs with other school districts in order to enhance what they could offer to their students. One superintendent explained that his district shared a Spanish teacher and an industrial technology teacher with another local small school district. They also combined the junior high sports teams and participated in high school wrestling with the same school district. Two of the nine participants said that their districts were looking at sharing a superintendent to help cut administrative costs. Interestingly, shortly after his interview for this research, one of those superintendents was named to a dual superintendency.

Another cost-saving strategy small school districts were forced to adopt was having teachers teach more than one secondary subject area or having multiple-grade classrooms in elementary school. One superintendent explained that his district did all it
could to get the most out of their staff; sometimes that meant “... teachers teaching out of assigned areas as much as we’re permitted to do by accreditation guidelines.” Another superintendent revealed that when he hired teachers, he looked for any additional endorsements that the teacher might be able to get, stating he tried to “... hire people who can do more than one thing... [laughing] everybody wants to get that teacher.” Two superintendents shared that they had combined elementary classrooms to help contain staff costs. In one district the superintendent combined four different elementary classrooms: first and second grade were taught together and third and fourth grades were together.

Other than staffing, transportation was a major area that was brought up by several superintendents. Superintendents disclosed that they eliminated bus routes and maintained an older fleet of vehicles, and one district hired a company to privatize its transportation services. One superintendent shared an example of having a van engine go out on an older van, and the board decided to put a new engine in the older van because it did not want patrons thinking that they were “... spending money frivolously.” However, one superintendent voiced that his district tried to eliminate bus routes but that the patrons became unhappy when their children were on the bus for over an hour so the routes were added back the next year. A cost-saving strategy that one school district implemented was a technology class that built all of the schools computers at “... a fraction of the price” that it would normally cost the school district. The superintendent explained that the class and students did most of the trouble-shooting for technology problems; this service saved the district dollars that it would have had to spend on technology repairs.
The researcher found that the question regarding the definition of an efficient school brought out the most passionate responses by each participant. The participants acknowledged their understanding that small school districts would always have a higher cost per pupil than larger school districts. The majority of the superintendents were candid enough to share their thoughts about cost per pupil. This response best summed up their view on cost per pupil: "Cost per pupil means absolutely nothing, at least in my opinion." The responses of the superintendents all tended to focus on outputs such as the quality graduating students and the rate of success each district had in making sure students graduated. The most experienced superintendent offered an interesting prospective about legislators' concern over efficiency instead of effectiveness: "An efficient school isn't necessarily an effective school; effective speaks to how well you do things." This theme resonated throughout the interviews. All superintendents' definitions of efficiency related to their belief that the responsibility of K-12 education was to prepare students to be productive citizens with options to further their education or career plans. This definition given by a second year superintendent best encompassed the responses of all participants: "The key to being an efficient school is by the product that you produce, and the product is going to be a student who can be successful and productive, a contributing member of society when they leave our school."

The superintendents also expressed their concern of the lack of dialogue regarding the cost to society when students are not successful in school. One superintendent explained that he was upset that policymakers never talked about the cost to society of students that did not receive a high school diploma. "We get the blame on our end because for our high cost per pupil, but nobody figures in the same cost per pupil from 16
The drop-out age in Nebraska is up. From crime, from welfare, from other ways that society has to support them. The cost has to be astronomical.” Another superintendent who had administrative experience in a large school district, shared that the larger district might have a lower cost per pupil but also had other issues that the legislature should consider. He stated that the larger districts had a “fairly high drop-out rate” and other societal issues such as “teen pregnancies” that were high cost to society. The response by this superintendent best summarizes the feelings of the participants regarding efficiency based on cost per pupil: “I don’t know that you can put a dollar value on what it means to have a kid who is prepared and successful compared to one who is not. One who is not enrolled in school when they turn 18... that is a tough question.”

Research Question Five

Research Question Five investigated the impact of financial legislation adopted by the Nebraska legislature on small school districts. Interview Question Eleven asked the superintendents to respond to the corresponding research Question Five in the study: How do participants describe the effects which resulted from enacted state legislative policies such as LB 806? The researcher founds two themes that emerged from the question: either the legislation has had a negative impact or has had no impact at all on the school districts. Seven of the nine superintendents in the study stated that their districts had been negatively impacted by financial legislation. The other two superintendents shared that Nebraska financial legislation had no impact on their school districts. Both of those districts appreciated the fact that they had a large enough land valuation to support the school district with the imposed tax levy limit and without the need for substantial state aid.
Table 17

Common Themes and Examples from Research Question Five

<table>
<thead>
<tr>
<th>Category</th>
<th>Common Themes</th>
<th>Examples from Interviews</th>
</tr>
</thead>
<tbody>
<tr>
<td>Impact of Financial Legislation on Small School Districts in Nebraska</td>
<td>Negative Impact</td>
<td>*Unfair state aid formula</td>
</tr>
<tr>
<td></td>
<td></td>
<td>* Levy limits have required district to hold override elections.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>*Freeholding – people can pull their land out and put it in a neighboring district.</td>
</tr>
<tr>
<td></td>
<td>Non-impact</td>
<td>*We have plenty of money based on our land valuations.</td>
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<tr>
<td></td>
<td></td>
<td>*It hasn’t had much of an impact on our district.</td>
</tr>
</tbody>
</table>

Those superintendents whose districts had been negatively impacted by financial legislation expressed their concern with the way state aid was calculated in LB 806. The first superintendent interviewed explained that his district with 200 students received approximately $400,000 a year while another district with 250 students got $800,000 based on its physical proximity to another school district. Another superintendent voiced the same concern about the fairness of state aid based on a school’s location to another school district. “It’s difficult that they put us [school districts] into three different categories, and where we have town within 10 miles of us [our school district], we get the lowest ranking.” An additional concern expressed by superintendents regarding LB 806 was the elimination of cost grouping by school size to calculate state aid. One superintendent shared that his district was getting $572,000 in state aid the year prior to LB 806 and this year received only $5,200 in state aid.
Six of the superintendents mentioned the negative impact that LB 1114 had on their school districts. LB 1114 set a maximum tax levy for school districts at $1.05 per $100 dollars of valuation. School districts that needed to exceed the maximum tax levy set by the state had to go before the voters to ask for additional taxing authority commonly called “tax levy override” elections in Nebraska. The override ballot had to state the maximum tax levy authority the school district could levy and the number of years the school district was asking for this authority. The maximum number of years a school district could ask for in one override election was five years. Seven out of the nine superintendents interviewed revealed that their districts were currently using tax levy overrides. The importance of these elections was expressed by a participant who acknowledged, “If our override election hadn’t passed, we wouldn’t be here because we couldn’t operate on $1.05; it’s not possible.” Another superintendent had concern that the reverence for rural education held by the state legislature did not match that of the people of rural Nebraska when it came to school finance and that the override elections were proof of endearment. He shared that his district had three successful override elections and that each vote had passed on a two-to-one majority. “The people are saying, ‘We don’t care what the state does, we are going to pass the override.’” All seven of the superintendents whose districts tried an override election stated that all of the override elections had been successful.

Even the ability for school districts to ask local patrons for more taxing authority has had adverse affects. Two of the superintendents interviewed communicated their current battle with the “freeholding” provisions found in LB 806. That provision allowed land owners the right to transfer their land to a different contiguous school district if their
present district had a successful tax levy override election, had fewer than 60 students in grades 9-12 for two consecutive years, and was within 10 miles on a paved road to another school district. This provision was viewed as a way to force school consolidation because only land owners that were in school districts that met these requirements were allowed to “freehold” (transfer) their land. One of the superintendent impacted by “freeholding” stated that this was just another way for the legislature to close smaller schools so that funds could go to bigger schools. The other superintendent shared that she was presented with two freeholding petitions that would remove over $750,000 of valuation from her district’s tax base. She expressed her concern that the legislature set a minimum number of students: “Why is 60 a magical number?”

Not all school districts had seen a negative impact from Nebraska financial legislation. There were two superintendents who stated that the current financial legislation had no impact on their school districts. The first superintendent revealed that “... for the programs we have now, we have plenty of money based on valuation and based on cash reserve ... . we need about $.97 of the $1.05.” The other superintendent added, “Well, as of right now, we really haven’t seen any serious impact.”

Table 18 provided a summary of the benefits, challenges, and cost saving strategies that were shared by the small school district superintendents in this study.
Table 18

Summary of Benefits, Challenges, and Cost Saving Strategies of Small School Districts

<table>
<thead>
<tr>
<th>Benefits</th>
<th>Challenges</th>
<th>Cost Saving Strategies</th>
</tr>
</thead>
<tbody>
<tr>
<td>*Easier to establish relationships between students and staff.</td>
<td>*Financial (unfair state aid formula, tax levy limits, cost continue to increase while student enrollment decreases).</td>
<td>*Sharing teachers with other districts.</td>
</tr>
<tr>
<td>*Students have greater opportunities to be involved.</td>
<td>*Curriculum and Staffing (finding certified teachers, teachers having to teach more than one subject matter, lower teacher salaries, offering a rich curriculum to meet the needs of all learners).</td>
<td>*Discussion of sharing superintendents with other school districts.</td>
</tr>
<tr>
<td>*Positive environment (small class size, multi-grade level interaction, students monitored and held accountable).</td>
<td>*Negative Perception of the Future of Small Schools (defining efficiency by cost per pupil, updating facilities because of unsure future, legislature intentions to force consolidation).</td>
<td>*Transportation (reduction of bus routes/service).</td>
</tr>
<tr>
<td>*The expectation that all students will graduate and achieve past high school.</td>
<td></td>
<td>*Finding teachers willing to teach more than one subject matter</td>
</tr>
<tr>
<td>*The school is the source of community pride and garners the support of the entire community.</td>
<td></td>
<td>*Training students to trouble shoot technology problems</td>
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</table>

Chapter IV Summary

Chapter IV began with an introduction and the organization of the analysis of data. The analysis of quantitative data was then presented, first comparing the outputs and inputs of the small school district sample to the Nebraska state average using a one sample t test. The researcher then provided a description of student characteristics of the
small school districts included in the study sample. The researcher then analyzed the interviews of the nine superintendents included in the study to gain an in-depth understanding of the benefits, fiscal and political challenges, and organizational practices used by small school districts. The chapter concluded with a summary.

Chapter V reported a summary, findings, and implications of the study. Recommendations for future research were presented as well.
Chapter V

Summary of Study, Findings and Implications, and Recommendations for Future Research

Introduction to Summary of Finding

By adopting LB 806 in 1997, the Nebraska Legislature changed the way state aid was calculated. In addition, it provided financial incentives to districts that consolidated. The new formula reduced state aid to a number of small school districts that were classified in the “standard” cost grouping. The formula was based on a statewide “cost per pupil” comparison of large school districts’ per-pupil cost to that of small school districts. Senator Ardbye Bohlke, who introduced this legislation, referenced that “cost per pupil” was the indicator of an efficient school district. However, researchers such as Smith and Street (2006) indicated that efficiency studies must take into account how inputs were converted into valued outputs.

This study identified indicators that the legislature must also consider when measuring educational efficiency of school districts. These indicators included the following outputs: attendance rates, drop-out rates, graduation rates, and academic achievement as measured by the state-wide writing assessment. The legislative concern of cost efficiency was also taken into account by looking at “cost per pupil” difference of small schools versus the state average. The research sought to identify practices small school districts had implemented to make their school districts more “cost” efficient to compete with the economy of scale found in larger school districts.

Interviews with superintendents from small Nebraska schools helped identify the benefits found in small school districts as well as the challenges those superintendents
faced administering their small school districts.

Finally, the study examined the impact that fiscal legislation in Nebraska had on small school districts and the communities they served. The school districts included in the study were 52 school districts that had 300 or less K-12 student population and were identified as "standard" cost grouping school districts by LB 806.

Chapter V presented the summary of the study based upon the findings and analysis shared in Chapter IV. The end of the chapter presented implications from this study and made recommendations for future research.

The study attempted to answer the following research questions relating to small school districts:

1. To what extent do small schools in Nebraska affect student engagement when examining academic achievement, drop-out rate, attendance rate, and graduation rate? What other benefits are found in small schools?
2. What benefits do small schools provide to their communities?
3. What challenges do small schools districts in Nebraska face?
4. How do the cost-per-pupil expenditures of small Nebraska schools compare to the state average? What organizational practices have been implemented by small Nebraska school districts in order to compare more efficiently with the economy of scale found in larger school districts?
5. How do participants describe the effects which resulted from enacted state legislative policies such as LB 806?
Findings

The value of educating children in small school districts was well documented throughout recent studies as indicated in the review of literature in Chapter II. Kathleen Cotton’s (2001) extensive study of small schools indicated the success of small schools when they were compared to larger school districts on educational measurements like attendance rates, dropout rates, graduation rates, and academic achievement.

The recent national outcry regarding dismal graduation rates had United States Secretary of Education Margaret Spelling declaring low high school graduation rates a national epidemic (Preston, 2007); policymakers were interested in finding solutions to address this “epidemic.” A study conducted by Bailey (2000) found that rural Nebraska school districts had a graduation to drop-out ratio of 17:1 when compared to the three largest school districts in the state at 3.3:1, 2.4:1, and 9.2:1. Even with such compelling data as Bailey (2000) presented, the Nebraska legislature continued to search for ways to consolidate small school districts into larger, more “efficient” districts.

The framework for this study addressed the way policymakers defined “efficiency” and the organizational practices used by small Nebraska school districts to compete with the perception of “economy of scale.” The misconception that “cost per pupil” was the best indicator of an efficient school district led to the national decline in the number of American schools. Those who authored public policy took an unsupportable position that a school district with a low per-pupil cost and a high drop-out rate was an efficient school district. It became important to view public school efficiency in the context of Smith and Street (2006): how well are schools converting tax dollars into graduated, productive individuals?
Findings Research Question One

Using a one sample t test, the researcher examined the effect that small school districts in Nebraska had on attendance rates, drop-out rates, state writing scores, and graduation rates. The researcher compared the average of the small school sample to the state average for each output to determine if there was any statistically significant difference. Questions about other benefits that students received by attending small school districts were posed to the interviewed superintendents.

Student Attendance Rates

The first output that was analyzed was student attendance rates. The study found that the small school district sample, on average, had a significantly higher attendance rate than the state average in both the 2003-2004 and 2004-2005 school years. The small school districts also had a higher attendance rate in school year 2005-2006, but it was not statically significant. The correlation between attendance at school and student success was evident: students must be in attendance to take advantage of educational opportunities. The findings from this research regarding the positive impact that small schools have on increased student attendance affirmed the research of Wasley (2000) and Cotton (1996). Large school districts such as Chicago saw the benefits of increased student attendance when they created smaller high schools within their district (Kahne, J., et al, 2006).

Student Drop-out Rates

Student drop-out rates were identified one of the major educational issues in the United States. The data from this research showed that the small school sample had a
lower drop-out rate, on average, than the Nebraska state average in all three years of the study. The findings indicated that the drop-out rates in the small school districts for 2004-2005 and 2005-2006 were significantly lower than the state average. The research confirmed the findings of Bailey (2000), McAndrews and Anderson (2002), Johnson and Strange (2002), and Cotton (2001) which championed the positive impact small schools had on reducing drop-out rates.

State Writing Scores

The only standardized state-wide assessments given to Nebraska students in the school years 2003-2004, 2004-2005, and 2005-2006 were the writing exams in grades four, eight, and eleven. Using this data, the researcher investigated the academic achievement of the small school districts compared to the state average. The students in grades four and eleven from the small school sample had a higher percentage of students “meeting or exceeding” state writing standards than the state average in all three years of the study. There were statistically significant differences between the small school districts’ average and the state average in the fourth grade writing for both 2003-2004 and 2004-2005 school years. The study of the 2003-2004 school year indicated significant differences in eleventh grade. Research from LeFevre and Hederman (2001), Lawrence et al. (2002), Picard (2003), and Howley and Bickel (2000) also indicated the positive effect of attending small schools upon academic achievement.

The eighth grade writing results were mixed as students from the small school sample scored lower than the state average in two of the three years of the study. The one year (2003-2004) that the small school district scored higher than the state average demonstrated a significant difference. There was also a significant difference in school
year 2004-2005 when the small school writing scores were lower than the state average. The eighth grade writing results showed that the small schools did not outperform the state average on every indicator. However, the overall consistency of the small school sample was higher than the state average in seven out of the nine years examined in the three grade levels of this study.

