

Educational Service Centers:

A National & State Perspective

OTESCA

May 28, 2009

Craig Burford, Executive Director
Ohio ESC Association
burford@basa-ohio.org



Overview

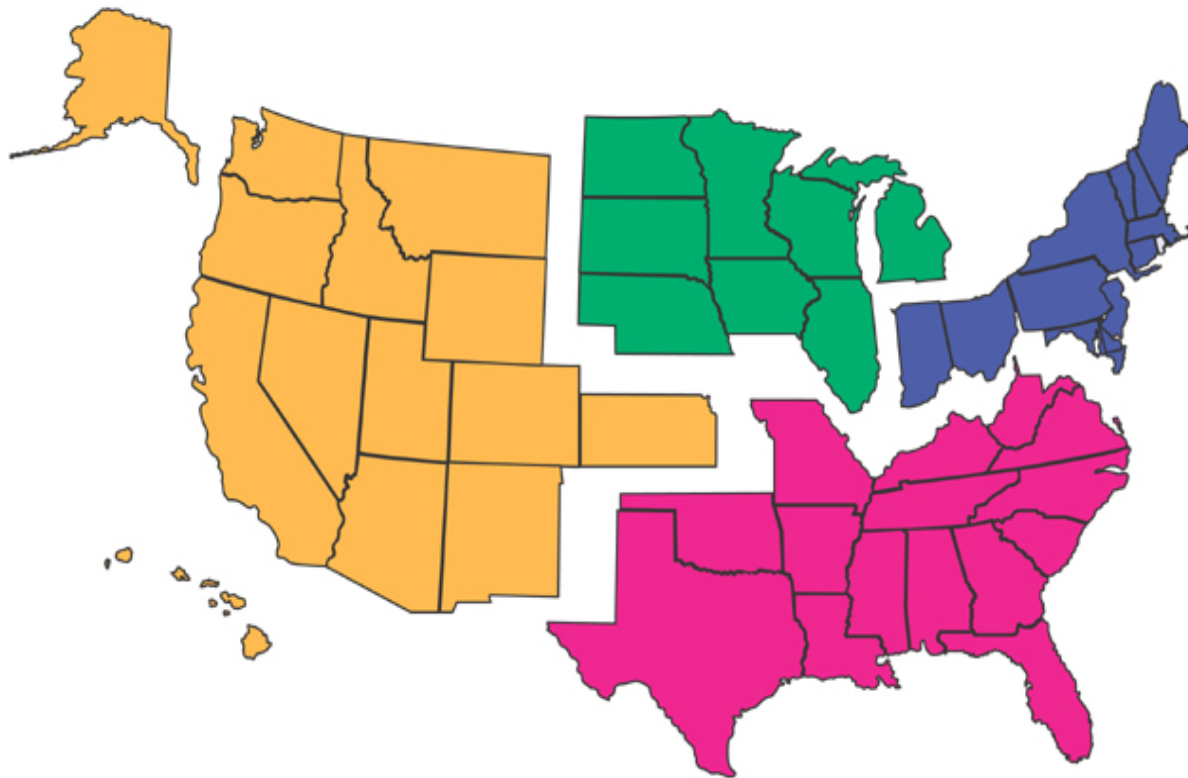
- National Perspective of Educational Service Agencies (ESAs)
- State ESC Trends and Perspectives
- FY 2010-2011 State Operating Budget
 - **Setting the Stage: Challenges Facing Ohio**
 - **Strickland Administration's Executive Budget Proposal**
 - **Impact on Educational Service Centers**
 - **Politics of State Budgeting**

Educational Service Agencies (ESAs)



A National Perspective

Educational Service Agencies



4 Regions

45 States

553 Agencies

ESA Nomenclature

AEA	<i>Area Education Agency</i>
BOCES	<i>Board of Cooperative Educational Services</i>
CESA	<i>Cooperative Education Service Agency</i>
COE	<i>County Office of Education</i>
EC	<i>Educational Cooperative</i>
ESA	<i>Education Service Agency</i>
ESC	<i>Education Service Center / Cooperative / Commission</i>
ESD	<i>Educational Service District</i>
ESU	<i>Education Service Unit</i>
ISC	<i>Intermediate Service Center</i>
ISD	<i>Intermediate School District</i>
IU	<i>Intermediate Unit</i>
REC	<i>Regional Education(al) Cooperative</i>
RESA	<i>Regional Education Service Agency</i>
RESC	<i>Regional Education Service Center</i>
ROE	<i>Regional Office of Education</i>
RRC	<i>Regional Resource Center</i>
SC	<i>Service Cooperative</i>

