



UNIVERSITY OF  
**SOUTHERN MAINE**

Southern Maine Area Resource Team  
for Schools

## **Educational Service Agencies: Efficiencies, Effectiveness, and Exemplars**

*SMART for Schools*  
*The University of Southern Maine*  
*24 October 2011*

### ***Executive Summary***

The ongoing economic challenges in Maine generate the need for creative problem solving. In our educational system, this includes exploring shared resources, efficient and effective educational strategies, and the reduction of duplication. Educational Service Agencies (ESA), organizations that provide educational and administrative support to local districts, provide these services. This report contains data on the created efficiencies, measured effectiveness, and potential caveats of ESAs. In addition, three state models of ESAs (Iowa, South Dakota, and Wisconsin) are described as potential exemplars for Maine due to their success in implementation and geographic and demographic similarity.

After a review of national data and research the conclusion is that for forty-six states, ESAs are functioning successfully in their roles and duties within their respective educational system. Despite ongoing apprehensions about funding streams, accountability, and accreditation, the benefits appear to outweigh the concerns. ESAs warrant further investigation as a potential benefit to Maine's system of public education.

Compiled by:

Susan Jarmuz-Smith, M.S.: Outreach Consultant - SMART for Schools

Reviewed by:

Rachel Brown-Chidsey, Ph.D.: Co-Coordinator - SMART for Schools

Pat Red, M.S.: Co-Coordinator - SMART for Schools

C. Lee Goss, Psy.D., NCSP: Consultant - SMART for Schools - Attention & Learning Pathways (ALPS)

Lee Warne: Executive Director – Association of Educational Service Agencies

Joe Crozier, Ed.S.: Chief Administrator – Grant Wood Area Education Agency, Iowa

Dan Guericke: Director – Mid-Central Educational Cooperative, South Dakota

Joan Wade, Ed.D.: Administrator – Cooperative Education Service Agency 6, Wisconsin

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## Educational Services Agencies

A brief overview of educational service agencies.

## Efficiencies of ESAs

Information on the efficiencies provided through the use of ESAs.

## Effectiveness of ESAs

Research on the effectiveness of ESAs.

## Funding Models of ESAs

Brief overview of the differing models for funding ESAs.

## ESA Concerns

Considerations about ESAs.

## Existing ESAs

*Iowa*

*South Dakota*

*Wisconsin*

## Potential Next Steps

Overview of information gathered on potential next steps toward ESAs.

## Summary

## Resources

## Educational Service Agencies

Educational Service Agencies (ESAs) are organizations that provide educational and administrative support to local districts to increase educational efficiency and enhance instructional effectiveness. ESAs exist at an intermediary level between local education agencies (LEA; i.e., school districts) and state departments of education (SEA). Currently, forty-six states utilize ESAs; the four states not implementing ESAs are:

- Maine,
- Nevada,
- Tennessee, and
- Oklahoma.<sup>i</sup>

ESAs offer general education, special education, and administrative support to their district members, who are their customers. In general education, ESAs provide:

- Professional development,
- Leadership development,
- Learning and media resources,
- Curriculum development services,
- Instructional technology assistance, and
- Testing and evaluation support.

In special education, ESAs provide:

- Instructional programming and support,
- Therapeutic and psychological services,
- Gifted and talented support,
- Career and technical programming, and
- Alternative education.

ESAs assist administrative practices through the handling of human resource needs such as hiring, benefits, and training. ESAs also provide centralized management of:

- Technology infrastructure,
- Telecommunications,
- Financial management including software administration, and
- Cooperative buying agreements.<sup>ii</sup>

In addition, ESAs offer communication pathways both vertically and horizontally. By nature of their location within the educational system, ESAs become a conduit for two-way communication between state departments of education and local school districts, such as distribution of SEA-driven initiatives to LEAs and feedback from LEAs on the initiatives' implementation successes and challenges. Correspondingly, ESAs enable networking between each agency to allow for statewide collaboration and support.<sup>iii</sup>

This white paper is divided into three main sections: efficiencies created by ESAs, the effectiveness of ESAs, and exemplars of existing ESAs for review. In compiling these sections, data were gathered through personal interviews with ESA administrators across the country, meetings with experts in the ESA field, reviews of existing research, and evaluation of ESA outcomes.