**Graduation Rates**

Small school district supporters proclaimed that the best indicator of school efficiency was cost per graduate. The average graduation rates of the small school districts were significantly higher than the state average in all three years of the study. The strong graduation rates in the findings of the study demonstrated the success and viability of small school districts. As referenced earlier by Smith and Street (2006), efficiency must be measured by the conversion of inputs into outputs. Having students graduate from school was considered to be one of the most important indicators of a school's efficiency. Greene and Winters (2006) indicated that decreasing the size of school districts had a statistically significant positive effect upon graduation rates. Studies by Schmidt and Schlottman (2006), Johnson and Strange (2002), Cotton, (2001), and Funk and Bailey (1999) also indicated the positive correlation between small school districts and higher graduation rates.

The researcher pointed out one caveat to these findings. Two of the small school districts in the sample had a much lower graduation rate than that of the state average in all three years of the study. The two school districts had an almost exclusive population of American Indian students. Why these students did not experience the same positive impacts upon graduation rates is a question for future research. However, the findings in
this study aligned with the 2004 Harvard University study entitled “Losing Our Future: How Minority Youth Are Being Left Behind by the Graduation Rate Crisis” which reported that nationally only 51 percent of American Indian students graduated from high school (Orfield et al. 2004)

*Other Student Benefits*

The three common themes regarding student benefits which emerged from interviews with the superintendents included relationships, student involvement, and environment. The researcher found that each of the common themes had been documented in existing research.

The ability for teachers to form positive relationships with their students was an important assertion made by the interviewees. The word “caring” was often used by the superintendents when sharing about school-to-student relationships. One superintendent expressed the sentiments of student success and relationships best: “Kids graduate from here because their teachers care about them.” Jimerson (2006) and Hass (2000) found that a student who felt connected to his/her school showed greater success in all areas of school. The importance of establishing relationships was also emphasized in regards to school safety (Mitchell, 2002). Department of Education Secretary Richard Riley stressed that the nation needed to create smaller schools to give students a sense of connection (Mitchell, 2002).

The academic success of students attending small schools was also attributed to getting students involved in extra-curricular activities. It was repeated throughout the superintendent interviews that students in small school districts were given the opportunity to participate in a number of activities regardless of their ability levels.
one superintendent stated, it is the "... expectation of small schools for students to be involved in activities." Another superintendent added, "Kids that are involved ... there is a connection to their school." This assertion concurred with research from the National Center of Education Statistics that found students participating in extracurricular activities had a greater all-around success in school, including academic success (Jimmerson, 2006). Cotton (2001) also found that students who attended small school districts experienced greater satisfaction in participating in activities than students in larger school districts.

The overall environment of attending a small K-12 school district was discussed by each superintendent. The nine superintendents in the study all led K-12 school districts. Eight of the nine school districts were housed in a single school building which added to the solidarity of the educational environment. This configuration allowed teachers to monitor closely each student to promote success. Teachers knew the students and intervened when students were having academic difficulties. The advantages of the K-12 configured school district were documented by Coladarci and Hancock (2002) and Franklin and Glascock (1998). Coladarci and Hancock's (2002) study of tenth grade students found that students who attended K-12 school districts had significantly higher test scores and fewer behavior problems than students who attended a 7-12, 8-12, or 9-12 school. Franklin and Glascock (1998) found similar results when studying sixth and seventh grade students.

The superintendents also expressed that it was a great benefit for students to get the chance to interact with multilevel-aged students. At one school, seniors were given the opportunity to work with kindergarten students, and the juniors were assigned to work
with second graders. The superintendent shared this about the program, “This program provides role models that the younger students could see each day in the classroom and in the hallways.”

**Findings Research Question Two**

The researcher wanted to know: “What benefits do small schools provide to their communities?” This question was posed to the nine superintendents interviewed: “What are the benefits of having a school in your community?” There were two themes that ran throughout almost all the interviews: that of a social benefit and that of an economic benefit to the community.

One social impact the school had was in the community’s identity. Eight of the nine school districts shared the same name as the community; this correlation led one superintendent to state, “If you no longer have a school, you lose part of your identity as a community.” Another emphasized the importance the school played as a social gathering point for the people in the community: “They come to the football games. They come to the basketball games.” The importance of the school in rural communities was best portrayed by one superintendent, “It is the life and soul of this community.”

Studies by Bryant and Grady (1990) and Salant and Waller (1998) found that communities that lost their schools due to consolidation felt a loss of identity. Salant and Waller (1998) found that there was no institution that promoted a distinctive community identity more powerfully than a school. In the study entitled “Attributes of a Successful Community: Responses from Rural Nebraska,” Nebraskans believed that a quality school was absolutely essential in a community (Allen et al. 2002). An inference can be drawn that the loss of a community’s identity leads to the negative economic impacts found in

The superintendents emphasized the economic benefits of their schools upon their communities. One of largest economic impacts that schools played in rural communities was being one of the largest employers in their respective communities and generating dollars that were spent in the communities. Superintendents talked about the foot traffic that school activities brought their communities’ businesses. They also discussed that the students spent a considerably large amount of money in town.

Likewise, the superintendents also discussed the economic devastation that came with the prospects of losing their schools. One superintendent lamented the progression of what would happen if his school closed: “Without a school, people would leave the community, and as people leave the community, small business would have to close.” He went on to elaborate that property values become diminished because families do not look to buy a home in a community without a school. Salvin (2005) concluded much the same scenario, “Losing a school makes it harder to attract young families, which can kill a community.” Research by Lyson (2002) indicated that communities with schools had a higher average housing value than communities that had lost their schools.

Findings Research Question Three

The third research question examined at the different challenges facing small Nebraska school districts: “What challenges do small school districts in Nebraska face?” The researcher incorporated three questions into the superintendent interviews to identify challenges. One question addressed the challenges of running a small school district. Another question looked specifically at financial challenges. The last question addressed challenges small school districts faced in offering a comprehensive student curriculum.
The three themes that surfaced relating to challenges include finance, curriculum and staffing, and the negative perception of the future of small Nebraska school districts. The financial challenges of facing levy limits, spending lids, and reduced state aid had some of the superintendents concerned about the future of small Nebraska school districts. Seven of the nine superintendents believed that the $1.05 tax levy limit set by the legislature forced them to go to their voters for additional levy authority called an “override election.” Without the additional tax levy authority, their districts would find it hard-to-impossible to operate their school districts. Holding an override election triggered the freeholding provision for school districts with less than 60 students in their high schools: freeholding allowed landowners to move their land to a neighboring school district if the land was connected directly to the neighboring school district. The loss of land and tax valuation directly impacted two of the nine school districts whose superintendents were included in the interviews.

Another major concern addressed by the superintendents was the inequity of the state aid formula based on per-pupil expenditures. As one superintendent stated, “Our legislature thinks that because our enrollment goes down, we should be able to run our schools cheaper. A class size of 20 or a class size of 12 costs the same to operate with minimal differences.” The legislature did address this concern in LB 988 by implementing a cost comparison model of like-size school districts. However, the “local choice” adjustment found in LB 988 negatively impacted all school districts that were classified as “standard cost group” school districts under LB 806 with less than 390 students. The school districts that were subjected to the “local choice” adjustment had their funding needs calculated at 50% of the adjusted formula student cost instead of the
full 100%. The "local choice" adjustment penalized the school districts that decided to keep their schools instead of seeking consolidation as promoted by the legislature.

Another main concern was addressed under the theme of curriculum and staffing. The researcher included curriculum in the theme title even though the majority of the concerns related to staffing because staffing impacted the curriculum. The superintendents shared their challenge of recruiting qualified and certified staff to teach in small Nebraska school districts. Several reasons for the difficulty of recruiting teachers to small rural school districts were identified. Rural school districts usually had lower teacher salaries than those of their larger school district counterparts. The uncertain future of small school districts has created recruitment hardships. The perception of consolidation kept applicants away because teachers were looking for job security which not all small school districts could guarantee. One of the last major reasons for difficulty in recruiting teachers to small rural school districts was that teachers were sometimes asked to teach outside their endorsed areas to meet the needs of their students and state curriculum mandates. The concerns regarding staffing emulated a study conducted by Schwarzbeck and Prince in 2003. When Schwarzbeck and Prince (2003) surveyed 896 school administrators on meeting the teacher quality requirements found in No Child Left Behind, they found that superintendents from school districts with less than 250 students discovered it was much harder to attract and retain teachers. Some of the main reasons were low salaries, social isolation, geographic isolation, and teachers being expected to teach multiple subjects (Schwarzbeck and Prince, 2003).

The last key theme that emerged was the negative perception of the future of small Nebraska school districts. One superintendent emphasized this concern as "...
biggest fear, the biggest challenge running through the state right now... every community is saying, 'How are we going to know when it’s time to say if we need to close the doors or we need to consolidate?'' This fear of impending doom was holding school districts back from moving forward. As shared by another superintendent, his district needed to improve facilities, but patrons were asking, “Why would you build? Why would you waste your money? Because you know in 10 years you’re not going to have a school.” One superintendent lamented that if rural educators don’t make the case for small schools, “These schools are going to dry up and close.”

**Findings Research Question Four**

Question Four addressed the efficiency of small schools; efficiency was at the heart of the consolidation debate. Using a one sample t test, the researcher compared the actual average cost per pupil of the small school sample to the state average using both the average daily attendance calculation and the average daily membership calculation. To gain a broader definition of efficiency, the researcher requested that the superintendents in the study reflect on the cost-per-pupil argument and cost-saving strategies and then give their definitions of an efficient school. Three themes emerged from the interview questions.

Analysis of the quantitative cost per-pupil data indicated a significant difference in the cost per pupil of the small school district sample compared to the state average when using both the average daily attendance and the average daily membership calculations. When comparing the small school districts to the state average using the average daily attendance calculation, the small school districts, on average, had a higher cost per pupil than the state average of $1,449.26 in 2003-2004; $1,595.72 in 2004-2005;
and $1731.51 in 2005-2006. Looking at the average daily membership calculation showed the small districts on average had a higher cost per pupil than the state average of $1,457.78 in 2003-2004; $1,551.46 in 2004-2005; and $1,689.66 in 2005-2006. The analysis did support the argument of efficiency of larger school districts if the measurement was only cost per pupil. However, the research findings indicated that other considerations must be taken into account when defining efficiency.

The superintendents also expressed their overwhelming frustration to an efficiency model based on cost-per-pupil. As one superintendent illuminated, “It [efficiency] always talks about cost per pupil but it means absolutely nothing, at least in my opinion.” Others expressed the same opinion about a funding formula based upon a state average cost per pupil: “We are going to provide our students a quality education. If that increases the per-pupil cost, so be it!” The superintendents explained that the legislature’s goal of school districts’ meeting a statewide average per-pupil cost had not impacted local financial decision making. As one superintendent summed up, “Our bottom line is based on what are we doing for kids and what’s best for kids . . . if our cost per pupil goes up $300, so be it.”

Although cost per pupil was not a determining factor in the local financial decision-making process, total cost of operating the school districts was of concern. The superintendents shared their concerns regarding overall expenditures and explained cost-saving strategies they had adopted. Five of the nine superintendents had to reduce staff to address expenditure issues. Others shared teaching staff with other school districts and combined sports teams to help save cost. Two of the nine superintendents indicated that their districts had talked about sharing superintendents. Two superintendents explained
that they had combined elementary classrooms to help contain staff cost. One school
district had the students build all the school computers at a fraction of the price that they
would have originally cost.

The superintendents were asked to give their definition of an efficient school.
Each superintendent acknowledged that small school districts had a higher cost per pupil
than larger schools. The superintendents explained that the definition of an efficient
school must look at effectiveness. A superintendent with thirty years of administrative
experience in a small school district elaborated, “An efficient school isn’t necessarily an
effective school; effective speaks to how well you do things.” The superintendents
alluded to what researchers such as Smith and Street (2006) discussed: efficiency must
take into account how inputs were converted into valued outputs. A superintendent in her
second year best defined efficiency: “The key to being an efficient school is by the
product that you produce, and the product is going to be a student who can be successful
and productive, a contributing member of society when they leave our school.”

Findings Research Question Five

The last research question in this study examined how financial legislation
adopted by the Nebraska Legislature impacted small Nebraska school districts. Two
themes emerged from the superintendent interviews. One was a negative impact, and the
other was the lack of impact that state financial legislation had upon school districts.

Seven of the nine superintendents shared that financial legislation had a negative
impact on their school districts. One superintendent expressed his concern with LB 806’s
elimination of cost grouping by school size in the calculation of state aid. He explained
that prior to LB 806, his school district received $572,000 in state aid, but since LB 806
his school district's state aid was $5,200. Another superintendent questioned the logic of a state aid formula based on a school's proximity to another school district as found in LB 806. “It’s difficult that they put us [school districts] into three different categories, and where we have a town within 10 miles of us [our school district], we get the lowest ranking [standard cost group].”

Another piece of legislation that was mentioned by superintendents as having a negative impact on their school district was LB 114. This legislation set a maximum tax levy of $1.05 for school districts. There were provisions in this legislation which allowed school districts to go to the voters and ask for additional levy authority, known as a “tax levy override” election. Seven of the nine school district superintendents had conducted successful tax levy override elections which allowed them to maintain their small school districts. One superintendent related that the success of the tax levy override elections provided evidence that the reverence for rural education by the state legislature did not match that of the people in rural Nebraska. “The people are saying ‘We don’t care what the state does, we are going to pass the override.’” When contemplating the scenario if his school district had not overrode the state levy of $1.05, the superintendent added, “If our override election hadn’t passed, we wouldn’t be here because we couldn’t operate on $1.05; it’s not possible.”

Two of the superintendents in the study explained that their school districts were feeling the adverse affects of the freeholding provisions found in LB 806. Freeholding allowed landowners who had land contiguous to another school the opportunity to transfer their land into the neighboring school district if the landowner’s current school had a successful override election, fell below 60 students in high school, and the high
school was within ten miles of another school district's high school on paved roads. The freeholding provision hurt small school districts by taking away land value which, in turn, took away the school district's ability to generate local tax dollars. One of the superintendents impacted by freeholding expressed his dissatisfaction by adding that freeholding was another way for the legislature to close smaller schools. The other superintendent questioned how the legislature came up with the "magical number" of less than 60 students in high school to invoke the freeholding provision.

The researcher concluded that not all small school districts in the standard cost grouping had been negatively impacted. Two of the nine superintendents explained that they had not seen any ill effects of financial legislation. There were some small Nebraska rural school districts that had large enough land valuations to finance school districts within the $1.05 tax levy limit and did not depend upon or receive state aid. One of the two superintendents explained that he had plenty of money to support the programs he had in place and was currently only levying $0.97 of the $1.05 levy.

Conclusions

Legislators when defining efficiency failed to look at the overall success of small schools when comparing outputs to the state average: outputs of graduation rates and drop-out rates were identified by national policymakers as major national education concerns. Stated another way, "Why close some of our most successful educational institutions?" As addressed by Smith and Street (2006), policymakers have failed to consider that if small school districts were able to convert their inputs (dollars) into greater outputs, then their efficiency justified their existence. A broad view and definition of efficiency was lacking when educational decisions that impacted the future
of successful, small rural school districts were made. The findings clearly indicated that small schools were more efficient than the state average when key educational goals were considered: graduation rates, drop-out rates, attendance rates and state wide writing scores.

Nebraska legislators should consider examining states that have actively promoted school consolidation like West Virginia, which has closed over 300 schools since 1990, to see if the tax savings promised to their citizens through school consolidation were realized. Eyre and Finn (2002) found that the state of West Virginia spent more than one billion dollars on school consolidation. From 1990 to 2000 West Virginia saw a 16 percent increase in local administrators despite a 13 percent decrease in students; West Virginia schools spent a higher percentage of their budgets on maintenance and utilities despite consolidation; and the number of state-level administrators also increased (Eyre and Finn, 2002). West Virginia consolidation policy was reevaluated by current West Virginia Governor, Joe Manchin who stated that "... closing schools, except when absolutely necessary, has failed to save money or provide more academic offerings, and has hindered any chances for rural economies to improve" (Richard, 2005 p. 28). West Virginia policy of forced school consolidation has had negative implications on students, schools and communities as indicated by West Virginia Governor Manchin. Unfortunately once school consolidation policies are implemented, it is almost impossible to reverse their actions.

The legislators should have to provide citizens with examples of states that have actively promoted school consolidation that provided financial efficiency while maintaining the academic excellence demanded by state and federal legislation. A study
by Wenfran (2006) found that rural countywide school districts in Pennsylvania, while having a larger enrollment than the rural non countywide school districts, showed no statistical difference in per-pupil expenditures. Wenfran (2006) stated “to merge small rural school districts in Pennsylvania on the basis of cost efficiency . . . is not supported by this study” (p. 12). Interestingly, the countywide school system was often mentioned as a model for Nebraska school districts to emulate.