Governance

ESA Board Member Selection Process

(5) Elected by the general public - *California, Illinois, Nebraska, Ohio, Oregon

(16) Elected/Appointed by LEA Board Members - Colorado, Connecticut, Iowa, Kansas, Michigan, North Dakota, Minnesota, New Jersey, New York, Pennsylvania, South Dakota Texas, Washington, Wisconsin, Wyoming, West Virginia

(22) States where LEA Superintendents make up the boards - Alabama, Alaska, Arkansas, Florida, Idaho, Georgia, Indiana, Kentucky, Louisiana, Maryland, Massachusetts, Mississippi, Missouri, Montana, New Hampshire, New Mexico, North Carolina, Rhode Island, South Carolina, South Dakota, Vermont and Utah

(1) State without Boards – Arizona

(1) Board made up of Chief State School Officers - Hawaii

Governance (cont.)

<u>Category</u>	<u>ESA Boards</u>	<u>States</u>	<u>Members</u>	<u>Term</u>
1.	States where ESA Boards are the Superintendents	22	5-74	Indefinite
2.	States where LEA Boards elect the ESA Boards	16	5-40	1-6
3.	States where ESA Boards are elected by the public	5	5-15	3-5
4.	States without Boards	1	0	0
5.	ESAs with Chief State School	1	10	Indefinite
Total Number of States		45		

Educational Service Agency Services

Out of 553 ...

316 Adult Education

308 Media/Instructional Libraries

297 Vocational Education

253 Gifted Education

251 Incarcerated Students

**239 Student Testing/Evaluation Computer
and Audio-Visual Repair**

ESA Services *(cont.)*

- 228 Personnel**
- 186 Recruitment/Screening**
- 186 Printing Center**
- 164 Insurance Services**
- 159 Safety/Risk Management**
- 147 Teacher Training Centers**
- Telecommunications/Distance Learning**
- 128 Energy Management**

What State Level Policies Contribute to the Effectiveness of Regional Delivery Systems?

- ESAs will assist SDOE and SBE in carrying out their duties.
- ESAs will help insure equity and equal access for all students.
- ESAs will develop cost effective cooperatives that meet LEA needs.
- Where a basic level of funding is established for core services
- Where ESAs have permissive rather than specific authority
- Where coordination of agency services is supported by the State
- Where ESAs can leverage effectiveness of scale (cost effectiveness)

Source: Brian Talbott, AESA, 2008

What State Level Policies are Barriers to Effective Services?

- Where ESAs are required to provide assistance and also act as the regulatory arm (professional development – vs – certification requirements).
- Where services are a patchwork (i.e. professional development, special education and technology).
- When ESAs have traditional geographic and/or arbitrary boundaries.
- When ESAs do not have the ability to execute inter-local agreements.
- When ESAs lack performance and/or accountability standards.

AESA Research

- **ESA Accountability & Accreditation Systems**
- **Alternative Certification**
- **Profile of State Associations**
- **Compilation of State Network Annual Reports**
- **Great Lakes ESAs Study**
- **How Superintendents/CEO's View the Frequency of Common Network Leadership and Management Challenges Facing Their Agencies**
- **Entrepreneurial ESAs**

The usage of ESA services will grow and expand

Accountability policies that identify “failing” schools pose an urgent policy challenge for state governments. Public identification of schools where performance falls below acceptable standards implies an obligation to turn these schools around, but our knowledge about how to make ineffective schools effective remains limited. In this paper we ask which institutions— school districts, state governments, mayors’ offices, universities, for-profit education management organizations, or regional education service agencies— are best suited to turn around “failing” schools, on the basis of three criteria: capacity, scale, and trust. **Our analysis suggests that regional education service agencies are especially strong candidates to meet this challenge.**

