



AMERICAN ASSOCIATION OF  
EDUCATIONAL SERVICE AGENCIES

**APPROACHING THE NEXT MILLENIUM: ESA'S IN THE DECADE OF THE 1990'S**

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The purpose of this summation was not to modify the content in any way which could result in distraction from the original works of Dr. Stephens or Dr. Turner. But, hopefully, serves as encouragement to the reader for further investigation of the soon to be released, Approaching the Next Millenium: ESA's In The Decade of the 1990's.

## EDUCATIONAL SERVICES AGENCIES

### INTRODUCTION

Operating under a variety of titles, service type units have for some time been popularly labeled educational service agencies, or ESA's. These state-endorsed education service agency type organizations are designed to either promote collaboration among local school districts in substate regions, serve as a conduit for the implementation of state initiatives, or strive to achieve both of these objectives.

At the present time this concept is most developed in 23 states that have a complete statewide network of such units that serve all local districts in the state and in an additional three states where approximately three-fourths or more of the local school districts hold membership in a service type agency. In almost all of the states there is some form of an educational coop service agency in existence.

The concept of establishing a unit of school government setting between a collection of local school districts and the state education agency is not new. Delaware, in 1829, is regarded to be the first state to create the office of the country school superintendent.

Beginning in the early 1960s and extending well into the decade of the 1970's serious attention in many states was given to the restructuring of the older county offices of education and were increasingly asked to serve in the dual role of promoting collaboration among local schools as well as serving as one of the major delivery systems for state initiatives.

### MAJOR TRENDS

The major trends that are foreseen in the ESA movement are as follows:

1. More state adoptions of a network of ESA's.
2. Changes in the structural features of many of the networks.
3. Changes in the primary mission of the networks.

1. Type A: Special District ESA  
A legally constituted unit of school government between the state education agency and a collection of local education agencies. These ESA's are established by the state, or the state and local education agencies acting in concert, to provide services to both the SEA and constituent LEAs.
  
2. Type B: Regionalized SEA/ESA  
This type is a regional branch of the state education agency. This pattern appears to be supported by the view that ESAs should be established as arms of the state to deliver services for the state education agency.
  
3. Type C: Cooperative SEA  
This pattern appears to be supported by the view that ESAs should be established by two or more local education agencies to provide services exclusively to members of the cooperative.

While no pure systems were in existence, the three basic patterns could be discerned when they were viewed from the perspective of their legal frameworks, the make up of their governing boards, the determination and primary recipients of their programs and services, and their sources of funding.

#### MAJOR DEVELOPMENTS IN THE 1980'S

Three new statewide networks were established during the 1980's: fifteen ESA's were established in Arkansas and classified as a cooperative ESA network, eighteen new Education Service Centers were established in Illinois in 1985 and are classified as special district ESA's. Several new Education Service Centers in Indiana which resulted in a statewide system of eight cooperative ESA's, and the creation in Louisiana of a statewide system of eight regionalized services centers.

Two previous state systems, the four Education Improvement Centers in New Jersey and the network in Alaska were phased out. The Education Service Units in Nebraska no longer meet the definition of a statewide system (at least three-fourths of local units in a state must be included in a service region since the state

legislature enacted legislation allowing local school systems to petition for exclusion from a service unit.)

### DEVELOPMENTS OF THE 1990'S

It is anticipated that in the 1990's the education service agency concept will be adopted in a relatively large number of additional states.

1. The three predominantly nonmetropolitan states of Kansas, Missouri, and South Dakota all have relatively large numbers of rural small districts that are likely to experience increasing difficulty in maintaining quality instructional programs due to the prolonged stress in the agriculture and energy extraction industries.
2. Nebraska will likely recreate a new and much stronger state network.
3. Utah and Maine are also anticipated to use the existing service agencies, that presently are limited in number, as a springboard for the creation of a statewide network.
4. The three states of Arizona, Montana, and North Dakota, all presently operating county offices of education, are also prime candidates for the creation of a new system of ESA's.
5. Recent legislative action in Kentucky (due to the Supreme Court decision declaring the entire state school system unconstitutional) will create as yet an unspecified number of state funded regional staff development centers. It is anticipated that Tennessee having similar "preconditions" (legal challenges to existing state funding) will also establish a form of education service agency.