## Efficiencies of ESAs

ESAs streamline day-to-day educational tasks by combining time and effort spent on similar issues across differing districts.

For example, Iowa Area Education Agencies (AEAs) estimate that they save 20-25%, on top of existing educational discounts, for their collaborative purchasing program, which includes over 1,400 items consisting of office supplies, audiovisual equipment, computers, televisions, copiers, athletic equipment, and more. In addition Grant Wood AEA was able to reduce per student cost on PowerSchool from \$9 to \$5-\$6 through collaborative purchasing. Lastly, the AEAs were able to purchase online databases that are available to all students, teachers and parents 24/7 at a reduced cost. Currently access is provided to Atomic Learning, Clipart.com, EBSCO, Multimedia archives, SIR<sup>2</sup>, Learn 360, Discovery Education Streaming, and World Book Online. Access for these online databases cost \$2.75 per student or \$1,380,621 statewide. These Online databases would have cost each school in Iowa a total \$34.76 per student or \$17,452,035 statewide without any group discounts bid and negotiated by the AEAs. In 2005, 47 middle and high schools were purchasing SIRS researcher for \$38,555, this was developed into a statewide bid for over 700 middle schools for a cost of \$75,000.<sup>iv</sup>

In Massachusetts, ESAs have demonstrated significant financial benefits for participating districts through cost savings programs. A few examples are:

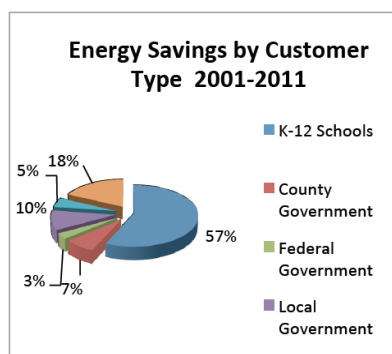
- (1) The Greater Lawrence Educational Collaborative provided energy management services for both school districts and municipalities decreasing overall costs;
- (2) Lower Pioneer Valley Educational Collaborative developed a shared transportation system predicted to save up to \$42.5 million each year; and
- (3) The Hampshire Educational Collaborative created a joint professional development service predicted to save \$3.8 million.<sup>v</sup>

In South Dakota, ESAs have found cost control and savings in the provision and support of special education services and through collaborative purchasing contracts.<sup>iii</sup>

In Wisconsin, the Cooperative Education Service Agencies (CESA) utilize cooperative purchasing programs for health insurance, wellness programs, school preparation costs, and utility discounts. Cooperative purchasing agreements for wellness programs involve school nutrition programs, early detection of health issues, and healthy lifestyle coaching, education, and initiatives.<sup>vi</sup>

With respect to health insurance savings, the Wisconsin CESAs saved over \$50 million through collaboratively partnering with a single insurance provider and converting over fifty schools from prior insurance plans. An annual survey after the conversion demonstrated over 95% employee satisfaction with the newly purchased insurance plan.<sup>vii</sup>

In addition, the Wisconsin CESAs are implementing *Focus on Energy*, an initiative to reduce energy utilization and expense. Since the program's inception, cost savings have grown to approximately \$13.5 million per year with a total savings of \$715 million over the lifetime of the program. The largest beneficiaries of these savings are the K-12 school districts (see figure below).<sup>viii</sup>



## Effectiveness of ESAs

ESAs provide for the uniform implementation of support initiatives and the equitable delivery of services that positively influence educational outcomes.

For example, the High Plains Regional Education Cooperative (HPREC), a small rural collaborative that serves eight schools in New Mexico, improved reading scores through its systemic implementation of response to intervention services. Without the HPREC, the resources required to uniformly and equitably deliver response to intervention practices would not have been possible.<sup>ix</sup>

Correspondingly, South Dakota ESAs generate professional development programs according to standards set by the state and train educators according to those standards. This allows for greater fidelity in program implementation and a uniform delivery of service.