Policymakers have been concerned with bringing economic development into rural America. In fact, from the 2003 legislative session, the Nebraska Legislature created the Nebraska Rural Development Commission. One of the charges given to the commission by then Governor Johanns was to “improve the business climate to enhance rural entrepreneurship development and small business development (Dominisse, 2004, p. 1). However, with the loss of schools in rural communities, the ability to attract businesses and families became difficult. West Virginia Governor Manchin stated that the impact of school consolidation has “just about shut down five rural communities” in his home area (Richards, 2005). Research by Lyson (2002) regarding consolidation in New York indicated that communities with schools saw a 60 percent population growth from 1990 to 2000 while communities without schools saw an increase of only 46 percent. Lyson’s research also indicated that communities with schools had 25 percent higher housing values and those individuals enjoyed a higher per capita income.

Johnson and Strange’s (2007) research indicated families were looking to move to smaller communities. Their research found that enrollment in rural school districts (schools in communities with less than 2,500 people) was growing at a rate of 15% while during the same time period enrollment had dropped by 2% in communities with greater
than 2,500 people. Policymakers did not consider the evidence that there were families looking to live in smaller communities and to send their children to smaller school districts. The elimination of small rural schools also eliminated many families’ options to live in rural communities.

The legislative education agenda does not seem to represent the priority of the majority of people living in rural Nebraska. Allen, Filkins, and Cordes (2000) found that when rural citizens were asked what community development option they would be willing to pay additional taxes to support, the overwhelming response was enhancing the K-12 educational system.

The financial challenges that small rural Nebraska school districts have faced continue to be debated in the legislature. The 2008 Nebraska Legislature’s adoption of LB 988 indicated an acknowledgement of inequities in the school funding formulas found in LB 806. The move to a cost comparison group of ten school districts of like size was an equitable change. However, putting in a “local choice” adjustment that penalized school districts that had less than 390 students and were within 10 miles of another school district indicated a persistent, pro-consolidation agenda which penalized small school districts by taking away funding because they chose to stay small. The legislature failed to reward schools that continued to produce positive educational outcomes with adequate funding.

Recruiting and retaining rural teachers was not a priority of the state of Nebraska. Education should consider following the model that the medical field in Nebraska took with their Rural Health Opportunities Program: students accepted into this program were given scholarships to attend pre-medical school and medical school with the
understanding that they were committed to practice in rural areas in Nebraska upon graduation. A Rural Education Opportunities Program could target students who currently attend small rural schools and understand the challenges and benefits of small rural Nebraska schools. Failure to take some initiative to attract qualified teachers to small school districts hurts the future of small school districts.

The negative perception about the future of small rural Nebraska schools, as shared by the superintendents, directly impacted rural communities in Nebraska. Legislators failed to understand that the decisions they made regarding school funding had a tremendously harmful economic impact on rural communities. If the legislature values rural communities, they must finance the schools that are found in these communities.

Legislators that drafted educational funding policy based off of one measurement of efficiency, “cost-per-pupil,” were short-sighted in their governance. Using the highest differential in cost-per-pupil for this study, $1,689.66 in school year 2005-2006, one could estimate that, on average, it would cost an additional $21,965.58 to educate a student in a small school district from kindergarten through twelfth grade versus the state average. This would be a small investment when considering the estimated $260,000 dollars that Rouse (2005) estimated each high school drop-out costs the nation in his/her lifetime. The legislature should publicly acknowledge the fiscal gain of fully funding all Nebraska schools as opposed to funding a prison system overflowing with high school dropouts or funding other state social programs offered to a largely-uneducated population, and the legislature must act upon this revelation. The true measure of cost effectiveness must be measured over time, not merely within the parameters of the annual
cost per pupil. Using the implementation of the state-wide Nebraska Student and Staff Records System, Nebraskans could track per-graduate cost for each school district; the per-graduate cost was a much better indicator of a school district’s efficiency and a more equitable comparison of educational efficiency.

Policymakers failed to understand that local school districts were always looking for ways to get the most out of its educational dollars. This research indicated that small school districts had developed numerous strategies to become more financially efficient: sharing staff, sharing administration, and forming cooperatives with other school districts. School districts had sought and implemented efficiency strategies without state mandates. The superintendents interviewed shared that the decisions impacting financial efficiency must be left to local school board’s judgment based upon the uniqueness of the district. Attempts by some states to implement school consolidation policies that produced promised economical efficiency have returned void.

The policy implications to Research Question Five were best stated by the superintendent who expressed his concern that policymakers’ beliefs about the value of rural schools were not aligned with the people who lived in rural Nebraska. The number of successful tax levy override elections by school districts in the state provided evidence to lawmakers of the importance of schools in these rural communities. School districts in Nebraska voluntarily consolidated when they believed it was in the best interest of their students.

The legislature must reconfigure how it defines efficiency. The new statewide testing might be a key indicator of the efficiency of Nebraska school districts. The success of students on the state assessment could become a key component of the funding
formula. It would seem unreasonable to close some of the most academically successful educational institutions in the state based solely on a measurement of cost per pupil.

The question of legislative efficiency came into play when decisions were taken away from local school districts and their elected school boards. The “local choice” adjustment found in the newly adopted LB 988 that penalized school districts that had less than 390 students and were within 10 miles of another school district impacted most small school districts. Future state aid calculations with this adjustment will place a heavy burden on a large number of small school districts.

Through forced consolidation, the state legislature has jeopardized the future of smaller school districts. It is unacceptable that regionally-elected officials are eroding local control. Certainly, schools must be fiscally-responsible and be accountable to their patrons. Given the benefits noted in this research of a community having its own school, the legislature should back off from its aggressiveness to close small Nebraska schools and allow local communities to determine when consolidation should occur. The research revealed that a natural consolidation effect that occurred within communities in the form of shared superintendents and teachers or combined athletic teams. The community itself should be the determining agency when consolidation is contemplated. The community currently shoulders a financial burden every time they opt to vote for an increased tax levy. The legislature should acquiesce to the desires of locally-elected officials and re-establish the responsibility of consolidation back to local school districts and communities.

Recommendations for Further Research

The recommendations for further research based on this study include the
1. The State of Nebraska is currently going through a number of educational changes. The ability to identify efficient schools could become more apparent with the addition of statewide assessments in reading, writing, math, science, and social studies. It is recommended that data be gathered after this assessment system has been in place for three years or longer to make a more accurate comparison of academic efficiency of small Nebraska school districts to the state average.

2. An investigation of impact of the newly-adopted Legislative Bill 988 upon small Nebraska school districts should be conducted.

3. The Nebraska Student and Staff Records System could provide a researcher an accurate track of school drop-outs and graduation rates to be used for a study of the cost per graduate, a more equitable way to define efficiency.

4. Research could be conducted to look at actual tax dollar savings of school consolidation in Nebraska.

5. The study indicated that two of the small school districts with a high population of Native Americans had a higher drop-out rate than the state average in all three years of the study. Research could be conducted to try and determine why.

6. This study was limited to nine superintendents and data collected from 52 small Nebraska school districts. Similar studies comparing the efficiency and effectiveness of small school districts in other states could be conducted.

Educational Implications

Research indicated the value of small school districts through the consideration of different measurements. The analysis in this study indicated that most measurements of
small Nebraska school districts produce better or equal comparison to the state average. Federal mandates found in No Child Left Behind require academic success for all students. Legislators need to understand the natural structure that small schools lend to fulfilling that goal. Key elements that the superintendents attributed to student success included: positive relationships formed between the students and adults in the school, student participation, and the overall environment of small schools. Research from the Small School Project funded by the Gates Foundation endorsed the student benefits of creating small learning communities within larger school districts. Educational leaders in large districts must create small learning communities that provide opportunities for students to form positive and meaningful relationships with their teachers and to get students involved in co-curricular activities. The sense of belonging to a team or school organization strengthened the students’ attachment which increased the students’ chance of graduating from high school.

The study also indicated that small school districts operate at a significantly higher cost to taxpayers. The nine superintendents who participated in this study were convinced that the educational and social benefits of producing students who successfully graduated far outweighed the cost-per-pupil argument of efficiency. Research by Rouse (2006) related the burdensome cost of $260,000 to society for each drop-out during his/her lifetime. However, the cost to our society would be even greater if one considered the lost potential of young individuals who do not have the skills to participate fully in the world in which they live. It becomes the responsibility of educational leaders to persuade legislators that funding education must be viewed as an investment and not as an annual expenditure to the state. Educational efficiency is reached when schools are
able to convert tax dollars into educational goals; the ultimate goal is a student's self-
actualization.

Educational leaders from large and small school districts must identify the
cultural challenges and innovative educational strategies that will address the graduation
rate crisis found in our Native American population.

Policy-makers continue to search for the most cost efficient way to educate
children; often they pitted large school districts against small school districts. There is a
need for all sizes and types of schools in order to educate this country's future population.

A quote from Scott best summarized the feelings of this researcher:

Just as people pursue many paths toward a decent life, schools can pursue
many paths toward a decent education. The existence of one-best form of
schooling . . . optimal sizes, most effective curricula, and so forth . . . is as
improbable as the existence of a one-best type of human being. Without a
variety of schools and lives, minds and life itself become increasingly
similar, increasingly standardized, and increasingly less thoughtful and
less vigorous (Scott, 1998, as quoted in Howley & Howley, 2006, p. 21).
References


Nebraska Coalition For Educational Equity and Adequacy vs. Governor Michael Johanns (2005). Case No. CI 04-3346 District Court of Lancaster County, Nebraska.


APPENDIX A

Initial Involvement Letter
Dear . . .

I am superintendent of McCool Junction Public School. I am currently working on my doctorate in Education Leadership, Management, and Policy at Seton Hall University.

The purpose of my doctoral study is to evaluate the effectiveness of small school districts (less than 300 students) in Nebraska and the impact that existing legislation has had on Nebraska’s smallest schools. The study will also analyze organizational practices that small school districts have implemented to cope with financial realities while striving to maintain a competitive curriculum.

As a superintendent of a small school district, you are in the position to understand the uniqueness of small schools. As part of the qualitative research process, I would like to interview you. If you are willing to volunteer to participate, I would like to ask you 11 open-ended questions which should take approximately one hour of your time. With your consent, the interview will be recorded and transcribed for data analysis. I have included the interview questions for you to review.

I would like to schedule the interview at your school district during a time that works best for you. All school and personal data will be coded for confidentiality. No personal identifying data will be used in my dissertation. All data (audiotapes and interview transcriptions) will be stored in a lock cabinet in my home for a three year period and then destroyed in compliance with IRB requirements.

I urge you to consider participating in this study: I value your input as an educational leader of a small school. I hope to use the data that I collect from you and others to expand educational theory and guide educational practices.

If you agree to participate, please contact me at 402-724-2232 or e-mail at ccogswel@esu6.org.

Sincerely,

Curtis Cogswell
McCool Junction Public School

Enclosures: Informed Consent
Interview Questions
APPENDIX B

Informed Consent Form
**Seton Hall Letterhead**

Informed Consent Form

**Researcher's Affiliation**
Curtis Cogswell is a doctoral student in Education Leadership, Management, and Policy at Seton Hall University. The researcher would like to interview Nebraska superintendents to gain insight about their small school districts.

**Purpose**
The purpose of this study is to evaluate the effectiveness of small school districts (less than 300 students) in Nebraska and to evaluate the impact that current legislation has had on Nebraska's smallest schools. The study will also analyze organizational practices small school districts have implemented to contain cost while maintaining a competitive curriculum.

**Procedures**
Superintendents will be asked to participate in a confidential interview with the researcher at the respective superintendent's school district. With permission from the participant, all interviews will be taped and transcribed for accuracy of data collection. The interview will last approximately one hour. No identifying information will be made public or used in the study. The data collected will be coded to ensure confidentiality. Participants will be provided a copy of the interview transcript and asked to review it for validity and clarity.

**Instrument**
The interview instrument consist of 11 questions relating to the efficiency of small schools, organizational practices used in small schools, and the impact of state legislation on small schools in Nebraska. The questions are open-ended to gather insight from each superintendent. An example of the questions is "What challenges do administrators face running a small school?"

**Voluntary**
Participation in this study is strictly voluntary and a participant can withdraw from the study at any time. There is no penalty for refusing to participate or withdrawing from participation in the study.

**Anonymity**
No identifying data will be used in the study. All personal information of each participant will be coded to make sure confidentiality is maintained.
Confidentiality
All data collected in the interviews (audio tapes, notes, and transcribed interviews) will be kept in a locked file in the researcher's house and destroyed after three years. No personal identifying information will be used at any time during the study.

Research Records
All data will be kept confidential. The researcher and dissertation committee will have the only access to research records.

Risks
There are no anticipated risks associated with this research.

Benefits
There are no personal benefits for the participants in this study. The results of the study will address the benefits and challenges found in small school districts in Nebraska. These results will be shared with the educators and policy makers to help them make informed decisions that impact small school districts in Nebraska.

Compensation
There is no compensation given for participating in this study.

Alternative Procedures
The research requires each participant to do a confidential interview with the researcher. There is no alternative procedure for this research.

Contact Information
If you have any questions regarding the interview, you may contact the following individuals:

Curtis Cogswell
McCool Junction Public Schools
209 South Second Street
McCool Junction, NE 68401
(402) 724-2231

Dr. Elaine Walker
College of Education and Human Services
Department of Education Leadership, Management, and Policy
Seton Hall University
400 South Orange Avenue
South Orange, NJ 07079-2685
(973) 275-2307
Audio Tapes
All interviews will be audio taped. The audio tapes will be transcribed and used by the researcher to gather data. The participant will have the right to review a verbatim transcript of the audio taped interview and ask that the researcher not use it in the study. The audiotapes will be kept in a locked cabinet in the researcher's home for three years at which time they will be destroyed. The participant's signature on this Informed Consent gives the researcher permission to audiotape the interview.

Copy of Informed Consent Form
Each participant will be given a copy of the signed and dated Informed Consent Form.

__________________________________________  ____________________________
Participant Signature                        Date

__________________________________________  ____________________________
Principal Researcher Signature              Date
APPENDIX C

Transcripts of Interviews
Superintendent 1

Question 1

Background Information:
To gain background information on each superintendent, please state:
  a. Your name
  b. Number of years in education
  c. Number of years in the current district/number of years in a small district
  d. Number of students in the district

Superintendent #1:
My name is Superintendent #1

How many years in education, this is number 21. In current district this is my fifth year. We have approximately 200 students in this current district.

Question 2

The term small school can mean different things to different people. How would you describe the term “small school”?

Superintendent #1:
I think for us in Nebraska and for me I’m thinking anything less than 400.

Question 3

Benefits:
How do students benefit by attending a small school?
Include attendance, graduation, academics, participation, etc.

Superintendent #1:
I think there are several reasons I think that just by the nature of being in a rural setting in Nebraska. I think the demographics of our students and families are different then they would be in some of the larger cities. So I think that factors into there, but I do believe that attendance is better. We are able to call those parents. We have, we know who they are, we know the students because of the numbers we sense patterns of what they do if they’re if they are continually tardy or play hooky or some of the things that the parents habitually might do you know not getting their children to school. So we address that on a real I think a real, we do at our school, on a real regular basis. I think graduation rates are high. Again, I think all those factors from a small school. We’re continually I think running 95% or higher. Some years were at 100%. I mean with that class following it through.

CC: What do you contribute that to Superintendent #1?
Superintendent #1:
Oh, I think it just again the small school knowing the parents and some of the other things that are involved are that we have over 90% of our students that are involved in some extra curricular activity. Whether it is play production, music, journalism, of course, athletics are our big draw. But, we just have kids that are involved and kids that are involved there is a connection there. There is a tie in that coaches or that sponsors that teachers knows a child. Has more of a one-on-one relationship with them and unfortunately I think in some cases is almost like a pseudo parent. They cover a lot of those things that parents don’t. And but I think that it’s just the whole thing. Community involvement and that’s why they’re there. I think on the academic side again we hold students accountable and at our school we’re implementing an after school program for all 5th through the 12th graders and if they are failing or down. Then we are going to have them stay after school. We sent a letter out to the parents we’ll see, but it’s something that we’re able to do that we’re willing to do and I think just letting kids know that we’re going to I guess in some ways we’re going to make them succeed. That sounds a little um, a little tough maybe there but they do. Again, on participation I mentioned earlier but our kids are just involved and we want them to actively participate. We also give our students a lot of we put them in to positions where they have to lead. They have to be involved and I think the teachers that we have I think when they see a certain student they really connect with them and don’t want them to fail and quite often they are determined not to let them fail. So, it’s just the numbers. We have fewer students per teacher and they are able to give them a great deal more I guess time and their effort. And they and I think our students know that our teachers care about them and I think that’s really, really important.