In summary it is anticipated that ten additional states, which does not include the redesign of a state network in Nebraska, will create a state or virtual statewide system.

This will raise the number of states having one or more forms of an ESA in operation to 35 of the 50 states.

By the end of the decade it is anticipated that the special district form of education service agency will be the predominant type operating in the several states. These units will have the twin

mission of assisting local school districts while simultaneously providing certain functions for the state education agency.

## STRUCTURAL FEATURES OF THE NETWORKS GOVERNANCE ARRANGEMENTS

There are no significant changes in the dominant governance features of the ESA's anticipated for the next ten years.

The majority of state networks of special district types continue to have elected rather than appointed boards.

The use of formal governing boards to assist in the management of the regionalized SEA/ESA networks tend to be appointed.

The majority of the cooperative networks continue to appoint their members from the professional staff of member local districts.

The one new governance that has been detected is the making use of a general advisory group composed of consumers of the services for the agencies and the granting to this groups a much more significant review authority over budget and programs decisions.

## REDUCTIONS IN ESA UNITS

The second major structural change evident in the decade of the 1980's was the state initiated or planned reduction of the number of units in three of the special district networks. The nineteen Cooperative Education Service Centers operating in Wisconsin were reduced to twelve in 1984. The 58 Intermediate units in Michigan were reduced to 57. In 1989, the Iowa legislature called for a reduction of that state's fifteen Area Education Agencies to be no fewer than four or no more than twelve.

In most instances across the country it is believed that realignments will increasingly weigh heavily on three major criteria:

1. a maximum travel time from the service center to a majority of local districts to be served by the unit (outer limit of approximately 60-90 minutes)
2. a maximum population of students (30,000 to 40,000 in more sparsely populated regions and 50,000 to 75,000 in

- more densely populated areas) or a minimum number of local school districts (20-25 districts)
3. coterminous boundaries with other regional public service providers.

### ALL DISTRICTS IN A SERVICE UNIT

One of the truly unfortunate decisions made in the creation of the state network in a handful of states was to either exclude certain classes of local districts from membership or allow certain classes, usually large enrollment size local systems, to be designated as a service unit.

The exclusion of the large urban districts no doubt contributed to the further isolation of these districts from other metropolitan area districts. It also denied the service unit an opportunity to contribute to equity issues that are so evident in most metropolitan regions..

### ELIMINATION OF MULTIPLE NETWORKS

It is anticipated that the practice of several states to maintain multiple state-wide systems of different forms of ESAs side-by-side (Illinois, Massachusetts, and Ohio) will be discontinued in the future.

### EXPANSION OF THE PRIMARY MISSION

Especially for the majority of special district networks and, to a lesser extent, a number of the cooperative networks the primary mission of the state systems of ESA's will experience some changes.

More of the networks, particularly special district types are now deeply engaged in a set of care programs and services that relate more directly to statewide priorities.

### NEW DIMENSIONS

It is anticipated that in an increasing number of states the networks will be asked to enlarge on their traditional roles of equalizing educational opportunity, improving the quality of educational programming, and providing technical assistance.

The three new roles of the networks will be in efforts to achieve the cost-effective delivery of new priorities of the state, the stewardship of information, and coalition building.

## EXPANDED PROGRAMMING PROFILE

### EARLIER PATTERNS

The special district ESA units tended to have the most comprehensive services with regard to:

1. direct instructional services to students enrolled in public LEA's (i.e., education of pupils with handicapping conditions, vocational, gifted/talented, general academic instruction, bilingual)
2. instructional support services (i.e., pupil diagnosis, curriculum services, media and library services, professional staff development)
3. management services (i.e., data processing)
4. services for the state education agency
5. services for non-public schools

Few regionalized ESA's offered direct instructional services to students enrolled in public LEA's. Prominent in the activities of these units were:

1. research and development services
2. planning services
3. selected management services.

Cooperative ESA units tended to concentrate on:

1. direct instructional services (especially handicapped children)
2. indirect instructional services (media and library, professional staff development)
3. limited management services (typically centralized purchasing).

### TRENDS IN THE 1980'S

Many of the dominant programs remained the same, however, there were some significant trends:

1. increasing incidence of the state identifying a specific core of services that all units in a state network must provide.