Before ESAs existed in South Dakota, the state department of education struggled with the lack of an effective mechanism for creating change within the local school districts. The implementation of the ESAs provided a pathway for the state department of education to communicate ideas and goals to the local districts and allowed the local districts to communicate back to the state department of education.<sup>iv</sup>

With respect general support, educators and administrators in Iowa note better response time of ESA personnel, than national or local resources, when requiring assistance with PowerSchool or other technology related issues.

In Minnesota, the educational collaboratives provide a depth and breadth of expertise that cannot be matched within the local school districts, especially the smaller school districts that have a minimum of 100 students.<sup>x</sup> An example of this is payroll processing. The consolidation of these services within the ESAs have saved a considerable amount of expense and decreased redundancies for LEAs.

To address accountability and evaluate the perceived effective of ESAs, Iowa AEAs conduct an annual survey that is distributed to certified staff and administrators. The most recent survey showed that 92.5% of personnel surveyed agreed or strongly agreed that, “generally, the AEA services I have received or participated in met my professional needs”.<sup>xi</sup>

### ESA Support of Long-term Innovation

Grant Wood AEA goes one step further to ensure their effectiveness in delivering educational support services through on-going needs assessments, which occur in a four-year cycle:

- (Year 1) The Chief Administrator meets with one fourth of superintendents to ask what is needed;
- (Year 2) The AEA Administrative cabinet meets with one fourth of the administrative teams to identify further requirements;
- (Year 3) The AEA organizes focus groups with one fourth of the schools’ regular and special educators to complete the needs assessments; and
- (Year 4) The AEA reports to one fourth of the LEA Boards of Directors on the Profile of Service for their school.

The outcome of this cycle is the development of an action plan aimed at addressing the results of the needs assessment.

Certain AEAs have been through several cycles of this process and the overwhelming consensus is that the AEAs are succeeding in their mission to effectively support education in their state.<sup>iv</sup>

This type of needs assessment led the Wisconsin CESAs to create a statewide network of collaboration among their agencies. The twelve CESA administrators meet to ensure that state department of education initiatives are rolled out equitably across all CESAs in the state. An outcome of this collaboration was the creation of matrix listing services offered in each CESA. This matrix has led to increased efficiencies and enhanced effectiveness through the reduction of duplication and the ability to contact previously unknown local and state expertise.<sup>vi</sup> In a time of limited resources such

sharing of available options is very important.

## **Funding Models of ESAs**

There are three main avenues for funding the operations of ESAs:

- Fully state-supported;
- Fully self-supported, or entrepreneurial; and
- A blended model consisting of state and entrepreneurial funding.

ESAs that are state-funded receive money directly from their state department of education. This model essentially ensures an equal delivery of service across the state and provides for uniform implementation of state-generated programs across all districts. The concerns with this model are the loss of local control and potential bureaucratic practices. Joe Crozier, of the Iowa Grant Wood AEA, notes that this model works because everyone has equal access to the agencies' services.<sup>iv</sup>

ESAs that are fully entrepreneurial access their funding through federal and state grants, state service contracts, and the selling of services to local districts. In this model, local districts become members, paying a membership due, and purchase individual services at a discounted rate. The benefits of this model are local control and a focus on customer service. However, the concerns are a loss of attention to the mission, which is providing appropriate services to support student learning, and the potential for the lack of uniform implementation of services. Joan Wade, of Wisconsin CESA 6, notes that this model works because the agencies are focused on providing services their customers (LEAs) need, which maximizes local control.<sup>vi</sup>

The third funding model, the blended model, provides for a state-supported baseline of services for all districts. The ESAs then sell services above and beyond the baseline to districts that are members of the ESAs. ESAs in this model compete for grants and state service contracts. South Dakota initially implemented ESAs under this model yet due to the economic downturn are currently fully entrepreneurial. Dan Guericke, of the South Dakota Mid-Central Cooperative, notes that the blended model seemed the most appropriate because state funding fueled the equitable distribution of support and uniform delivery of service while the entrepreneurial selling of direct services kept the focus on customer satisfaction and ESA commitments.<sup>iii</sup>

## **ESA Concerns**

Current issues concerning ESAs are accountability, accreditation, and sources of funding.