Question 4

What are the benefits of having a school in your community?

Superintendent #1:
Well, we’re a small community of 860 people and I know that if we did not have a school. That many of those and those parents have expressed this to me that they would move to another community and if you don’t get families moving in to town. At least hold your population growth then I think there’s a lot of adverse things that happen to the community from a financial point of view. I think that you have more houses for sale. They bring less money and so the property value goes down. The houses aren’t kept up. They aren’t maintained. Oh, and then the total carry over and a lot of the small businesses that are trying to make it won’t make it. And especially in this era when we’re we see the mega stores. The Wal-Mart’s I’m trying to think of some of the others, Home Depot, and some of those others that they certainly take a lot of business away from local the local businesses and we’ve seen that already. And it’s difficult for them to make it but I think it is just important and I think also in many of the small communities that the social aspect of having a school. Not just for the athletics, the plays, and the music programs. Just kids’ involvement I think has when that isn’t there then that really affects a community. I think that’s that can be proven across the state.
Question 5

**Challenges:**

*What challenges do administrators face in running a small school? Why have some small schools had to close or been forced to consolidate?*

Superintendent #1:
Well I think it’s all tied in together its either a slowly declining enrollment and that ties in of a way at Nebraska Finance’s with State Aid. I think we’re unique in some way because we have a very low poverty rate. We don’t get a great deal of state aid but I think that all ties in to the financial side. So I’m thinking that probably one of the biggest challenge I have is of the financial side having to conduct levy overrides and just having to put up with that. I think me personally just you know, just the personal things in the community and the kind of the personal assaults and I think it’s a very I think it divides the community in many ways especially on the rural farmers side to those who live in town those who have other jobs. You know people just don’t like to pay taxes and when they feel like they are paying more than somebody else they get very upset with that. But the financial is the biggest concern because I think that we’re just year or two away based on what state aid is from having to really think about consolidating or merging with another district or doing something that’s a maybe a little bit on the extreme side and that’s difficult knowing that a lot of the local people really want to have a school there. The majority does but when it comes down to finances I think that’s you know that really is I just. The other things in the school are fine I don’t have problems with student discipline. I’ve got a good staff, school improvement, and those things are great but it really comes down to finances and I think were just always a year away from we anticipating what state aid is and then if it’s good were like “Rah”, another year of relief and but I know that could change for us here in the next couple months based on state aid. Because that if we lose $100 to $150,000, compared to what we had this year. Which was $480,000 approximately, then were done. You know, so if state aid drops $100-$150,000. Then were seriously looking at merging with another district. Looking at our alternatives.

Question 6

*What are the financial challenges administrators face running a small school?*

Superintendent #1:
Oh, let’s see I think for us part of that is facilities I’ll just start with that. Part of our facilities are old and were not able to build new or to just because we don’t have the numbers but the other thing that goes along with that I think people don’t maybe sometimes don’t have the hope that you know, “Why would you build?” “Why would you waste this money?”. Because you know in 10 years you’re not going to have a school. That’s one part of that but I think again the maybe the problem with that is having a high student, high per pupil cost we’re relatively high I we’re in that $13,000
range this year. I have not figured it out but I’m sure we’re at well over that. Which is way higher than the, a lot more than the state average. Which you know that doesn’t sit well with the public but I think that the thing that maybe the whole thing that with the finances is a way that Nebraska has it set up and the way the school districts are set up. For example, we have a $100,000,000, in property evaluation with 200 students and a school 30-40 miles away. They have over $300,000,000, with about 300 students. So, when your looking at $1,000,000,000, per student in one district and then perhaps a $500,000, per student in another. You have to, have to request more and that is a real difficult thing. So a lot of unfairness in the school finances in the state of Nebraska and I think its fine that way. I don’t think it’s designed that if that’s the way it is then it’s going to your really trying to force us to close. Legislature I would say on that.

Question 7

Nebraska’s Rule 10 mandates courses that must be offered for all certified schools. What challenges do you find in offering a comprehensive curriculum in a small school?

Superintendent #1:
Well, were able to do that with a little bit of help from Distance Learning and then we share a teacher with another district. With School A, we actually share Spanish we share Industrial Technology. We also share some athletic things Junior High Boys sports our high school wrestling program but getting back to Rule 10 on the academic side. The problem we have is not only finding teachers but for us finding quality teachers. Because teachers don’t want to go to a small school I think where they, especially in Nebraska. Where it’s just, pushed and pushed to them. But if you go to a small school you won’t have the security. You won’t have job security. You know if you go there in a year or two you may be gone. They are going to merge and you are going to be out of a job as opposed to going to a larger school. Perhaps, a C-2, C-1 school of Nebraska you know we’re going to be here in 10 years, we’re going to be here in 20 years but that’s schools like School B. The talk is that you know that were levy override a lot of money. I think that’s may be the difficult thing we’ve been able to meet Rule 10. But I wouldn’t say it hasn’t been without difficulty and sometimes I you know look at the number of candidates that we have apply for some positions its either very, very, few and that’s the most difficult thing. We’re very, very, fortunate to come up with a couple of teachers that had lost their position in another state because of reduction in force caused by merging and so we were able to pick up an outstanding teacher there but that’s unusual. That just sort of fell upon us but that’s the difficult thing is just finding staff and one of the other things with Rule 10 and the curriculum is that its very expensive for us to because of the you know having to find the curriculum and then to finance a lot of that too. So that it’s just difficult.
Question 8

**School Efficiency:**

LB 806 put school districts into three cost groups with the intention of making schools more efficient by working towards a state average per-pupil cost. How has your district tried to contain costs to help bring your per-pupil expenditures in line with the state average?

Superintendent #1:
Well, this sounds kind of silly but I don’t know that we as a board have ever sat down and said, “We going to try to reduce costs to get in-line with the state average,” and the reason for that is that we know that we are small and because of the number of students we have that we could never realistically get our numbers down and to meet Rule 10. So, in order for us to meet Rule 10 our costs are going to be higher. So, its never really been an issue for us just say, “Let’s get our per-pupil cost down to be more efficient,” and the reason we haven’t done that is because fortunately, our district, my district. The board is very committed to excellence in education and the reason for that is we’re sitting right next to the USDA Meat Animal Research Center at Town A. A large number of Ph.D. scientists approximately 70 out there and we have a number of those people that live in our community. We have them on a school board. We have them in town with their children and they are very desiring of a high quality education in math and science. So, they are very, very supportive and so that’s really good. That may be makes us different than a lot of other schools. So, there is this need or desire on the community part to offer a high quality education. So, dollars people don’t look at that. They really want us just to provide a great education, improve technology. We have done that so, we’ve got a lot of those things. We just haven’t looked at that per-pupil cost.

Question 9

What other cost saving strategies have you thought about implementing?

Superintendent #1:
I don’t know that we’ve said we are going to try to reduce costs. I know that when I had five staff members that retired or left last year. Hired five teachers with a total number of experiences to be seven years between the five of them. So I hired cheap and the reason I did that is because I thought well this is the opportunity for me to cut some of the cost and unfortunately I know that when I have other staff members leave that I am going to hire very inexperienced teachers just to keep the cost down. There are some benefits to hiring new, young teachers because I think they know technology and some of the assessments and standards that are required, etc. That is really one of the bigger costs. We’ve tried to get the most mileage out of some of our vehicles. Just trying to watch some of the things that we do. There would be some that argue in School B that’s probably not true because we’re levying $1.50. Some people would argue against that. I think where we can we do it but with our board its provide that best education you can. I don’t have a miserly board. I really don’t.
Question 10

Researchers like Nelson (1985) are proponents of school consolidation because they found that larger schools are more efficient based on cost per pupil. How would you define an efficient school?

Superintendent #1:
I have never defined education by the dollars that does not define quality education. It never has in my book. Some people who think that we can I think they are wrong. Some schools have a lower cost per pupil because they have large numbers. That is probably the number one factor where you have more students and you can have your classrooms; have 22, 23, 24, 25, students per class you can do that but I think where we are in a situation we are trying to provide the same education. We can’t do it for the same price. If we dropped our cost to the state average the education would greatly suffer. We could not do it and I think if that happened I would say, “Let’s just get out of it, Let’s do something else.” An efficient school in my mind is one that where students come and they get the best possible education they can in every class period. I see my role as if somebody is not a good teacher that we get rid of them period. We provide that best people that can teach those courses. That maybe distance learning, sharing with another school. That is what I judge. I think if I had to simply get the dollar per student down I wouldn’t do it, I would be out of the business, hire an accountant to do that because obviously that would not be looking at the quality of education. The curriculum and trying to keep up with anything so efficiency those two just don’t go together. I don’t see the cost per student is really a factor that I care about.

Question 11

Legislation:
What has been the major impact of financial legislation (LB 806) on your school district?

Superintendent #1:
Well I think on the 1114, on the lids. The overrides we’ve had I think this is our third override. They have all been successful. They have all been at least two to one in favor of the overrides. The majority of the people are willing to pay and willing to support the school that takes care of itself. The people are saying, “We don’t care what the state does, we are going to pass the override.” Actually in Nebraska I think most schools value their education so the overrides pass. There is a few times that it hasn’t but in most cases it has. With the state aid formula a lot of unfairness in that if I were to compare School B with School A. They have 250 students we have 200. They get $800,000 a year in state aid we get about $400,000 average year in year out. They simply put the excess money, they have more poverty and I am sure they spend a little bit on their ELL programs. It simply goes in to the general fund. They simply don’t have to levy. Their property evaluation is $117,000,000, not much more than ours. What they are able to do is because that extra $3 or $400,000 put that in the general fund and therefore they don’t have to levy it in taxes. So they are able to keep their levy down to $1.12 we are at
$1.50. So the state aid formula is not fair to everybody. I don’t know how it could be. I would almost like to see a universal property tax levy across the state and then that would go in to a pool and then back out. I think there would be some other school districts that probably wouldn’t like that either. So, we each have our own little things that we don’t like about it. I just don’t like it in general because it is not fair. A person creating a formula that trying to fit it for everybody and it doesn’t make any sense. I don’t like it.

Are there any other comments you would like to share about being an administrator in a small school? What you think are advantages or disadvantages of the small schools?

Superintendent #1:
Just on a personal note I know there are a great many people who are very upset about property taxes and our high property taxes. There are people that look at me and glare at me and I have no idea who they are but they know who I am and I am the Superintendent who raises their property tax. I get a little bit of that. Sometimes wish I lived out of the district or lived in a larger district where people didn’t know you. You could go someplace and you weren’t the Superintendent. Everybody in town its not, Superintendent #1, Mr. Superintendent #1, etc. but on the other side there is a lot of really, really nice people that are willing to talk and do things and fortunately most of the people are that way. There are pros and cons about small towns and for the most part they outweigh the bad. In the school our people are very supportive of the school. They want to know what is going on in the school. Many times in small schools in Nebraska people see their schools as a reflection of the community. Unfortunately, sometimes they base that on athletics. All that school cares about is athletics or if they don’t have any athletics what kind of a rotten place is that you don’t win anything. That’s just the way it is. I think it’s a good job and it’s challenging. I think one of the things about being a superintendent in a small school. We wear a lot of hats. In charge of transportation, in charge of food, in charge of the custodial, the up keep on the building, working with the board. You are still concerned about school improvement, assessments, and standards and assessments, school finance. Sometimes I worry about taking care of the lawns and the trees and making sure the building looks nice. In some ways it’s good. Some days I would rather not have all of that stuff for the most part its pretty good.
SUPERINTENDENT 2

Question 1

*Background Information:*
To gain background information on each superintendent, please state:

a. Your name
b. Number of years in education
c. Number of years in the current district/number of years in a small district
d. Number of students in the district

Superintendent #2:
My name is Superintendent #2 in education 16 years. I’ve been in School C for two years. I’ve been in a small school district 16 years. We have approximately 203 students in this current district.

Question 2

The term small school can mean different things to different people. How would you describe the term “small school”?

Superintendent #2:
I think small school is basically you do it by students it has nothing to do with the curriculum or the environment of the school. Really based on we have 203 kids we’re the lowest classification in the state as far as students. As far as the difference between a small school and any other school in the district or the state there really is no difference.

Question 3

*Benefits:*

How do students benefit by attending a small school? Include attendance, graduation, academics, participation, etc.

Superintendent #2:
The student/teacher ratio is very good ours is 11 to 1. Our graduation rate is still at 100% for the last ten years. The kids graduate from here because the teachers care about them for one thing and if they forget to come or they choose not to come our teachers still go out and look for them. Make sure they get there, get some extra tutoring. Our attendance is very good. We have a few kids that have hit the state statute of attendance this semester they hit it the last couple days. For the most part we are probably 95-98% attendance rate on a daily basis. Academics we offer everything that a big school, we may not offer it in actual teacher in front of the student through Distance Education and on-line classes through the university and the local community college. We are going to have kids graduate next year with 18 hours of college. Also, the kids here feel like they are part of the school because it is a small school. We probably have 70% of our students
in the high school that probably higher than that 75-80% that are either in band, drama or
the athletic events or the academic programs that we run such as Quiz Bowl. I graduated
from a school with 501 kids in my class. The attention these students get compared to
what I got in high school is night and day. These kids get one-on-one work all the time.

Question 4

*What are the benefits of having a school in your community?*

Superintendent #2:
This community here is probably a little different than the other ones. This community
does not have much of a downtown it really does not have any downtown but it is the life
and soul of this school. Everything the school does is highly looked at and criticized both
but yet it’s a place for the patrons. They still stake claim to having a school. We have
two businesses for the regular citizens of the town to go to and those are both eating
establishments. There’s no grocery store no convenience store. There is a gas station but
all they sell is gas. It doesn’t mean much as far as taxes to the school to the town. It is
just the namesake and the people support it tremendously.

Question 5

*Challenges:*
*What challenges do administrators face in running a small school? Why have
some small schools had to close or been forced to consolidate?*

Superintendent #2:
The biggest one is your administrator/every other hat in the school. Custodian,
Curriculum Director, Assessment Director, Finance person, disciplinarian, Teacher
Evaluator you do every job in the school you learn them. I like it that way for the simple
reason my job is never boring. Sitting at my desk seven hours a day and look at my
computer screen that’s not me. It’s a job of many hats and I think that’s what keeps some
people in the smaller schools. *(Why have some had to close or consolidate?)* Some of the
schools have because of the state aid or lack of is not enough to run their school at a
proper level. Some of it is because people have decided the local control has decided that
we are not going to fund the school at the rate that they need to, to make it run properly.
Some of it just comes down to economics of that their buildings aren’t good enough and
they cannot afford to build new buildings so its easier just to consolidate with a larger
district and the state has also put money out there to consolidate that has made some
districts think that its probably a good idea that way.

Question 6

*What are the financial challenges administrators face running a small school?*

Superintendent #2:
Well, ours is a little different than a lot of the schools in that we don’t get any state aid.
We’re a non equalized district so we get very little state aid it’s like $20,000. We run our school on option enrollment was +56, which is almost $400,000 in state aid. You need to cut costs and we have cut costs. Like this year instead of having two full-time administrators we are 1.5 administrators. We cut a part-time cook, part-time custodian. We do a lot of things with less people. We cut a counselor from full-time to part-time just to financially make the school viable and still get our cash reserves up.

CC: Are you in a tax levy override?

Superintendent #2:
Yes, we’re at 25 to 30 cents over.

Question 7

Nebraska’s Rule 10 mandates courses that must be offered for all certified schools. What challenges do you find in offering a comprehensive curriculum in a small school?

Superintendent #2:
Like I said were able to meet the school basic needs of all students. The higher level classes and some of the lower level classes that we struggle with that through high school or Nebraska High School studies through the University, Nova Net, and community college. We are able to meet all the needs of the kids and we have 12 to 15 kids taking online classes. Then we have another six that take a class from another school and we meet Rule 10. We can meet it it’s not a problem it’s not as easy as the larger schools that can offer more classes.

Question 8

School Efficiency:

LB 806 put school districts into three cost groups with the intention of making schools more efficient by working towards a state average per-pupil cost. How has your district tried to contain costs to help bring your per-pupil expenditures in line with the state average?

Superintendent #2:
We have cut some staff we cut down to a part-time principal; we cut down to a part-time counselor. We added all the online classes and so we hired another teacher. We’ve cut personnel and that’s really the only way you can really save money in a school district. Besides that we really haven’t done much as far as trying to get our costs down our cost is our cost. The people the local patrons are fine with it and so as long as they are fine with it we’ll keep doing what’s the best for our students.
Question 9

What other cost saving strategies have you thought about implementing?