2. staff development activities consume a higher percentage of the resources
3. cooperative purchasing is now a major commitment
4. many have been assigned a role in new state initiated local school district accreditation programs
5. movements by many ESA's to no longer "provide all those services requested by constituent LEA's"

#### ANTICIPATED CHANGES IN THE 1990'S

It is anticipated that there will be an expansion in the mission of ESA's and that special district type agencies will become the dominant form. Both the special district and cooperative forms will call for these two types of service units to be increasingly engaged in those activities that:

1. equalize educational opportunity
2. enhance the quality of education
3. provide needed technical assistance
4. promote the cost effective delivery of services
5. promote the collection and use of vital information on the condition of education
6. promote coalition building between the education community and other human services providers.

#### THE NEW PRIORITIES OF EDUCATION

The new educational priorities, though many have already begun, will shape the direction and form the debate about how best to improve public education

1. Continued Stress on Characteristics of Effective Schools
2. Stress on National Goals for Education.
3. Establish More Sophisticated Student Performance Accountability Systems
4. Stress on Requirements of Information Age Society
5. Continued Emphasis on Special Populations of Students
6. Stress on Distant Learning
7. Stress on School-Interorganizational Relations (human services providers)

#### ANTICIPATED MAJOR PROGRAMMING OF ESA'S

It is anticipated that ESA's will not only continue to be active in the provision of direct instructional services for special populations of students previously targeted by the courts but also for new special populations (gifted in science and math, pre-kindergarten, school-age, adults) as well.



There will be an expansion of the role of ESA's in the provision of instructional support services to both public LEA's and nonpublic schools in their service region. The new emphasis will be due to the number of recently formulated national goals of education along with the continued stress on staff development.

The 1990's will also see ESA's playing an important, though limited, role in the development of more comprehensive state-initiated student performance accountability systems.

It is anticipated that the ESA's will become the lead organizations in substate regions of the state in the initiation, organization, and facilitation of the closer interface among and between education and other human services providers.

The major direct services that ESA's are anticipated to perform for state education agencies will concentrate on essential tasks needed by the state to plan, implement, and evaluate priorities of the state system of schools

#### ANTICIPATED INVOLVEMENT

It is perceived that in numerous situations an ESA will actually serve as the administrative agency for an entire, especially small (usually rural) school district, providing all of the instructional and management support services working directly with the local governing board and a teacher-administrator who would provide on-site leadership and coordination.

#### NEW AND MORE DEFINITE FUNDING

With the advent of a new, more focused mission that is directly tied into priorities of the state system will come new and more definite revenue for the ESA networks.

#### SITUATION IN THE LATE 1970'S

Only five of the state networks in the late 1970's had taxing authority, and in all cases, substantial limitations on this authority were in place. Four of the five were special district type (California, Iowa, Michigan, and Oregon). The Nebraska system, then classified as a cooperative network, was the only state in this

category having ability to levy a tax in support of the agencies' administration, including facilities operation, and services.

The special district networks tended to receive a much higher percentage of their revenues from state sources than did the cooperative types. Cooperative networks tended to rely more on federal monies than did special district systems. Both were similarly dependent on the same approximate percentage of revenues from local sources (service contracts and/or service assessments).

The most common feature of the state funding arrangements was the provision of state aid based on student participation in specific programs. General administration services, tended to be most frequently offered on a no-charge basis or on the basis of the local district per pupil population. The wealth of an LEA was infrequently factored in the cost assessments procedures used.

The formal local school district approval of the budget of an ESA was required for only a few of the networks of either type. However, formal state budget approval was required in a majority of both the cooperative and special district types of ESA's.

### DECADE OF THE 1980'S

While federal funding under most situations should probably never be viewed as a stable source of revenue, the relatively massive withdrawal of these monies in the 1980's merely added to the already common problem of a lack of definite funding (and subsequent organizational instability) of many cooperative units.

State aid for many of the networks, especially the special district type, increased substantially due to the state decision to engage the networks more fully in the promotion of new state priorities.

The fiscal management aspects of many networks became more rigorous. It would appear that many more ESA's have voluntarily established procedures that call for the greatest involvement of local school district representatives in the workings of the agency, including a role in the budget planning and approval practices used.