(“ Who will Turn Around Failing Schools” , Arsen, Bell and Plank, 2004)

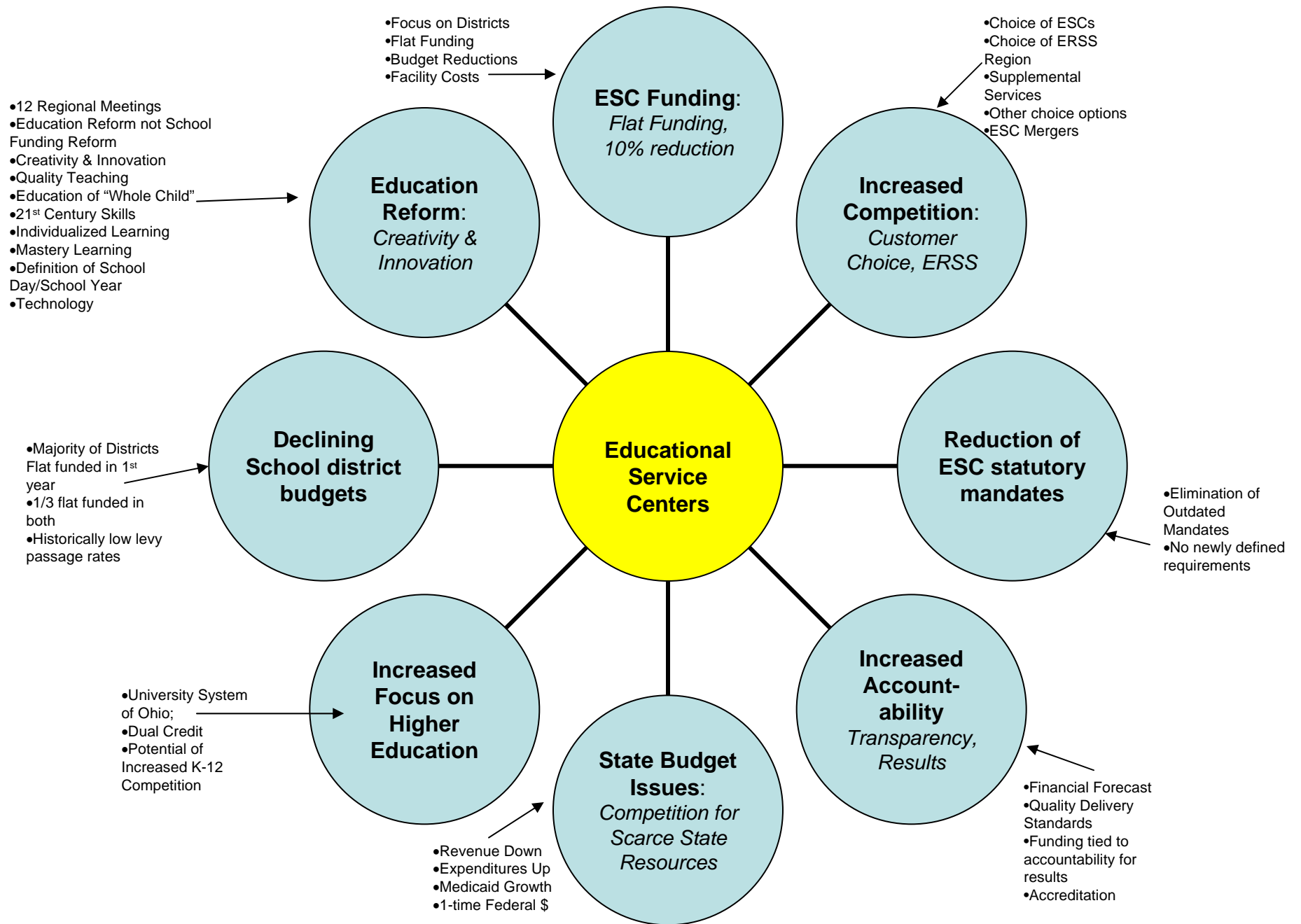
Educational Service Centers



A State Perspective

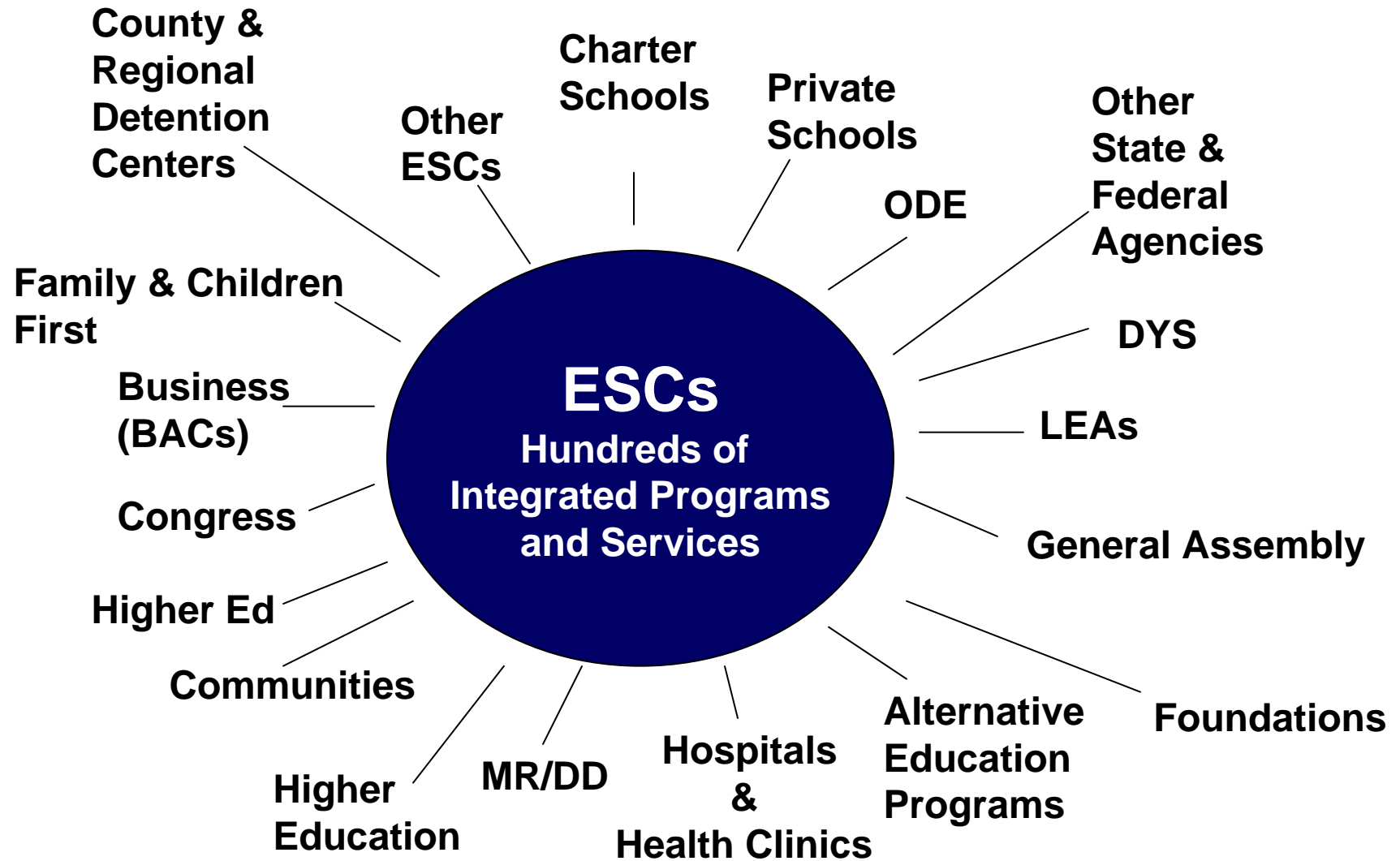
Ohio's ESCs

State	Year Established	Original # of Units	1994-1995	2009	Common ESA Title in the Great Lakes Region
Illinois	1865	102	45	45	Regional Offices of Education (ROEs)
Indiana	1976	4	9	9	Educational Service Centers (ESCs)
Michigan	1962	60	57	57	Intermediate School Districts (ISDs)
Ohio	1914	88	72	57	Educational Service Centers (ESCs)
Wisconsin	1963	19	12	12	Cooperative Educational Service Agencies (CESAs)