Superintendent #2:
They have been very minor we’ve talked about sharing a superintendent. If we did that we would have to add the part-time principal back to full-time. So your savings is $15 to 20,000 at the most.

Question 10

Researchers like Nelson (1985) are proponents of school consolidation because they found that larger schools are more efficient based on cost per pupil. How would you define an efficient school?

Superintendent #2:
Efficient school there is all kinds of research and so the best number for the small Pre-K thru 2, 3 thru 6, what’s the best number for 7 – 12 but I really think it comes down to you have the teaching staff that you need to teach your students. You don’t have waste that there are only one or two kids in a class. All of our classes are well attended in that we don’t have just one or two kids in it. Efficiency, schools are not a business so its not really we try to be efficient in everything we do. Our bottom line is based on what are we doing for the kids and what’s best for the kids and if that means adding a part-time teacher than that is what we do. If our cost per pupil goes up and our $300 so be it, if this is what the patrons want this is what our kids need and that’s what they’ll get.

Question 11

Legislation:
What has been the major impact of financial legislation (LB 806) on your school district?

Superintendent #2:
The biggest part is that it is more hoops to jump through. It’s difficult that they put us into three different categories and where we have towns within the 15 miles of us. We get the lowest ranking and plus we are non-equalized. So we get no state aid really at all except for option enrollment. The Unicameral keeps coming up with ways to make it tighter on us in every turn we make and the small schools we’ll keep trying. It’s getting to a point where we’re down to bare bones and we’re just hoping that they keep it under local control and let the local people decide if they want to do it or not. LB 806 was probably before me but the levy limits where they put the dollar five. Our school ran at $1.05 until up to two years ago and our cash reserves from at one point of $1.1 million down to $157,000 over an 8-year period. We have gained back up to $700,000 in the last two years and we were actually going to drop our levy next year. We have a levy or a cash reserve that we can sustain it for a couple of months.
Are there any other comments you would like to share about being an administrator in a small school? What you think are advantages or disadvantages of the small schools?

Superintendent #2:
The benefits are that you get to know every kid. I have 203 kids I don’t know every kids’ name but I know 95% of them. You get to know the parents it’s not a factory you’re not a number. I was in a big school. Went to a large university and I wouldn’t trade working in a small district for anything. I could make a lot more money in a larger district but I wouldn’t enjoy my job like I do now. I wake up in the morning wanting to come to work where if I just had to sit behind a desk I would be changing doing something differently.
SUPERINTENDENT 3

Question 1

**Background Information:**

To gain background information on each superintendent, please state:

- Your name
- Number of years in education
- Number of years in the current district/number of years in a small district
- Number of students in the district

Superintendent #3:

My name is Superintendent #3 and I have about 37 years in education. The number of years in this current district is 30 years, as I came here July 1 of this year. We have 200 students, K-12. About six years counting this year in a small district because I started out in a small district as a teacher and then a principal and guidance counselor. I went on up to bigger schools B schools, C-1 schools.

Question 2

The term small school can mean different things to different people. How would you describe the term "small school"?

Superintendent #3:

I think a small school I spent a couple of years in Alaska as a superintendent. I had nine schools on seven campuses and some of those schools were as few as 20 kids. That would be K-9 or even K-10 in the school. Then I had a school of 7-800. As far as I'm concerned a small school would probably be somewhere around 300 or less I would consider small.

Question 3

**Benefits:**

How do students benefit by attending a small school? Include attendance, graduation, academics, participation, etc.

Superintendent #3:

I think there are a lot of advantages of being in a small school. You have much closer relationship normally with the instructors and everyone else that’s in the school you know everyone. There’s a lot of sharing what I call extra learning by just overhearing what’s going on. There can be some negative parts to that but for the fair majority it’s a very positive thing. A lot of your older students interact with younger students and people some people that still believe that you can’t mix lower elementary kids with high school kids. I believe that is totally untrue. I have in fact have had programs where seniors went down and worked with kindergarteners. Juniors went down and worked with second graders and had great experience. I think there is a lot of learning. I think in
a smaller school you have a better contact between elementary school and secondary teachers as to what we are teaching and what's going on. So that we have a more progressive advancement as they work up through the grades and make sure that we don't have any loopholes in their curriculum, what they have been taught.

Question 4

What are the benefits of having a school in your community?

Superintendent #3:
It's a tremendous boost for the school. Even in our area we have four small towns in our district here and I've been working hard just talked to the board president about trying to get the leader's in those four small towns together to talk about the future to try to improve each one of those small towns. Which would be a big advantage for to have us stabilize or increase enrollment in our school. To guarantee that that school is always going to be here and that it's going to be a K-12 school.

Question 5

Challenges:
What challenges do administrators face in running a small school?

Superintendent #3:
It is just a whole different job description you have to be a "Jack of all trades". You have to be willing to get in to the trenches and work. As were in a bigger school you may not. Superintendent for example, has to be visible to the public but they also have to find time to get out and work with teachers, work with students but I also do a lot of the paperwork and try to find finances that the schools desperately need to be able to purchase or afford the upgraded technology for example. Be able to have the tools the teachers need to be effective teachers and of course, that's ever changing with technology. So that involves time to research I think that's the biggest challenge to me in a small school is finding the time to do the research that I need to do or be a visionary. I think a Superintendent has to be a visionary and I think you're really strapped for time in being able to do that and that's the big challenge. The big advantage is you know everybody you have close contact you get involved you know what's going on. You usually know every inch of your school you know the mechanical operation. You know the physical operation of it and you know the people that come and go into your school system.

Why have some small schools had to close or been forced to consolidate?

It's mostly finance the schools are not properly financed and we're not able to sell ourselves to the public to get the public support that we need in order to support the school financially. Without going out for grants and other ways to support the school outside of taxes. These schools are going to dry up and close. The other thing is if you
don’t keep some local business going that’s another big problem and if you can’t attract business and industry. The only hope you have is becoming bedroom communities and if you don’t have affordable housing, livable, affordable housing in these communities you’re not going to get those people. So, enrollments are going to naturally to continue to decline.

Question 6

What are the financial challenges administrators face running a small school?

Superintendent #3:
If people are continually, even our legislatures I think both at the state and federal levels think that because enrollments go down we should be able to run our schools cheaper and that’s not necessarily true. A class size of 20 or a class size of 12 it costs the same to operate those classes with a minimal of difference. If you’re going to have the enrichment people, I call enrichments, the extra people that specialize in physical education, fine arts those areas. To be able to give the kids the same advantage that they might get in a bigger school to some degree it’s going to cost you, it’s not going to get cheaper. The other thing is if you can’t afford to pay your teachers and your employees a decent wage. They’re going to be looking other places and the other places are going to be more attractive. If these other places want your good people. These other places are going to try to recruit those good people. So, it’s a constant challenge and the idea, I just talked to elementary students this morning, believe it or not elementary students about being very visible in the public and being very positive. Being polite and kind to people so that we get the support of all the people that live in our community and say, “Hey, that’s a nice school.” When we do ask them for dollars, that they would be more willing to provide those dollars. With the Christmas program coming up and I said, “You know I want you to be at your best behavior, I want you to be polite and kind I don’t want you to get up and run around, move around when somebody else is performing,” and I said, “That will impress people.” That way we’ll get more support for our school when we go asking for dollars.

Question 7

Nebraska’s Rule 10 mandates courses that must be offered for all certified schools. What challenges do you find in offering a comprehensive curriculum in a small school?

Superintendent #3:
Sometimes it’s very difficult to get qualified teachers. You can’t attract them to your community and especially if you don’t have housing for them. Also, the wages in the smaller rural schools and people are expected to do more with less and they are going to get less wage. So, it’s very difficult to get those qualified people to offer the program. With technology it will help some but there is no replacement for a teacher. I don’t care how much technology you have there is just no replacement for that teacher in front of those students. The other challenge that I have is keeping those teachers in front of those
students because we have so many mandates, so many programs. With No Child Left Behind and our assessments and taking teachers out of the classroom for training. The biggest challenge is keeping those teachers in front of those kids.

Question 8

School Efficiency:

LB 806 put school districts into three cost groups with the intention of making schools more efficient by working towards a state average per-pupil cost. How has your district tried to contain costs to help bring your per-pupil expenditures in line with the state average?

Superintendent #3:

Well, quite frankly, no. What we try to do here with the board of education and myself and the rest of our people. Is we try to provide our students what they need to get a quality education and if that increases the per pupil cost, so be it. I am a strong believer that we always talk both at the federal and state level that boards of education should have local control. Yet, I continue to see legislation trying to take that local control away and I feel that if a board of education decides if they want this for their students, a certain thing for their students and the taxpayers agree with it, why shouldn't we be able to do that. Why should we have a lid, an expenditure lid of all things and a tax lid I realize that you can go to a vote of the people? That’s just another unnecessary step as far as I am concerned.

Question 9

What other cost saving strategies have you thought about implementing?

Superintendent #3:

We are continually working, I believe in the “nickel and dime” things. For example, shutting lights off when you don’t need them. The other thing is retro fitting the lights. I have found that here in my own school. I’ve only been here since July. I’ve have had a couple of companies out and they are doing appraisals of my heating and ventilation and air-conditioning system. My units are at the end of their life expectancy. So I want to give the board a heads up and the public a heads up. So we need to be thinking about doing something and I am also talking about retro fitting the lighting system because we could save a lot of dollars by retro fitting our lighting system. They’re electrical systems that are drawing a lot of electricity unnecessarily and these things can be shut down or they can be turned off when not in use. Every little bit helps. Those are the things that I have been addressing here.

Question 10

Researchers like Nelson (1985) are proponents of school consolidation because they found that larger schools are more efficient based on cost per pupil. How would you define an efficient school?
Superintendent #3:
Number 1 an efficient school is providing quality education to each and every student. When one says cost, I don’t feel that cost should be the determining factor when we are trying to educate students. We all know that geographically there are going to be different costs. For example, up in Alaska you could go in to Anchorage and you can buy bread and milk for about the same price that you can buy it in Lincoln, Nebraska. You go out state in Alaska you go in to on the road system or in to the bush area and you’re going to pay four to five times more the common staples that you need. A loaf of bread or gallon of milk is going to cost you five, six, seven, even ten times more than what you would normally pay in Anchorage. So, it’s not equitable to say to educate a student is the same in both of those locations it’s just not possible.

Question 11

Legislation:
What has been the major impact of financial legislation (LB 806) on your school district?

Superintendent #3:
Well quite frankly, from the state level or the federal level down I’m not seeing anything in the last several years that has really benefited small schools I’m not seeing anything. The inner local agreements I think our crucial thing right and we have some legislation being proposed to do away with that and that will have a profound impact on small schools. It will have a much greater impact on small schools than it will on large schools. I haven’t really seen any legislation coming back that has really been beneficial to small schools.
SUPERINTENDENT 4

Question 1

Background Information:
To gain background information on each superintendent, please state:
  i. Your name
  j. Number of years in education
  k. Number of years in the current district/number of years in a small district
  l. Number of students in the district

Superintendent #4:
My name is Superintendent #4 and this is my tenth year in education. This is the first
year in my current district. I pretty much consider that being in a small school district my
entire educational career. The number of students in this school district is 274 students.

Question 2

The term small school can mean different things to different people. How would
you describe the term “small school”?

Superintendent #4:
I'm thinking of a small school as generally one that has a student body of fewer than 500
students. You may see some more teaching configurations and administrative
configurations that require duplicity in assignment. So you may have a health teacher
who also teaches a social studies class. You may have a superintendent who is also an
elementary principal. You may also have an elementary principal who is a Sped
Coordinator. So I think that duplication in staff assignment that generally a small
enrollment and small being defined as 500 students or less is typically what I think of
when I think of a small school.

Question 3

Benefits:
How do students benefit by attending a small school? Include attendance,
graduation, academics, participation, etc.

Superintendent #4:
Primarily it's from the individualized attention due to the low student/teacher ratio. I
think the opportunities that are afforded students in the form of extra curricular activities
that they might not be entitled to because of the competitiveness at a larger school are
evidenced. Then I think the involvement of the community that sometimes in a larger
school they try to cultivate it's intrinsic to the environment in a small school. So I think
really that community peace they benefit from and they benefit from the sense of
knowing that there is support out there. I think those are the largest ways.
Question 4

*What are the benefits of having a school in your community?*

Superintendent #4:
Well, I think most of the local business vendors would tell you that there is a lot more foot traffic that comes through town as a result of having a school. There is less travel quite obviously if you have a school in your town as opposed to outside of your town. There is also that sense of civic pride that’s garnered from the school primarily through participation and extra curricular activities and there is a pride that exists because many of the people who live in town attended the school. So there is that sense of heritage. So all of those things are either created or continued because of the existence of the school.

Question 5

*Challenges:*

*What challenges do administrators face in running a small school?*

Superintendent #4:
Limited resources are the largest one and primarily that manifests itself in facilities. It is tough for small schools to get bond issues passed because of the mentality. The heritage I referred to earlier is “If it was good enough for me then it ought to be good enough for the kids.” So, that’s a big challenge as far as garnering support for the facilities and that duplicity of assignment. Teachers have to do more they have to wear more hats. In turn, the administrators have to wear more hats also they have more things to do. So I think those are the biggest challenges that we face.

*Why have some small schools had to close or been forced to consolidate?*

Superintendent #4:
Enrollment is the primary issue. Some districts in turn district taxpayers don’t feel like if there are a small enough number of students attending the school that it’s not advantageous because of program issues to not look at consolidation as an option. So, it’s been a combination of lack of supports from the community some of the budgetary lids that have been imposed by the state and then just declining enrollment. I think the combination of those three factors have lead to most consolidations.

Question 6

*What are the financial challenges administrators face running a small school?*

Superintendent #4:
Well again, I think the biggest one is in facilities is staff depending on whom you talk to.
They say it takes anywhere from 85-78% of your budget to secure your staff and were in a personnel rich occupation. So, staffing eats up a bunch of that money that we're afforded through our tax base. Buildings the cost of maintaining the High Vac Systems and the items that depreciate buses, carpet, flooring, even doors. We just put on a set of doors and it costs us for four doors $20,000 for aluminum-framed doors. That's probably the biggest challenge. Since the lids have come in to place it used to be you could levy what ever you needed to levy in order to meet the financial needs as represented in the budget. Now you have to pick and choose. So that's the biggest challenge that we face.

Question 7

*Nebraska's Rule 10 mandates courses that must be offered for all certified schools. What challenges do you find in offering a comprehensive curriculum in a small school?*

Superintendent #4:
I guess were fortunate in that regard in that as far as meeting accreditation guidelines as dictated by Rule 10 for course offerings we need those. The problem or the challenge that we face is our students, our teachers, and some of our patrons feel like we don't have a rich enough set of curricular offerings. So we've tried to supplement our curricular offerings through independent study courses, computer generated study courses, and then through distance learning. As far as offering a comprehensive curriculum to meet accreditation requirements that's not an issue. The issue is in offering a diverse enough curriculum to challenge all learners and then to have that perception radiate throughout the community.

Question 8

*School Efficiency:*

*LB 806 put school districts into three cost groups with the intention of making schools more efficient by working towards a state average per-pupil cost. How has your district tried to contain costs to help bring your per-pupil expenditures in line with the state average?*

Superintendent #4:
Well, it goes back to that efficiency model and that duplicity in assignment with teachers that I talked about before because we have 85% of our cost that is being made up of staff in our budget. Basically what we're trying to do is we're trying to get the most out of the staff that we have and that means cross-training teachers. Sometimes teachers teaching out of assigned areas as much as were permitted to do so by accreditation guidelines. Supplementing with the course curriculum with those resources that I talked about before in the form of computer-aided instruction, distance learning, and independent study packets. Basically just trying to be as efficient as possible in assigning those teachers. We've done some things with transportation as far as leasing and we've done some stuff with inter-local agreements also that have helped out to control that per-pupil cost. In a small school in those efficiency models show that a Class B school is roughly 2,500
students or so that, excuse me not 2,500 students but some where around 1,200 students they’re the most efficient. Part of it is dictated by the number of students that you have and just to get to the most efficient mode of education we have to have more students. Those are the things that we put in place those are the measures. Then of course, just watching every penny and doing some creative things with finance like taking our bond assets and putting them into the bond asset management fund that’s offered through NASB just to try and get a couple more points on the interest. So, scraping for every penny that we can get.

Question 9

What other cost saving strategies have you thought about implementing?
(Response included with Question 8)

Question 10

Researchers like Nelson (1985) are proponents of school consolidation because they found that larger schools are more efficient based on cost per pupil. How would you define an efficient school?