Also in the 1980's, while not widespread, there was a move on the part of many ESA's to engage in the marketing of their products as a revenue-generating strategy.

## FUTURE FUNDING

The more definite funding for ESA's in the future will be due to the increased state support for those programs and services provided by the units that are directly related to a continuing or new state priorities, and the more extensive use of categorical regional taxes designed to equalize educational opportunities in substate regions of a state.

The use of a regional equalization tax to provide minimum foundation support for core programs in education extends a concept already partially implemented in some public service fields. For example, regional taxing authorities are already in place to support usually single-purpose public service functions in such areas as transportation, water control, and recreation.

It is anticipated that state revenue sources will be significant in all of its direct instructional services to students provided by an ESA. The state is also expected to contribute significantly to the costs of implementing and maintaining any new state-mandated student performance accountability system.

It is anticipated that revenues from the imposition of a categorical regional tax will be used to support such things as the involvement of ESA's in the administration of regional schools for the handicapped, regional vocational/technical schools, regional schools in early childhood, and math and/or science.

Service contracts will continue to be used in support of those programs and services offered by an ESA that are outside the care program of an ESA and that are optional and requested by an individual local district.

## PROTOTYPES OF THE FUTURE

Several features of the existing financial support base for the state networks of ESA's in Iowa, Georgia, and Washington represent what might be regarded as prototypes of the future.

Each of the three states have three important considerations:

1. a policy strategy for achieving a degree of equity in the provision of services in an entire state system.
2. a policy strategy for achieving cost-effectiveness in the delivery of services deemed to be critical for the furtherance of one or more state priorities.

3. a policy strategy for affecting the quality of programming in the delivery of services deemed to be critical for the furtherance of one or more state priorities.

### **MORE RIGOROUS ACCOUNTABILITY AND CHECKS AND BALANCES**

It has been asserted that many of the special district and cooperative networks were some of the most accountable organizations in their respective state systems of elementary-secondary education. This was due to the large number of checks and balances that were either legislatively prescribed or voluntarily assumed by many ESA's. Moreover, the fact that many of the services of educational service agencies are optional provided a degree of market-sensitivity.

### **EARLIER PRACTICES**

State review and approval authority are, and continues to be, most pronounced in the financial processes of ESA operations, consistent with the close monitoring by the state of the fiscal affairs of all public sector organizations.

### **TRENDS IN THE 1980'S**

One of the major trends in the 1980's was for ESA's to voluntarily grant local districts a greater voice in budget decisions.

Most recently, a number of states having special district networks have further strengthened their checks and balances on the operations of their service agencies by implementing an accreditation program, modeled after those currently used by local school systems (self-study, site visitation by an external review panel, and the use of standards that reflect both compliance with state law and norms of good educational practices).

The six states currently having such a program are Georgia, Nebraska, Ohio, Oregon, Texas and Wisconsin. Several of these states can impose sanctions for ESA's not in compliance or judged to be poorly performing.

## FUTURE TRENDS

It is believed that the movement toward establishing accreditation programs for educational service agencies will accelerate in the 1990's and ultimately include all special district networks as well as a majority of the remaining cooperative systems.

The distinguishing features of the new accreditation programs will be:

1. the use of indicators of performance that will provide insight on the organizational effectiveness of the organization.
2. the use of indicators of performance that reflect the clear differences in the organizational structural and process characteristics of an education service agency from other types of educational organizations.

One of the more rigorous checks and balances systems in place is located in the state of Oregon. Before one of the 29 service units in the state can offer a program to local districts, it must be first approved by an advisory committee of local district representatives, then approved by two-thirds of the local district boards of education who represent at least a majority of the students in the service region. The simple majority of students provision is designed to protect the interests of the larger enrollment size districts.

## **NEW COMMITMENT TO THE ORGANIZATIONAL DEVELOPMENT OF THE SERVICE AGENCIES**

### PAST PRACTICES

While the continued existence of a number of the networks has been questioned from time to time, the supporters of the networks have generally been successful in warding off these challenges and the networks have usually emerged from these external threats stronger than before. Moreover, due in part to the recommitment to the ESA concept, many of these state systems experienced steady growth in their size and in the comprehensiveness of their programs and services.