"Map" of Trends Impacting ESCs & Shaping the Future of Educational Service Delivery in Ohio

Educational Service Centers: Ohio's Educational "Connectors"



Opportunities for ESCs: *Assisting Districts to Address Pressures and Build District Capacity*

□ Becoming a Provider of Choice

- *Value proposition has to be about more than cost, it has to be about the depth, breadth and quality of services. What is Your Value Added? What is the Impact of Your Services?*

- School Improvement Services
- Recruitment and Retention of Administrators and Teachers
- Alternative Teacher Licensure
- Professional Learning Communities
- Supplemental Services
- Data Driven Decision Making
- P-16, Dual Credit and other Collaboratives with Higher Education & Community Organizations
- Facilitator of “Wrap Around Services” – Mental Health, Health, Department of Jobs and Family Services, Juvenile Courts, others
- Embedded Professional Development Opportunities
- Shared Services
- Workforce Development

Educational Service Centers



The Impact of Am. Sub. H.B. 1 (FY 2010-2011 Biennial State Operating Budget) on Ohio's ESCs

Ohio's Economic and Educational Challenges: *Setting the Context*

How Ohio Ranks

- ❑ 47th in Economic Momentum
- ❑ Ohio is 38th in higher education attainment rates with only 23 percent of the population (25 years+) having a bachelor's degree or higher.
- ❑ Ohio lost 3.7 percent of non-farm jobs from 2000-2007 (Worst seven year loss since Great Depression).
- ❑ During same time period, Ohio lost 23.3 percent of manufacturing jobs, 27 percent of management jobs, and 13 percent of high tech jobs.

Ohio's Economic and Educational Challenges: *Setting the Context*

How Ohio Ranks

- Ohio was the largest net exporter of talent in the 1990s (adults 20-54).
- The trend continued into the new millennium
 - Net migration numbers show approximately 31,600 residents leaving Ohio each year from 2000 to 2004.
- By 2030, the Census Bureau projects that Ohio will drop from being the 7th most populous state to the 9th. Michigan will fall out of the top 10.

Ohio Slow to Recover

- 10.2 percent Unemployment.
 - National Average 8.9 percent

State Budgeting Process

- ❑ **April** – Budget Development Begins 9 Months Prior to Budget Release.
- ❑ **January** - State of the State Address Identifies Executive Priorities and Sets State Budget Policy Direction
- ❑ **February** - Executive Budget Released Within Four Weeks of the Organization of the General Assembly
- ❑ **February/March** - House Deliberates
- ❑ **April/May** - Senate Deliberates
- ❑ **June** - Conference Committee Reconciles Differences
- ❑ **June 30** - Balanced Budget Signed

Governor's Education Reform Process

- 9 Policy Areas of Focus
 - State Accountability
 - District School Board & Governing Authority Leadership
 - Charter School Accountability
 - Quality Teaching
 - Professional Learning Communities
 - Creative, Innovative and Safe Learning Environments
 - Closing the Achievement Gap & Graduation Gap
 - Standards & Testing
 - Adequate Funding

Executive Budget Proposal

State of the State Address Sets Policy Direction:
Strickland's Priorities

1. Education
 - a) Primary and Secondary & Higher Education
2. Healthcare
3. Jobs
4. Economic Development
5. Government Efficiency

Key Budget Call(s) – Retaining Republican Enacted Tax Reforms, Not Raising Taxes, Maintaining Most Essential State Services

Executive Budget Proposal *(cont)*

OEBM Funding Components

Many of these reflect services ESCs already provide to member districts. OESCA believes nothing should prohibit districts from continuing to utilize ESCs in the provision of these and other services.