Superintendent #4:

As you look at those larger schools and I come from a larger district I worked over at Town B Public Schools, which had a good number of students, Class A school. The largest size class in the state of Nebraska and one of the things that they were concerned about was their graduation rate. Having a high population and they have a fairly high dropout rate also, teen pregnancy was an issue over there. So, I guess we need to define efficiency you have to look at what it is your trying to achieve. Our product in education is a student who has choices. So, if they’re a senior and they want to go in to the military, if they want to go to a two-year trade school, if they want to go in to a four-year college, if they want to go in to the world of work. They have all those options in front of them. They have a skill set to do that. So, an efficient school is the one that can produce the largest percentage of those students who have those options when they graduate. So, efficiency I don’t think you define simply by how much it costs. That factor of success the fact that we live in a human enterprise, the enterprise that we work in, I don’t know that you can put a dollar value on what it means to have a kid who is prepared and successful compared to one who is not. One who is not enrolled in school when they turn 18; so that is a tough question. So I think an efficient school is one that meets the needs of all learners and prepares them for success and prepares them for options.

Question 11

Legislation:

What has been the major impact of financial legislation (LB 806) on your school district?

Superintendent #4:
I think the primary mission at least the rallying cry of the legislative body is property tax relief. That's an easy sell with taxpayers and it's a tough sell with educators because we know what that means. That means less property tax money for us to run our educational programs. Overall, the major impact has been that it has changed the budgeting process. To be quite frank in our district when I sit down and do the budget we need about $.97 of that $1.05 and the other $.08 is gravy. We don't really need it but we request it we build up our cash reserve every year because we never know what the legislature is going to do. So, the primary impact of that financial legislation has really created something that it was not intended to do. Actually the opposite is it has encouraged us to take advantage of another $.08 that we might not take advantage of because we don't need and it's created obviously a sense of fear a sense of uncertainty as far as what is going to happen next. What they are going to do next and I think it's caused a heighten awareness of board members, teachers. Everybody has the perception that things are tight financially and you can never have enough money. For the purpose of operating the program that we have now we have plenty of money based on valuation and based on that cash reserve that we have. Like I said we need about $.97 of that $1.05. So that's been the primary impact it really hasn't hurt us it's just made us change our strategy as far as financial planning.
SUPERINTENDENT 5

Question 1

Background Information:
To gain background information on each superintendent, please state:

m. Your name
n. Number of years in education
o. Number of years in the current district/number of years in a small district
p. Number of students in the district

Superintendent #5:
My name is Superintendent #5 and this is my 38th year in education. Five years in current district. I've been in what I consider a small district five years. Number of students in this district are 301.

Question 2

The term small school can mean different things to different people. How would you describe the term "small school"?

Superintendent #5:
I think that small schools are those that are in communities that are in stature smaller and also in population. So, I guess that small schools to me would mean the number of students in that school and also, where the school is located.

Question 3

Benefits:
How do students benefit by attending a small school? Include attendance, graduation, academics, participation, etc.

Superintendent #5:
That’s easier for all of the staff to keep track of the students not only the staff but also parents and others in the community because the students are seen a lot instead of like in a big school. It’s an opportunity for us as administrators and counselors and teachers to know the students. To know them well, to know their family background, and to understand when they have a problem if there is a reason for that. Also, students benefit by being in a small school in activities in athletics they are able to participate in some of those activities. Where as they wouldn’t in a larger school and also in a small school you have a much better parent involvement not only in the school but also with their kids.

Question 4

What are the benefits of having a school in your community?
Superintendent #5:
I think that the major benefit is the identity of the community. The people identify with
the school as being the major focus of the community and the town. Also, it's a benefit
for the community to have local control of what their students are able to learn.

Question 5

Challenges:
What challenges do administrators face in running a small school?

Superintendent #5:
Well here the major challenge I face is the many different hats that I wear. Where as in a
large school district a superintendent would have various people to pass out duties to.
Here it all comes down to the superintendent. I serve as the special ed director, Title 1
director, transportation director, maintenance director and all of those various areas and
also, I am the elementary principal here so it's a time issue.

Why have some small schools had to close or been forced to consolidate?

Superintendent #5:
I think probably the major reason is because of funding and not having been in a school
that has had to consolidate or really being aware of one. What I have read in the
newspaper or seen is that maybe that they run out of students and funding and they are
not able to keep the school open.

Question 6

What are the financial challenges administrators face running a small school?

Superintendent #5:
Well, you have to spread your funds out over more areas. With limited funds you have to
make sure that everybody gets a fair share and that you have enough funds in each area
so that the teachers or whoever is using those funds can actually be effective in their job.

Question 7

Nebraska's Rule 10 mandates courses that must be offered for all certified
schools. What challenges do you find in offering a comprehensive curriculum in a small
school?

Superintendent #5:
The major problem that we are going to face is in foreign languages. We do have a
teacher now that teaches Spanish but she retired once. Took early retirement and then
she came back after a year and is teaching English and Spanish. When she retired it has
been very difficult to replace her. So I see that especially with having to offer a third year foreign language now and having foreign language as an exploratory section in the middle school and then having a real languages person in the elementary. We could use a foreign language teacher all day for full-time. Then we have to hire a part-time English teacher. So, I think that is probably what would amount to the biggest challenge I would have with the Rule 10 mandates.

Question 8

School Efficiency:

LB 806 put school districts into three cost groups with the intention of making schools more efficient by working towards a state average per-pupil cost. How has your district tried to contain costs to help bring your per-pupil expenditures in line with the state average?

Superintendent #5:
Well, we really haven’t had to work too hard to do that I think we’re right in that expenditure group right now.

Question 9

What other cost saving strategies have you thought about implementing?

Superintendent #5:
Yes, I talk about the foreign language teacher. When we didn’t know if we weren’t going to have one we started researching ways to provide those three years of foreign language to our students and we have found some ways we can do that. One is through an on-line course with Kansas State University. Other ways are through distance learning classes and may be from other local schools. Transportation we have looked at the possibility of outsourcing our transportation costs. We have looked at re-doing some of the routes and trying to do anything cost effective thing like that.

Question 10

Researchers like Nelson (1985) are proponents of school consolidation because they found that larger schools are more efficient based on cost per pupil. How would you define an efficient school?

Superintendent #5:
Probably an efficient school is one in which the education you’re giving your kids will prepare them to go out in to whatever they’re going to pursue. Whether it is going to college, you can prepare them to go on to any college in the state of Nebraska. You can prepare them to go to a community college as they see that they want to go. You’re preparing them to go out in to the world to work. So, an efficient school is one that does prepare your kids to go out in to any of those areas.
Question 11

Legislation:
What has been the major impact of financial legislation (LB 806) on your school district?

Superintendent #5:
Well as of right now we really haven't seen any serious impacts. Assuming that we'll probably come along as soon as Senator X gets his hand in there but for right now we haven't had that much of an impact.

Are there any other benefits or challenges that you would like to share about being a superintendent in a small school?

Superintendent #5:
Not that I can think of.
SUPERINTENDENT 6

Question 1

Background Information:
To gain background information on each superintendent, please state:
q. Your name
r. Number of years in education
s. Number of years in the current district/number of years in a small district
t. Number of students in the district

Superintendent #6:
My name is Superintendent #6 and I’ve been in education for 15 years. I have been in Town C all 15 years. Yes, I would consider this a small school district. We have 191 students enrolled and that is Preschool thru 12th grade.

Question 2

The term small school can mean different things to different people. How would you describe the term “small school”?

Superintendent #6:
I would say the term small school is relative and probably a class size under 20 is something that I would consider a small school. Also, if the elementary just would have one class per grade I would consider that fairly small. Also, small school means to me that it’s very family oriented we’re a close-knit group.

Question 3

Benefits:
How do students benefit by attending a small school?
Include attendance, graduation, academics, participation, etc.

Superintendent #6:
Ok, so I just kind of went through each one of these. Attendance I would say they would benefit from a small school with attendance because we keep close tabs on them. So, if they’re not here we call home we talk to the parents right away and find out where they’re at and try to get them here. With graduation and academics again, we keep a real close eye on them to make sure that they’re meeting all the requirements necessary to graduate and also we’ve implemented professional learning communities. Which develop an individualized student-learning plan for all the kids. So when they are on the down list and the teachers have a plan for them and how to get them off the down list. Also, with participation the benefits with participation are there is a lot more opportunities for kids to participate in things. Due to the fact that there are probably less numbers to compete against for spots. Also, it’s is kind of a given that when you come to
a small school you participate in everything. That’s what we’re about.

Question 4

What are the benefits of having a school in your community?

Superintendent #6:
Having a school in Town C gives Town C an identity and I think that’s the biggest thing about having a school there. Also, it acts as a gathering place for community. Different activities the community gets together. Whether it’s a ball game or a concert it’s just a gathering place for community people.

Question 5

Challenges:

What challenges do administrators face in running a small school?

Superintendent #6:
One of the largest challenges is you have to wear so many different hats in the small school. So, you might go from in the morning having to drive the transportation vehicle to get here, to serving lunch during noontime to doing bus duty after school. You just have to wear all kinds of hats on any given day and be ready to substitute in anybody’s classroom in a small school. Another big challenge obviously is the financial piece. I won’t expand on that further until Question 6.

Why have some small schools had to close or been forced to consolidate?

Superintendent #6:
I would say probably due to the fact that they don’t have numbers. That the numbers are dropping below where the people or the community feels like it’s being an efficiently run school and so therefore the number of kids is probably the main thing. The other thing would be the restraints that have been put on us from a state and federal level and with levies or state aid. The way they figure those things but without the finances to keep a school open you’ve been forced to consolidate.

Question 6

What are the financial challenges administrators face running a small school?

Superintendent #6:
First of all the levy limitation would be the first thing I would say is a financial challenge. The other thing is being creative with your funding. In terms of how can you move different monies around but still do things legally obviously, but being creative with the funds you do have. Another financial challenge is how do you make your cost per-pupil
look like you're really being efficient and were in a unique situation at Town C because we have a parochial Lutheran school in town and they have about 60-70 elementary kids. If we could put those 60-70 kids in our total enrollment it would make us look like were a lot more efficient. Even though we’re not educating them. We have room to educate that many more in our elementary. They just go to the Lutheran school. So, cost per-pupil trying to keep that down is a tough challenge for us.

Question 7

*Nebraska’s Rule 10 mandates courses that must be offered for all certified schools. What challenges do you find in offering a comprehensive curriculum in a small school?*

Superintendent #6:
Well, last year we had to hire a math teacher and that’s a challenge for us in a small school is hiring good quality endorsed teachers that are willing to come to a small school and commit their career to a small school. That’s one of the biggest challenges is being able to find those teachers and having them want to stay in a small school and you can’t may be pay as much or offer as much to them.

Question 8

*School Efficiency:*

*LB 806 put school districts into three cost groups with the intention of making schools more efficient by working towards a state average per-pupil cost. How has your district tried to contain costs to help bring your per-pupil expenditures in line with the state average?*

Superintendent #6:
Well, one thing we’ve tried to do is we’ve really tried to look at our spending and we’ve really asked all our teachers really to evaluate what is something that is a need and something that is a want. We try to cut our unnecessary spending by only getting things that we truly needed to have. We’ve also asked our students and their families probably to provide more of the supply-type items that may be the school are buying prior to that. Other things we’ve done is we have tried to promote our school so that we can gain students and by gaining students your cost per-pupil would go down as well. So, school promotion.

Question 9

*What other cost saving strategies have you thought about implementing?*

Superintendent #6:
Well, just this year we formed an inter-local agreement for our energy for our natural gas. So, that’s one thing we’ve done. We also, last year we cut one of our bus routes so we
only had one afternoon bus route. Then we found it was taking over an hour to get it done and the parents weren’t real happy about that. So, this year we have gone back to two bus routes and actually expanded them even further for the distance that they go. Another cost saving strategy was we took a look at all of our non-certificated staff and made sure that any overtime hours that they were turning in, which some of them had a lot of overtime hours in a week. We re-evaluated their contracts and put a limit on how much overtime they could work in a week.

**Question 10**

*Researchers like Nelson (1985) are proponents of school consolidation because they found that larger schools are more efficient based on cost per pupil. How would you define an efficient school?*

Superintendent #6:
As I’ve thought about this one I think the key to being an efficient school is by the product that you produce and the product is going to be a student who can be as successful and a productive, contributing member to society when they leave our school.

**Question 11**

*Legislation: What has been the major impact of financial legislation (LB 806) on your school district?*

Superintendent #6:
Well LB 806 in terms of the cost groupings and we never have gotten any state aid. Even though it would be really nice but to get some eventually some day we don’t get any. Other legislation with the free holding mandate due to the fact that we sit very close to Town D and School D and we have had less than 60 kids for two consecutive years prior to holding a successful override election with our public. We were open to free holding we still have two petitions that are undecided yet in the district court and if we would loose those I believe it’s about $750,000 that we’re looking at in terms of losing in our evaluation. Unfortunately, we feel like we have a separate class that’s been created due to the fact they are only looking at our 9-12 numbers. As well as if it’s good for one why is it not good for all. Why isn’t the 60 number a magical number. So, we felt the impact of the free holding statute that’s in place.

*Are there any other benefits as being an administrator of a small school that you would like to add?*

Superintendent #6:
For benefits I think your community support and the actual relationships that you build with your teachers with your community is something that you can only find in a small school and with your kids and their families. Those things are things that as I live in a
nearby community that is somewhat bigger and a school district that is somewhat bigger. I just don’t see those same types of relationships and close-knit families that I see here at Town C. So that is one thing that is a great benefit to being an administrator in a small district. Also, just the community support that you have behind you I think that everyone rallies around your school. I think that’s the focal point of the community and that been great. Challenges you’re so much more than the superintendent of the school district. You’re a teacher, a bus driver, serving lunch, disciplining kids, running score clock at games. You do it all because there aren’t a lot of other options. There aren’t a lot of other people you can afford to hire and so you do a lot. Some weeks are more taxing than others. This happens to be one of them as I’ve taught 4th grade all week but I love it, I love my job and without the challenges you don’t grow as well.
SUPERINTENDENT 7

Question 1

**Background Information:**

- To gain background information on each superintendent, please state:
  - u. Your name
  - v. Number of years in education
  - w. Number of years in the current district/number of years in a small district
  - x. Number of students in the district

Superintendent #7:

My name is Superintendent #7 and I’ve been in education 39 years. This is my 11th year in my current district. Oh, about 31 out of 39 years in a small district. We have 240 students in our district.

Question 2

*The term small school can mean different things to different people. How would you describe the term “small school”?

Superintendent #7:

Well most people would describe a small school in terms of how many kids you have and how many students are enrolled. I suppose if you come up with the numbers it’s going to be somewhere around 4-500 less than that would be small school. I don’t know small school is a relative term because small schools can do big things and big schools can do small things. I think it all depends on if you looking at over if your a small school and the things you are trying to accomplish and the things you actually do accomplish.

Question 3

**Benefits:**

- How do students benefit by attending a small school? Include attendance, graduation, academics, participation, etc.

Superintendent #7:

Well I think the social atmosphere is usually a lot better. The social things can work backwards or against the student once in a while because they don’t have as many choices. There’s better interaction between kids. There’s better interaction with staff. The fact that they know them they don’t as often get the feeling they are left out of the mix more opportunities in the activities programs. They don’t have to have the same level of ability in a smaller school that they do in a larger school. That’s why you don’t see many small school kids going on to Big Red football teams but they do get to participate and I think there are many, many benefits that come from it. Academics you can get more personal help from your staff and again because you have a little more of a
personal relationship with your students. I think that this sometimes can be beneficial to them when they are going to their teachers for help; our graduation rate is always very high. We rarely have dropouts and so I know we beat Lincoln's graduation rate by quite a bit. We have our attendance problems as do all schools do but I think we can track it easier than the large schools do. Because with a school of as many as 2,000 it's a lot easier to keep up with 200 than it is 2,000.

Question 4

What are the benefits of having a school in your community?

Superintendent #7:
Well in most communities in Nebraska the community identifies with a school and if you no longer have a school you lose part of your identity as a community. Then the benefits that come there is simply just because you have people, you have kids in that area. There are things that they do with their money downtown or that comes in to town. For example, there is a wrestling meet here today they will leave a little money downtown so there is an economic benefit. I think the biggest thing here is it gives them an identity as a community. They identify with the football team or the basketball team or wrestling team what have you.

Question 5

Challenges:
What challenges do administrators face in running a small school?

Superintendent #7:
To a great extent it's with having to do with what you have in a larger school you need money, you need quality staff, you need opportunities for kids and they don't change a whole lot may be to the degree of difficulty may be different for each one of these different issues. It's a matter of getting them together and all working as part of a team. So this is all the same whether it be a large school or small school.