It is believed that the training and indoctrination of the professionals who have the expertise and who are the primary contact with large numbers of clientele of the organization is critical to the organizations effectiveness.

It is also believed that the existing commitment of far too many ESA's is that scant attention is paid to the continuing self-renewal of the agency. The neglect of this matter has served as a major deterrent to the clients of the agency and had constrained the potential good that the agency can achieve.

### FUTURE TRENDS

It is anticipated that the education service agencies will experience rapid growth in the decade of the 1990's. Importantly, they will attain the status of full partners in the state system of schools.

However, acceptance of an organization's tendency to atrophy over time is widely recognized in the literature and it would be well that service agencies give continuous attention to their own organizational development and renewal.

It is anticipated that many more educational service agencies than at present will commit organizational resources to the long-term, systematic attention to their own organizational development requirements.

Common essential features will be:

1. substantial resources expended for the systematic indoctrination and long-term training of the professionals of the organization
2. the increased grouping of the professionals of the agency by combining market considerations with the traditional approach, grouping by functions.
3. the increased decentralization of many planning and operational decisions in the organization to those who should possess the greatest expertise in the organization, the professionals, while simultaneously concentrating authority over activities that most influence and shape the mission of the organization (e.g., resource allocation plans).
4. the acceleration of the recent trend of having the use of not just one but increasingly multiple numbers of constituent advisory groups.

## SUMMARY

### ADDITIONAL STATEWIDE ESA SYSTEMS

It is anticipated that there will be another spurt of widespread interest in the creation of new statewide systems of ESA's due to:

1. the accelerated difficulties of rural small school districts that are still present in large numbers across the states.
2. the lack of political consensus for resolving long-standing equity and quality issues plaguing virtually all of the nations large urban school systems.
3. the redirection of the school reform movement that is likely to add to the burdens facing both rural and urban systems.

It is believed that a number of preconditions must be present in a state that would make it a prime candidate for the creation of a system of ESA's:

1. large nonmetropolitan regions without major topographical barriers that hinder travel.
2. large numbers of small enrollment size districts.
3. politically active rural small school interest groups

It is anticipated that a strong majority of the new statewide systems will be asked to provide services to both constituent local school districts as well as the state education agency. (Special district ESA's will be the clear dominant form by the end of the decade).

### STRUCTURAL FEATURES

It is anticipated there will be a growing practice of making extensive use of advisory groups composed of representatives of member local school districts.

It is also believed that there will be considerable reduction in the number of ESA's in a single state system and the elimination of multiple types of service agencies that continue to operate side-by-side in an individual state.

Importantly, it is anticipated a fundamental shift in the structure of the state networks whereby all local districts, especially the large urban systems, will be placed in a service region.

### EXPANSION OF THE PRIMARY MISSION

Besides the traditional roles being enlarged there will be new added expectations of the networks. These will center on the achieving of the cost effective delivery of new priorities in the state system of schools.

### NEW EDUCATIONAL PRIORITIES

It is anticipated that there will be no changes in the dominant existing programming features (i.e., direct instructional services, instructional support, and management support services) but there will be new priorities each with multiple dimensions:

1. continued stress on characteristics of effective schools
2. newly adopted national goals of education
3. student performance accountability systems
4. requirements of the Information Age Society
5. special populations of students
6. distant learning technologies
7. improved school-interorganizational relations

### FUNDING OF ESA'S

Increased state support will follow the deeper engagement of the units in the new priorities of the state system of schools. It is also envisioned that strong support for the use of new categorical regional taxes to underwrite the costs of both metropolitan and nonmetropolitan area ESA's due to the deep involvement in several of the new priorities, especially programs for the gifted in science and math, early childhood education programs, and the use of distant learning technologies.

### STRENGTHENING OF CHECKS AND BALANCES

It is anticipated the growing use of state accreditation standards governing all aspects of an ESA's operation. The new standards will make extensive use of indicators of performance that are specific features of a service type organization.

### ORGANIZATIONAL DEVELOPMENT

Far more ESA's than at present will engage in meaningful, long-term organizational development efforts. The major effort will be the commitment of substantial resources for the indoctrination and long-term development of the professionals of the organization.