- School Size
- Class Size
- Full-Day Kindergarten
- Limited English Proficient (LEP)
- Core Teachers
- Ohio Instructional Quality Index
- Specialist Teachers
- Career-Technical Teachers
- Lead Teachers
- Tutors
- Summer School
- Students with Disabilities
- Gifted Students
- Student Enrichment

- Supervisory Aides
- Media Services
- Technology and Equipment
- Instructional Materials
- Principals
- Clerical/Building Manager
- Counselor
- Nurse Wellness Coordinator
- Registered Nurse
- Support Staff for Low Income Students
- Professional Development
- Operations and Maintenance
- District Level Administration

Executive Budget Proposal:

JVS/Career Technical , MR/DD, ESC

JVS

- ❑ 1.9% funding increase
- ❑ Creates Joint Vocation School District Funding Committee to recommend revisions to the program and funding model
- ❑ New Model implemented in FY 2012-2013

MR/DD

- ❑ 1.9% funding increase in set-aside under special education enhancements for school-aged special education funding purposes.

ESC

- ❑ 20% cut (compared to FY 2008 appropriated)
- ❑ \$10 million for 1-time performance Audits
- ❑ Creates ESC Study Committee

Am. Sub. H.B. 1 As Passed By the House - ESC Per Pupil Funding Subsidy (\$37/\$40.52)

ESCs

- ❑ Funded at FY 2009 Cut Level (9.65% cut)
- ❑ Flat-funded in FY 2011 (as compared to FY 2010)

FY 2007	FY 2008 (adjusted)	FY 2009 (adjusted)	FY 2010 (Recmnd)	FY 2011 (Recmnd)
\$52 M	\$47 M	\$47 M	\$47 M	\$47 M

ESC Per Pupil Funding

- OESCA supports the restoration of ESC funding to \$47 million per year from the cuts under the Governor's Executive Proposal which funded ESCs at \$42.3 million per year. ***However, even under the House plan, ESCs are still funded \$5 million less than in FY 2007.*** Prior to being cut in FY 2008 and 2009 ESCs had been flat funded for a decade.
 - ***OESCA Position: Restore funding levels to \$52 million per year through a combination of state GRF and federal State Stabilization Funds.***
- OESCA ***opposes*** funding ESCs in order of priority by *locals*, then *city/exempt village*, then *community* and *STEM* schools. This approach would disproportionately, and negatively, impact several ESCs.

District Ability to Contract with ESCs

- OESCA ***supports*** a clarifying statement in the substitute bill that the funding provisions in the Ohio Evidence Based Model (OEBM) do not affect or limit the ability of districts to contract for services with ESCs.

R.C. 3306.21 and 3306.22 – The bill specifically states that nothing in its school funding provisions should be construed to prohibit either:

- 1) School districts, community schools, or STEM schools from using state funds to contract to receive services from an ESC; or*
- 2) School districts from using state funds to establish, operate, or participate in joint or cooperative programs with each other.*

ESC Accountability: Performance Audit vs. Performance Review

- ❑ OESCA ***supports*** the elimination of one-time costly performance audits.
- ❑ OESCA ***is not opposed*** to ESC performance reviews every five years and the requirement that ODE provided technical assistance as appropriate. OESCA does, however, support creation of an ESC accreditation process and related funding to support ongoing continuous improvement and technical assistance for ESCs.

Gifted Education

- ❑ OESCA ***supports*** the earmarking of up to \$8,100,000 in the 200-500 foundation funding line item in each fiscal year to fund gifted units at educational service centers (ESCs).
- ❑ OESCA ***supports*** funding of gifted services in a manner that reflects the current statutory, administrative code and operating code requirements for the provision of educational programs and services to identified gifted students.

Closure of an Educational Service Center

- The language adopted by the Ohio House in Substitute House Bill 1 should be modified to include city and exempted village districts with state funded city/county agreements not just local school districts. Because funding of the dissolved ESC would have come from city, exempted village and local school districts with state funded agreements, the distribution of assets and liabilities should include those districts as well. The same is true for any costs incurred related to the dissolution of the ESC.
- OESCA ***supports*** the language in the substitute bill related to the transfer and funding of existing city/country contracts for city and exempted village districts when the ESC from whom they receive services is dissolved and the districts transfer to an adjacent ESC.

Special Education Funding

- ❑ Bill utilizes 90% of OCECD 2006 weights, but . . . Produces approximately same funding levels as 90% of 2001 weights.
- ❑ Sets target of 90% of 2006 costs rather than 100% of the actual costs of providing mandated services to children with disabilities.
- ❑ The 20:1 student teacher ratio is in conflict with current state operating standards.
- ❑ The impact of applying the Educational Challenge Factor (ECF) to the special education funding formula is unclear.

