

## Memo

Date: September 30, 2009

From: Dr. Wade Pogany – Department of Education

Re: ESA Report to the Joint Appropriations Committee

Pursuant to the Joint Appropriations request for information request:

*2. Education Service Agencies (ESAs) - Provide the Joint Committee on Appropriations with a plan on how the Secretary will encourage local school districts to use stimulus money to contract with ESAs for NCLB requirements and for teacher bonuses. The plan should include strong language to the ESAs to use caution due to the short life of the federal funding. The Department and ESAs should provide an outline detailing the steps necessary when the stimulus money is discontinued. The report shall be submitted to the Joint Committee on Appropriations by September 30, 2009.*

Immediately following the 2009 Legislative session the Department of Education met with leadership from the seven Educational Agencies to formulate a plan to encourage local school districts to support the ESAs through contracts using ARRA stimulus funds. The plan focused on securing such contracts with three strategies (see below).

Those efforts were dependent upon school districts contracting for ESA services using their ARRA stimulus funds. ESA directors worked through the summer 2009 to secure contracts from school districts. As of September 1, 2009, \$804,000 of the \$1.7 million reduction from the ESA FY10 budget has been secured through contracted ARRA funding. The ARRA funds, coupled with the \$500,000 in state general funds, bring the total ESA revenue to \$1.3 million to provide support services to school districts.

A deficit of \$894,000 remains to cover ESA expenses in the current fiscal year. Since most of the ESA budget provides funds for salaries of ESA field staff. The risk of additional cuts to employees in the next fiscal year is high.

In August, 2009 ESA 4 was no longer able to sustain itself. The two employees from ESA 4 at Northern State University left their positions and NSU was not able to sustain the program without other funds or contracts from this region. As a result, DOE dissolved region 4 into the adjoining ESAs who are now attempting to provide services for the schools in this area.

It is difficult to know whether the ESAs will be able to secure additional ARRA contracts from school districts during the 10-11 school year as they have in the current fiscal year. The ESAs are working to provide as much support service to school districts as possible with the funding that is available. However, the services provided in the long term will be limited by the amount of funding provided to the ESAs. Without a sustainable funding source over the long term there is risk to the current ESA system.

The original plan involved three strategies to fund the ESAs. These strategies are short term and dependent upon ARRA stimulus funds.

**Strategy #1** was outlined in a proposal presented to the ESAs in March, 09. Essentially it attempted to leverage the \$500,000 appropriated by the legislature. The idea was to encourage schools to match district dollars with the state appropriation in order to double the amount available to the ESAs. The proposal was agreed upon by the ESA directors and included:

### **DOE/ESA Matching funds strategy for 09-10**

Given the resources provided for ESAs by the legislature, it is the desire of the Department of Education to work with the ESAs to secure contracts for services with schools. DOE agrees to provide a grant to each ESA to use in leveraging funds to match district dollars with DOE funds to provide services for individual school districts. It is the intention that these matching funds be used for the following purposes.

**Outcome #1: NCLB Technical Assistance:** Each ESA will offer technical assistance to all school districts identified for school improvement and encourage all school districts to adopt the SSOS school improvement model. Any school identified as not meeting Adequate Yearly Progress will be contacted by the regional ESA to offer services to include but are not limited to:

- a. Training in the development of the school improvement model adopted by the State.
- b. Data retreats and training in the use of data analysis tools to determine needs of the school or school district
- c. Technical assistance in writing the school improvement plan
- d. Technical assistance in developing interventions for the school improvement plan

**Outcome #2: Professional Development in targeted programs:** Each ESA will offer professional development opportunities for all public school districts addressing:

- a. **Instructional Strategies training:** Each ESA will offer professional development in the instructional strategies using Marzano's research.
- b. **Provide assistance to school to implement HS 2025 programs;** Each ESA will offer training to advance the components of the HS 2025 program.

### **Fee for services**

Any other professional development services with the school districts may be funded through direct fee for services contracts with the school districts. Fee structures may be determined by each ESA.

### **Funding mechanisms**

1. Every school identified for school improvement will coordinate services for school improvement with their ESA – funds for this contract will come from a state match of dollar for dollar. ie. \$10,000 of services needed - \$5,000 from Title I stimulus funds from school district / State match \$5,000

84 schools in school improvement –  $84 \times 5000 = \$420,000$  + state match of \$420,000

2. Any professional development services contracted with the ESAs within outcome #2 are also matched dollar for dollar between school district and state funds. Schools can use Title 1 stimulus funds for services.

Example 100 school districts contract for average of \$5,000 for services = \$500,000 + state match \$500,000 – total of \$1 million in contracts for professional development of targeted programs.

If school need (contracts with ESAs) is greater than state funds allow, the match will be pro-rated.

**Strategy #2** involved the Department of Education working with school district leaders to encourage them to use their ARRA funds to support the ESAs. Secretary Oster worked hard to find avenues within the state and federal regulations for school districts to use the ARRA funds appropriately. The Department will bring legislation to further open statutes to allow school districts to take full advantage of ARRA funds.

**Strategy #3** involved the ESA directors actively offering services from their menu of professional development opportunities. As of September 22, 2009 several school districts had signed contracts with ESAs to the sum of \$804,000.

Education Service Agency	Number of contracted/committed school districts as of September 2009	Percent of contracted schools within the ESA region
ESA 1	34 of 40	80%
ESA 2	23 of 26	88%
ESA 3	21 of 31	68%
ESA 5	15 of 21	71%
ESA 6	7 of 11	64%
ESA 7	14 of 17	82%