Why have some small schools had to close or been forced to consolidate?

Superintendent #7:
First and foremost they lose students that's probably the first one. Our state aid formula is tied to the number of students that you have in your school and so when you lose students you lose a lot of state aid. Now the unfortunate part of that is that doesn't always translate when you lose students that doesn't always translate in to cost savings because you still need the same number of faculty and so you run into some real financial difficulties down the road. So when you lose kids you lose money and when you lose enough of them you're eventually forced to close.
Question 6

What are the financial challenges administrators face running a small school?

Superintendent #7:
Well you have to make choices where you are going to spend your money. Are you going to improve your technology and if you do improve your technology what's the trade off. Where are you going to take some of that money or are you going to find new money. Most of the times you have to trade it off you have to cut somewhere else because new money isn't always available but it's a continuous cost. You also have to fight the issue of people being critical of you because of the per-pupil cost might be higher. Really the per-pupil cost is really a meaningless trend for all realistic purposes. You lose kids your per-pupil costs go up. You gain kids your per-pupil costs go down and even if you spend the same amount of money in both cases it doesn't translate into savings or cost increases but the per-pupil cost will try to indicate both sides of that issue.

Question 7

Nebraska's Rule 10 mandates courses that must be offered for all certified schools. What challenges do you find in offering a comprehensive curriculum in a small school?

Superintendent #7:
Finding good quality staff members and a lot of the hard, difficult to find areas. Such as music, science, math, and industrial arts. That's the first one because a lot of our young people today would rather be teaching in the larger schools. My expression is they like to follow the bright lights and there aren't as many bright lights in a small town. So you have difficulty finding the quality of staff there and then it becomes the issue of money. How large of a course offering are you going to have if the larger your course offerings the total number of course offerings that you have it means that you have to have more staff. Again, that gets in to the area of cost and that in some point in time you have to make decisions when is enough, enough and then balance that out over against what the kids really need.

Question 8

School Efficiency:

LB 806 put school districts into three cost groups with the intention of making schools more efficient by working towards a state average per-pupil cost. How has your district tried to contain costs to help bring your per-pupil expenditures in line with the state average?

Superintendent #7:
My first five years here in this district we did a lot of cost-saving things. Some of those were built on staff reductions some of it I would say in our activity programs we charged participation fees to students. We tried to in our hot lunch program tried to keep that as
self-sufficient as possible so we don't have to put tax money in to it and that's a difficult thing to do. So were talking about being as efficient as possible with the monies that we do have and then may be the last 7 or 8 years we haven't been quite as cost conscious because you come to a point you can only cut so much. Then you're effecting the program quality and when we got down to that point if anything we re-aligned our staff with some of our staff reductions from an earlier time and got staff on staff to teach in different areas that we really needed but we're no longer quite as conscious about cost savings because it's really very easy to get into program quality then.

Question 9

*What other cost saving strategies have you thought about implementing?*

Superintendent #7:  
Probably not.

Question 10

*Researchers like Nelson (1985) are proponents of school consolidation because they found that larger schools are more efficient based on cost per pupil. How would you define an efficient school?*

Superintendent #7:  
Well an efficient school isn't necessarily an effective school. Effective speaks to how well you do things. Efficiency speaks to the economic aspects of running a school and too often it leads with our state aid formula. Everything goes into efficiency rather than giving you that money that actually is needed to have a quality curriculum. My guess again just if you are effective you will probably be efficient. Just simply because you're doing the things that you should in the way that you should and for the people that you should do them for. If you are efficient, none of those have to be true, it just means your being very cost conscious and running everything at the lowest possible cost of the district. It is always said the cost per pupil but it means absolutely nothing at least in my opinion.

Question 11

*Legislation: What has been the major impact of financial legislation (LB 806) on your school district?*

Superintendent #7:  
It has made some of our finances very cyclical. There is a time when we had 270 kids we and this is in terms of 1997 dollars were getting $540-550,000 in state aid. Now we are getting on 240 kids we're getting about $270,000 and this is in terms of 2008 dollars and there's a lot of difference in them. The legislation that has been passed has all been based on the number of kids. So when your kids go down your state aid goes down and then
you have to make some adjustments there. The other thing that has been in to play in this
is you have more categorical state aid rather than channeled state aid. In other words if
you do these things whether it be limited to English Language Learners whether it be
Special Ed but it’s limited. Some of those have increased funding but only if you spend it
in the areas that the state wants you to spend.

*Mr. Superintendent #7 is your district currently in a tax levy override?*

Superintendent #7:
Well, we start our second one next year.

*Were you forced to do that because of state policy?*

Superintendent #7:
Yes, we ran out of levying authority and when you have a levy authority of a maximum
levy of $1.05 and I think in five years under the first levy override we would have been
as high as $1.24. Well, the difference between $1.24 and $1.05 it would be hard but even
impossible to run a school with $.19 less levying authority. So, that’s why we’ve had to
do it and the first time it passed with a margin of two to one and the second one wasn’t
quite that good but still with an overwhelming majority. We’ve had excellent support
from the community.
SUPERINTENDENT 8

Question 1

Background Information:

To gain background information on each superintendent, please state:

1. Your name
2. Number of years in education
3. Number of years in the current district/number of years in a small district
4. Number of students in the district

Superintendent #8:

My name is Superintendent #8 and I’ve been in education 28 years. I’ve been in this current district six years. I’ve been an administrator in a small district 10 years. We have 120 students.

Question 2

The term small school can mean different things to different people. How would you describe the term “small school”?

Superintendent #8:

To me a small school is a school where you’re working with students that are long time residents of the communities that make up your district. Whether it is many, as in the case of School E or just one as is the case in many of our small, rural schools. I say that is because we don’t have a lot of people moving in and out of our district. So we don’t see the change in students like say a Lincoln or an Omaha. We don’t have that kind of turnover.

Question 3

Benefits:

How do students benefit by attending a small school? Include attendance, graduation, academics, participation, etc.

Superintendent #8:

I think they benefit a great deal by the opportunities that are afforded to them. Whether it be sports, music, drama any of the extra curricular things they can do it all. They can “cherry pick” if they want to and just do one or two things or they can do everything. That’s the neat thing about a small school I think is that there is so much that can be done by the students. They never have to feel like their talents can’t be examined in those areas. If they visualize themselves as being a performer well they have the opportunity to perform because we’re not going to have a situation where we’re going to call out the ones that aren’t good. Everyone is going to get an opportunity to participate. So, I think that’s important. We do a lot of things academically. We have a situation here where our students can be on computers every period of the day if the teacher so desired that. So,
technology wise we’re probably in better shape than a lot of the other larger schools. In fact I’ll give you a little example of that. We had a student council exchange with one of the Town E schools and they came here first and at the end of the day I was talking to their supervisor and I said, “Well, I hope you’ve had a nice day,” and he said, “Oh, my you know you do things here we don’t even dream about.” He talked about the computers and we have a greenhouse so our science kids go down and they grow plants. We have a pond so they can do water sample studies and things like this and he said, “You’re doing things we don’t even think about.” He said, “All your kids have books that they take with them every night to work on assignments.” He said, “Ours don’t, they have to leave their books in the classroom.” So, that’s a huge advantage for us I think as far as our academics are concerned.

Question 4

What are the benefits of having a school in your community?

Superintendent #8:
I think our school really allows that we’re really made up of five different, it started off being five different small towns it’s now down to basically three. Town F, Town G, and Town H but what it’s done it’s given each of those communities an identity. They are School E and it’s given us some say in our school district. We’ve got a lot of pride in our district. We passed two levy overrides in the last one that passed it passed 3 to 1. So we know we have a large support group out there. In our community they identify with the school. Sometimes depending on the weather we’re the gathering point for the people in the communities. They come to the football games. They come to the basketball games. We are the social gathering point for the people in the communities. So, I think, we play a vital role in what’s going on in these little towns.

Question 5

Challenges:

What challenges do administrators face in running a small school?

Superintendent #8:
Well, the challenges that I see us facing right now are all tied to finances. Our finances are tied I mentioned we’re operating on a levy override and tied to that I think is personnel. We have to keep pace with the base salaries of not just the other districts around us but also the other districts across the state and in other states because where we are located in Southeast Nebraska. We have Kansas, Iowa, and Missouri all around us and we’re all vying out of the same teacher pool. So, if we don’t stay up with the base salaries of the other schools we could definitely lose some candidates. We are also finding that it’s tougher for us to compete with other schools in all teaching areas it used to be just math and science but now we are seeing it in English, in music, all areas. So, that is making it very, very challenging for us.
Why have some small schools had to close or been forced to consolidate?

Superintendent #8:
I think it all goes back to money the schools just get to the point where as the
enrollments fall there is more pressure put on you to maintain your educational offerings
and it becomes tougher and tougher and pretty soon everyone starts looking at your per
pupil costs an they've gone up, “Well, we're not too sure that's a good way to go.” So
you end up being forced to consolidate and it really just comes down to money.

Question 6
What are the financial challenges administrators face running a small school?

Superintendent #8:
Your cash flow is a big concern because when you are a small school and with finances
the way they've been. Most small schools have used up their cash reserves. So they end
up having to do some things they normally wouldn’t do. We just got done in December
taking out a tax anticipation note for $400,000 with County A Bank and the reason for
that is because that we have no cash reserve. So months where the tax dollars don’t flow
into us in large enough amounts to cover our bills and payroll. We have to borrow from
that tax anticipation note to meet those requirements. Then the next time we get tax
dollars in why it goes to pay that note off. A lot of schools are situated in that setting.
Some schools just flat borrow money and pay it back later. Again, it’s tied to some of the
things that have happened in the state on the state legislative level. I'm a small school
guy and I think a lot of the things that have been done through the legislature over the last
few years have been done strictly to force consolidation in small schools especially in the
rural areas.

Question 7
Nebraska's Rule 10 mandates courses that must be offered for all certified
schools. What challenges do you find in offering a comprehensive curriculum in a small
school?

Superintendent #8:
For us some of the challenges that we’ve had have been in the area of fine arts. We offer
band and we have to have 40 credit hours and so we had band and chorus for 20 of those
and then we had one art class and then we had an English teacher teach our drama class
or something like that to get us the other 10. Some larger schools can have art. They’ll
have lots of small groups in their music areas. Our class schedule is way too tight for us
to try to do that. So, that causes us some problems. Foreign language is a problem. We
had a Home Economics teacher that taught Spanish and when she decided to retire that
put us in a position where we didn’t have anyone. So, we’ve gone and we’ve used our
distance learning for that effort and I think that’s been nice for us to be able to use that.
What I fear is that the state is going to start requiring more foreign language and if they
do that I’m not really sure how we’re going to be able to deliver that. We struggled to get
Spanish 1 and Spanish 2 in to our class schedule and so if we had go in with 3 and 4 I'm
not sure how that would work. So, those are a couple of the issues that we have.

Question 8

*School Efficiency:*

LB 806 put school districts into three cost groups with the intention of making schools more efficient by working towards a state average per-pupil cost. How has your district tried to contain costs to help bring your per-pupil expenditures in line with the state average?

Superintendent #8:

Well, we’ve not been able to do very much with that because we’re down just to bare bones now. I have teachers that are in my elementary school that are teaching 1st and 2nd grade together and 3rd and 4th grade together. The first year I came here I cut $480,000 out of our budget. That required me to RIF nine teachers and a principal and the principal that had just been hired that fall and then in the spring I had to RIF that person. So that was not a very nice way for me to start off my tenure here but we had to do it because in 1997-98 School E received $572,000 in state aid. My first year here in 2002-2003 our state aid was $211,000. All the cash reserve had been spent. We ended up at the end of my first year here we were $154,000 in the hole. So, the financial part of it as far as what we’ve done to address those issues well we’ve RIF’d teachers, combined classes. I hate to say it, but when I’m interviewing for someone I do look at what it’s going to cost me hire this person. In some instances like I said earlier we struggle finding people. I had an English position open last spring and I didn’t think I would have a lot of troubles filling that position but I did. I had two applicants I interviewed both of them. They both turned me down. They didn’t want to do the speech and the drama. So they didn’t want to go into those areas and what I ended up doing was I hired a retired special education teacher to come in and she’s doing an excellent job. She’s also costing me about $15,000 more than my previous teacher. So, I’m not sure what I’m going to do this spring. If I open it up for applications and I don’t get anymore than what I’ve had in the past. I’ll have to see if she’s interested in going another year.

Question 9

What other cost saving strategies have you thought about implementing?

Superintendent #8:

One thing we’ve done is we have cut down on our buses. The newest bus we have is a ’98 and so we’ve done nothing to purchase a new bus so our transportation fleet is aging. This last year the engine seized up in our school van and instead of getting a new van my board members decided to spend $8,000 and put a new gas engine in our diesel engine van. The reason behind it was is that we can’t go out and spend all that money on a new van. We don’t want the patrons thinking that we are spending their money frivolously. Parts of the problem, well I don’t know if I’d say problem but with the levy overrides that we’ve done. The agreement in what the board members have told the patrons in the district is that we will only use the money we need to operate every year. So, we could
have gone up to $1.35 and this year we’re at $1.23. Last year we had been able to drop from a $1.22 to $1.13 now we’re back up. That’s something we’ve tried to do is just use what we need. So there isn’t any extra there and we don’t put in for buses or anything like that so, we try to keep that down. Our insurance costs and our salary costs things like that are really things that we can’t control very much. We’re pretty limited as far as what we can do.

Question 10

Researchers like Nelson (1985) are proponents of school consolidation because they found that larger schools are more efficient based on cost per pupil. How would you define an efficient school?

Superintendent #8:
I would define an efficient school that puts education at the forefront and does a good job there, I don’t care what your per pupil cost is. You look at Lincoln or Omaha they have more kids dropout in a year than what we have actually in our whole building but we won’t have that. Our kids will all graduate and I guess that’s what I look at more so than the per pupil cost. You can be not spending much money on your kid but if they’re dropping out or they’re not learning. They’re not going on to college or not able to hold down a job when they leave your institution then you haven’t done a very good job. I think that’s part of the problem is were going to focus on dollars and we’re not looking at the end result. Our young people are going to go out in to the world and they’re going to compete. They’re going to be able to go to colleges and do well there academically. They can hold down a job. If they go into the military they are going to serve us proudly. So, I think there is a, I know that’s the wrong thing to look at when your looking at that type of thing. I think that’s what consolidation is all about. It’s about money. It’s not about education.

Question 11

Legislation:
What has been the major impact of financial legislation (LB 806) on your school district?

Superintendent #8:
Well I think there in the late 90s there were two legislative bills that came down 806 was one that tied state aid to your enrollment and the problem with that was if you happened to be a rural school in Nebraska and your enrollment was going down, as most rural schools are finding that, your state aid went down with it. Mainly because they looked at that and said, “Oh, your enrollment is going down so it doesn’t cost as much to educate the kids.” Well they looked at the wrong thing. They needed to look at what our costs were. My teaching staff costs me the same whether there’s 25 kids in that class or 5 kids in that class. So, that’s no savings that’s no way to base a decision. The problem with that too is the only districts in Nebraska that I have seen that are growing are those that are up and down the I-80 corridor. The further you are from I-80 probably the more
students you’re losing. Especially in the rural areas where agricultural practices have
changed to the point where we have no-till farming now. We have farm machinery
where we’ve seen farmers here go from 4-row planters to 24-row planters and we’ve seen
a lot of farmers in our area do not deal in livestock anymore. Most of them have
completely gotten away from raising hogs or cattle. So, they don’t need the help. They
are strictly crop farmers and they work awfully hard in the spring and awfully hard in the
fall but other than that they don’t need them. Another thing is a lot of our rural kids have
gone to school here at School E. They’ve gone off to college and they’ve gone in to
other careers away from agriculture. So, we’re not seeing those folks move back in to
our district so that’s hurt us. We’ve seen as I’ve mentioned earlier in ‘97-‘98 School E
got $572,000 in state aid my first year we got $211,000 and this year we got $5,200 in
state aid. That’s put a lot of pressure on us to have levy overrides and things like that. If
our levy override hadn’t passed we wouldn’t be here because we couldn’t operate on
$1.05, it’s not possible. We can’t cut any more staff wise we can’t do anything else. The
other thing that hurt us was LB 1114 and what that did was that limited your levy. It used
to be that schools could levy whatever amount of money they wanted to. So, you had
districts that might be levying a $1.40 to $1.50. Well, they changed that to $1.05 and
they only way you can go over that is through levy exclusions or if you have a levy
override vote. Prior to my coming to School E they had tried twice for levy overrides and
had not been successful. Once I got here we had to make all these cut outs why then that
changed things. The patrons saw that we had cut positions. That it was serious. That we
needed to, if they wanted to have a school here that we were going to have to vote to
support it and of course like I said earlier we’ve had that support so it’s been good. I
have not seen any legislation come down from the legislation over the last few years that
it’s done anything but hurt small schools. We also have a piece that we’re being affected
with right now that’s called free holding. What that amounts to is when your district, if
your student enrollment has fallen below 60 for two straight years and your operating on
a levy override. Why those people can pull their land out of your district and put it in a
neighboring district. I see this as wrong its just another way that certain legislatures have
worked to hurt small schools and the whole idea behind a lot of this is we’re going to
close smaller schools so then that money can then go to the bigger schools. The
Lincoln’s, the Omaha’s those are the people that are seeing state aid increases not us. I
would almost bet that if you took all the small schools in Nebraska we would probably
only get 4 or 5% of the state aid that’s out there and the rest of it’s going to Lincoln,
Omaha and the other larger districts and towns in the state.
SUPERINTENDENT 9

Question 1

**Background Information:**
To gain background information on each superintendent, please state:
cc. Your name
dd. Number of years in education
e. Number of years in the current district/number of years in a small district
ff. Number of students in the district

Superintendent #9:
The name is Superintendent #9. Actually 38 it would have been actually 37 I took off a year in the early '70s for graduate school so if you count that it would be 38 years in education. At 19 years in current district. Number of years in a small district 35 years. Number of students K-12 we're approximately 265 we have a preschool program that's open for special ed kids and the public kids which makes us about 274.