The proposal has the potential to devalue the updated weights and undermine the cost-based approach to funding special education.

Center for Creativity and Innovation

- OESCA ***supports*** the inclusion of ESCs in the Center for Creativity and Innovation in Education. OESCA seeks to have ESCs represented in the work of the Office of School Resource Management and the Office of Urban and Rural Success.
 - ***Office of School Resource Management.*** OESCA recommends amending sec.3301.80 to include ESCs in the list of entities reviewed by the Office of School Resource Management with a focus on improving efficiency of ESC educational and operational systems by using data and state and national best practices specifically related to educational service agencies (ESCs).
 - ***Office for Urban and Rural Success.*** OESCA supports amending sec.3301.81 to include an analysis of how educational service centers can support and enhance school improvement strategies for urban and rural school districts.

Retain District Ability to Transfer ESCs

- OESCA **opposes** statutory changes that would prohibit district choice of ESCs. OESCA would recommend eliminating the two-year moratorium for district transfer of ESCs as proposed by the Ohio House and retain current law.
- OESCA is opposed to its retroactive application as well as to limiting district ability to choose the most efficient, cost-effective, and high quality educational service center. District choice of ESCs is consistent with the ESC service delivery model and provides the ultimate accountability.
- OESCA supports a change in current law regarding district transfer of ESCs to provide for a more thorough review of the fiscal, programmatic, and operational impact of a proposed transfer. ODE's rules should also be amended to include a fiscal and programmatic impact statement and creation of an open process that allows all interested parties the opportunity to present information to inform state board action(s).

Maintain RIF for Financial Reasons

- ❑ OESCA ***opposes*** the House language which eliminates the ability to make reductions in force (RIF) for financial reasons and would ask the Senate to ***maintain current law*** allowing ESCs to make reductions in force for financial reasons.

ESC Study Committee

- OESCA is ***not opposed*** to the ESC Study Committee. However, since 1997 there have been 5 task forces or commissions that have focused directly or indirectly on ESCs and two state-level reports on regional service delivery. Additionally, there have been 2 national reports on ESCs and their role in school improvement and state systems of support; these reports included a focus on Ohio. ***OESCA supports moving forward on improvements to the ESC system based on the findings of those reports and the policy priorities contained in the OESCA legislative platform as it relates to ESC territory, governance, services, accountability and funding.***
- Should the study move forward, OESCA recommends modifications to the scope of the study committee and its membership composition. Further, OESCA supports a requirement that the Study Committee consult with state and national experts on Educational Service Agencies (ESCs).

More Budget Politics

Divided State Government

- First Term Democrat Governor – in 3rd year
 - First Democrat Governor in 20 years
 - High Approval Rating
- House Democratic Majority (53-46)
 - Likely to support Governor's proposals with limited changes beyond those supported by the Administration.
- Significant Senate Republican Majority (21-12)
 - Likely where most of the debate will take place and most changes advanced.

Other External Factors

- Business Support of Education Reforms (BRT)
- KnowledgeWorks Foundation
- Ohio Business Roundtable
- Higher Education
- Educational Endorsements

Web Links of Interest

Governor Strickland's 2009 State of the State Address:

<http://www.governor.ohio.gov/GovernorsOffice/StateoftheState/StateoftheState2009/tabid/984/Default.aspx>

Office of Budget and Management:

www.ohio.gov/obm

Office of Budget and Management Budget Documents:

<http://obm.ohio.gov/sectionpages/Budget/OperatingBudget.aspx>

Regional Conversations on Education & Partnership for 21st Century Skills:

<http://www.conversationoneducation.org>

<http://www.21centuryskills.org>

ODE Center for Budget and Planning:

<http://education.ohio.gov/GD/Templates/Pages/ODE/ODEDetail.aspx?page=3&TopicRelationID=690&ContentID=7099&Content=56410>

ODE Education Reform Information:

<http://education.ohio.gov/GD/Templates/Pages/ODE/ODEDetail.aspx?Page=3&TopicRelationID=1599&Content=63410>

Ohio General Assembly & Legislative Service Commission:

<http://www.legislature.state.oh.us> <http://www.lsc.state.oh.us>