Question 2

The term small school can mean different things to different people. How would you describe the term “small school”?

Superintendent #9:
I thought about this quite a bit I think it just depends on what a community’s intent is. I think a parochial school can be small by choice. A private school can be small by choice. Then small schools like yours and mine are small simply because of the demographics. We don't have any choice. I think sometimes you choose to be small. Sometimes your small because it's as they say, “thrust upon you”. So it has a lot to do with the intent of the people and where they happen to be living.

Question 3

**Benefits:**
How do students benefit by attending a small school? Include attendance, graduation, academics, participation, etc.

Superintendent #9:
Well, this is something I've been able to observe for a lot of years and I'm convinced that the number one benefit is it's very subjective. That if you have kids that and I don't care if they're the most popular kid or the most insecure kid they have issues that they're insecure about and I think a small school is the one place that you can establish some type of an identity in some type of an environment. Whether it's speech or sports or music or somewhere. You're going to find a place that you can fit in and develop an
environment of kids that your comfortable with and as long as your in a school system that doesn’t really allow bullying or this kind of stuff. Then that to me is the number one advantage of a small school. The second advantage I think is that I’m an old-fashioned type person I think we shouldn’t allow kids to, I think it’s important to go through a school where strict discipline where their expectations are clearly stated to everybody teachers and kids. So what I mean by this is, I think it’s important that kids are in a school where they are closely monitored. Their behavior is monitored all the time. They are constantly being patted on the back or corrected for their behavior. This is extremely important especially in a time when you have kids coming from the homes where they may not be getting this in some of the homes or some of the homes simply don’t have this. It’s important for kids to know they’re in an environment in a small school where they are going to be watched. We’ve had a lot of kids move from the big cities to Town I and if there is one thing that they just cannot believe in the first few days is how quiet the halls are and how the kids are always whining because the administration seems to be on their back all the time about something. This turns out to be a positive not a negative. Then those are two of the things that people don’t think about right off the bat but I’m convinced they’re the most important things. Then some of the other things or some of the obvious things that we all kind of brag about is our graduation rates our academic achievements the ability for kids participate in just about anything and the fact that we may not have all the classes that a big school offers. That we’re able to offer a good, solid, sound fundamental education that has been around for 3,000 years. The Greeks certainly you have to read well, write well, think well, and speak well and I think we can do that extremely well in a small school. These are the advantages that I see.

Question 4

*What are the benefits of having a school in your community?*

Superintendent #9:
Ah, probably it’s from the outside in again. I think it’s the people who’s kids are in school have the ability to closely connect with their child’s education if they want to. I mean it’s their choice but if they want to be involved with the kid’s education you don’t have to drive very far. It’s right there in front of you. It’s easy for you to come in and observe the academic things that they are doing and the athletic things or the activity things they’re doing. So, it’s that close connection is what I see as the benefits.

Question 5

*Challenges:*

*What challenges do administrators face in running a small school?*

Superintendent #9:
Well, again some of it can depend on in the type of school that you’re in or you’re moving in to if you’re a younger superintendent, administrator. The one common denominator that we can all face is that we’re all going to face is the funding issue. My particular school is and I’ll mention this later is heavily depending on state aid because
we are a low-income school high poverty. We have 28% Hispanics a fairly high percentage of kids on IEP's and IFSP’s. This is a tough situation but at the same time it does bring us considerable state aid, which in all reality is the reason that our doors are even open. I think the other toughest thing about a small school is this perception that your child isn't getting the type of education that's going to allow them to be successful in life. I think that is just the opposite. The basic things that the kids from the Midwest in particular are sought out by the military they’re sought out by every corporation that opens anywhere because they have the basic fundamentals to succeed and they have the one most important thing they have a work ethic and it's wanted everywhere. I don’t care where the kids from our schools out here go they’re wanted. They are wanted by anybody that’s looking for young people. They want these kids from these small schools in Nebraska. The third challenge I think is the fact is that we deal with in some places and it’s becoming more and more prevalent are going to be the facilities that we are working with. We simply don’t have the money or have communities that are afraid to invest the money that it would take to improve the facilities. Because they simply don’t know how long their local school system is going to be open. That may be the biggest fear the biggest challenge running through the state right now. Every community is saying, “How are we going to know when it's time just to say if we need to close the doors or we need to consolidate or we need to do something.” That’s a fear it’s a fear for administrators for their own personal lives and it’s a fear for communities because they don’t know how to invest in themselves and when it’s right to invest and when it’s not right to invest.

Why have some small schools had to close or been forced to consolidate?

Superintendent #9:
I think I probably just said that as we were talking. Again if you happen to be a very small school district which in Town J they fall into this type of thing with actually good farmland around you. That could be a detriment to you because the wealthier you are and the smaller, the fewer number of kids you have isn’t necessarily a good thing to keep your school district open. On the other hand, the cost per pupil to operate a small school is high and I think people reach a point where they are saying Ok, this is going to be the cut off line.” “When our cost per pupil reaches this we’re going to do something.” “We’re either going to close the school.” I think the biggest issue might be the fact that a lot of young people have whose children may now have graduated have left these areas. Our communities are made up of elderly people any more it’s a common denominator thru the whole Midwest. We have some elderly people who I think support the small school but at the same time realize it’s costing more and more and more. It gets harder for them to support levy overrides and things like this.

Question 6

What are the financial challenges administrators face running a small school?

Superintendent #9:
Well the state aid we touched on but the thing about the state aid is in my particular case
and may be in your particular case is it can be inadequate funding is always serious but sometimes the most important thing is unstable funding. I’ve had situations where I lost $200,000 one year and made all kinds of drastic cuts probably even hurt things a little bit and then may have gotten back $250,000 the following year. You can’t go back and repair that damage you did in one year. So this kind of schizophrenic-type state aid funding and stuff it’s a real challenge and I don’t know what the answer is. They change the law every year. Which every time they change it and from what it looks like I see in the paper’s we’ve got the same thing going on again here. So, who know what’s going to be ahead this next year.

Question 7

Nebraska’s Rule 10 mandates courses that must be offered for all certified schools. What challenges do you find in offering a comprehensive curriculum in a small school?

Superintendent #9:
Well, finding certified teachers is probably the biggest one. I over the years have never hesitated to hire somebody with a provisional endorsement and my board has been outstanding in allowing me to provide money to kids to teachers with provisional endorsements to get them endorsed. Which has worked pretty well for us. Again we’re all facing distance learning, tight ways of dealing with Rule 10 mandates and stuff. I don’t think there is any kid that thinks a distance learning class is the same as having a live teacher but we may not have that luxury here before too long. Then the other challenge I think from Rule 10 is just like the funding thing it’s the constant changing of requirements and assessments that we can never seem to just stay with anything long enough to give us a chance to adjust to it to actually give our teachers a chance to actually teach what needs to be taught. About the time when we think we’re going in a direction that makes sense to us something gets changed and all of these are out of our hands. So I would say those are the Rule 10 changes and such.

Question 8

School Efficiency:
LB 806 put school districts into three cost groups with the intention of making schools more efficient by working towards a state average per-pupil cost. How has your district tried to contain costs to help bring your per-pupil expenditures in line with the state average?

Superintendent #9:
Well, I don’t know I guess I’m one of these types I grew up in a Swedish family in South Dakota and we always learned ways to do things. I’m not convinced sometimes that changing ways in which you actually may be have to cut some money. Sometimes there are ways that it turns out to be better than the way you were before. It doesn’t mean just because you have to do some cost cutting that you’re necessarily not going to do as good a job of educating and stuff. I took some things that we have specifically done in School
F. I had a person who was pretty good in technology and spent money to get him really good at technology. I would also mention that in 1998 to 2008 it has probably saved my school district $150-200,000 dollars because we now build our own computers. This person wires our building whenever it needs wired. He trains students to install software. He installed our smart boards. We are able to buy this stuff which is fairly expensive but with almost no installation cost. We actually come out financially ahead. In my particular case since we are low-income district I’ve also been able to really take advantage of federal grants. A rural school district who qualifies for almost any grant that you want to write because most of them require 40% poverty. We are usually between 50 and 60 or sometimes even a little higher. I’ve written numerous grants and have gotten 40 laptop computers from a grant. We were able to take big advantage of the Bill Gates Microsoft money that was out here a year ago. We got 11 smart boards from that and these are ways that there is some expense involved but you are able to really help your kids, help your teachers. It increases the chances to get educational opportunities tremendously. I’ve also learned to try to hire people who may be can do more than one thing everybody wants to get that teacher. But I have found other things I have a custodian now is a certified welder and certified plumber. All of these things save you tremendous amount of money. You can work on your own engines just things around the building. I try to hire people like that. I pay them more money up front to get them to come to my school but I’ve learned over the years you save thousands and thousands of dollars in not having to bring in people from the outside. These are things that I have been fortunate enough to be able to find people and I guess it comes from being the type of person whose willing to take a chance and broaden your vision. You have to do this in our small schools. If you’re not willing to do these kinds of things having to spend money to save money in the long run I guess is the best way I can answer it.

Question 9

What other cost saving strategies have you thought about implementing?

Superintendent #9: Probably lots of them the things we’ve done over the years. We’ve done so much in-house. I’ve got two or three people that if we want to do something they are willing to take it on. I now pay this technology guy and this is an absolute steal but I pay him $20.00 an hour in the summer time to get new technology. He buys it online and we get it at a fraction of the price what it would cost. We have a room now just our computer parts are stored. He trains enough kids just to put all of these computers together but he also then I pay him to do all the work in the summer time to repair computers to put in the software that we want to do. To just do whatever it takes. The unfortunate part is he is just about my age and these people are hard to find. I think you need to do that I think we have to do what you call, I don’t know what the term is, raise your own, and develop your own. We do the same thing with our Hispanic. We have three Hispanic aids that graduated from our high school and we turned around and I’m helping pay for some of their college classes and stuff. I can turn right around and use government grants that I get to pay for that. So I can educate these people better and help them be better aids and things and do it inexpensively really by using the government money that’s out there.
Just things you learn after years and years.

**Question 10**

Researchers like Nelson (1985) are proponents of school consolidation because they found that larger schools are more efficient based on cost per pupil. How would you define an efficient school?

Superintendent #9:

I don’t know who Nelson is, I don’t know if he has Midwest roots or he is from the cities or where he happens to be from. I say this is from 1985 is I guess is when he wrote his book or whatever he did. I’d say there has been a real movement away from that mindset since 1985 because more things now are being considered in to what is efficient and what isn’t efficient. The dropout rate and there isn’t any question the larger your school that you have the more kids that are just not as I mentioned earlier, their just not going to find that identity where they fit in and these kind of kids is the easiest thing that you can do is quit and they do. Then the cost that comes back with these kids, it used to be 16 and now it’s their not supposed to be able to drop until 18 although I know that parents are really willing to sign kids out at 16 because they want them out of their hair. Which supports my next contention which is, “Well they are already going to cost society money.” We get the blame on our end because of the high cost per pupil but nobody can figure in what the cost to get for these same per pupil cost I have from the time they are 16 on up. From crime, from welfare from any other way that society has to support them. That cost has to be astronomical. I mean again Nelson and anybody else has that has never ever really bothered to really get in to that kind of stuff. So, my idea of an efficient school would never ever start with the cost per pupil. I think that just doesn’t even fit reality. The second thing I think is an efficient school is you have to include to me and this is where I’m not against testing of kids I’m not against any of this kind of stuff. I think you have to include the overall student improvement with a child from the time they start from year to year. This is where I think No Child Left Behind or state test or anything like this there is nothing wrong with it. I mean I’m sorry people have the right to expect certain performances for the taxes they’re paying and stuff. So to me an efficient school is tracking kids to see improvement from year to year to see how they are doing academically but it’s also tracking kids to see how they are doing behavior wise. How they are doing attendance wise because we have a saying in our school that I expect everybody to go by whether they are students or teachers. It says, “You show up on time be prepared to work when you get here, work when you get here and do good work when you’re here.” Which is the same thing that every industry expects from their workers. Nobody wants any less than that. I don’t care where a kid goes after he leaves school. So if we can help kids improve in those areas the academics, their behavior, their attendance. Those three things alone we are putting out pretty good citizens were putting out kids that are going to contribute to society and these kinds of things. You can’t measure that stuff and you can measure it to some extent but that to me means an efficient school.
Question 11

Legislation:
What has been the major impact of financial legislation (LB 806) on your school district?

Superintendent #9:
I think 806 is probably the beginning of most of this. I'm trying to think exactly what year it went into effect. I would have to say for my particular school it's not been bad. Again, our financial state aid has been up and down and up and down and up and down but I've always been able to adjust to the times and it's been down and then it seems like it will turn right around and come back and goes up even higher than we expected. Since we are an equalized district and we do have the poverty and the things that go along sometimes with being an equalized district. It's not been a bad thing for us it actually has worked probably the way a state aid formula is supposed to work. You're supposed to help the schools that really need the help and stuff. Again, it's been unstable and inconsistent but in our case we have high poverty its responded to that. It has not responded as well to English Language Learner and I've argued with Senator Y about this and stuff. With special education you actually receive some benefits from the expenditures side and you also receive benefits from the revenue side. With the ELL kids at the present time you only receive benefits from the revenue side because you get the .25 back for an ELL kid. The fact is hiring a teacher, preparing a room all the stuff that goes along with it is probably right now in Nebraska your expenses are probably 4 or 5 times higher than what the revenues are and I've always argued that needs to be balanced out somehow. Whether that is being accomplished now with what's going on is anybody's guess. So in my case it's not been necessarily a bad thing. In other people's cases I would say schools that have somewhat fully decent valuation with their land or their industries or whatever. It's pretty iffy with those types of schools and my particular type of school it's pretty black and white and they get us pretty decent money.

Any other comments that you would like to add about the small school?

Superintendent #9:
Well, again I've been blessed and I don't mean this sarcastically but I've gone in to three schools in 28 years right now as administrator in some capacity, 23 as a superintendent and all of them have had serious issues with it just seems like schools that would be classified as out of control. Whether it was behavior of kids, teachers not doing their jobs, whatever. I personally get challenged by those types of jobs I think everything that we were supposed to have learned in college and didn't. Probably this is an opportunity to really find out what your made of on the inside and in your particular case you'll be receiving your doctorate degree here in a short time and it will give you an opportunity to take some of the stuff that you have talked about in class and possibly even put it in to some form of practice. Well, I say welcome to the kind of things that come in to your school district that need changed. There truly is an opportunity to turn something from a negative in to a positive and I found out it usually doesn't take very long. If you have the
courage to face that initial negative reaction that’s going to come back towards you you’ll find out that most people know something’s wrong. They may sit there and say your sitting there and screwing something off or your doing this or whatever. I think on the inside they know something is wrong but they resent somebody initially pointing out to them that something is wrong. If you have the educational conviction and courage to stick with it and I’ve gone through many of these situations in Town I particularly in the early years. I’m now reaching that point where I think we have a really, really good school. Were doing really, really good things. Behavior of our kids is top notched and that came from years of just sticking with certain convictions and it started out with expectations. My recommendation is don’t pass those things up they are good. Good can come from the negative and just like everything else once everything has gone good for so long something is going to happen and take it the other way.