### Accountability

Gathering research-based data on outcomes that go beyond anecdotal information is a challenge facing ESAs, which leads to concerns with ESA accountability. To mitigate these concerns, there are ongoing attempts to evolve ESA practices with respect to data gathering and reporting.<sup>iv</sup> In this vein, Iowa AEAs prepare annual reports providing information on each area's:

- Academic goals and progress;
- Resource management goals and progress;
- Needs assessment action plan and progress; and
- Customer satisfaction goals and progress.

The goal is to continue to progress existing or develop new ways to assess and evaluate the effectiveness of ESAs based on outcomes.

### Accreditation

Another area of concern for ESAs is accreditation. When ESAs were first developed, individual ESAs created their own plans and timelines for implementation of required services or state-initiated programs. This created inequitable levels of access to program offerings and responsiveness to

educational needs across differing ESAs. Now, many states require accreditation to ensure that ESAs are accountable to taxpayers, parents, the community, and ultimately the students who are their core focus. Iowa's accreditation process requires a three-year plan that includes:

- Needs assessment and action plan development;
- Professional development to support school improvement;
- Curriculum development and assessment;
- Special education support services;
- Instructional media services; and
- School technology services that support school improvement.<sup>xii</sup>

### Funding

The final concern for ESAs is the model of funding. As mentioned in the previous section, the model of funding requires a thoughtful balance between uniform statewide service delivery and local control of service selection. This epitomizes the educational concern of flexibility with fidelity. The goal is to create a solid framework for implementation where each ESA has the flexibility to be responsive to the individual differences of each member district.

### **Existing ESAs**

The following pages contain three models of ESA implementation in states with similar geographic and demographic profiles as Maine. It was suggested that Maine begin the exploration process by investigating successes and challenges of states with a rural education model, as we have in this state.<sup>xiii</sup> Experts in the ESA field consider the exemplar states to be leaders in efficiency and effectiveness in their respective ESA implementation.<sup>xiv</sup>

The exemplars provided are, in alphabetical order, Iowa, South Dakota, and Wisconsin.



# IOWA'S AREA EDUCATION AGENCIES

## **Iowa**

### **Profile**

Name: Area Education Agencies (AEAs)

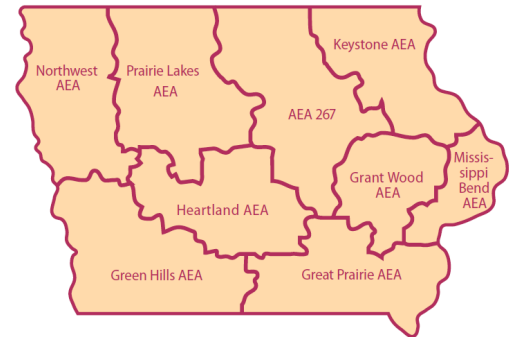
Website: [www.iowaaea.org](http://www.iowaaea.org)

Students served: 495,897<sup>xv</sup>

Number of ESAs: 9

Services Provided:<sup>xvi</sup>

- Curriculum, Instruction, Assessment
- Diverse Learning
- Instructional Media
- Multicultural, Gender-fair
- Professional Development
- School-Community Planning
- School Leadership
- School Management
- School Technology



Iowa Area Education Agencies

*Efficiencies*<sup>xvii</sup>

- Reduced per student cost on PowerSchool at Grant Wood AEA from \$9 to \$5-\$6.
- Saved \$12 to \$15 million in costs for online database access.
- Save 20-25%, on top of existing educational discounts with collaborative purchasing program.
- Regional managers at AEAs for all special education personnel.
- Media services (books, database services, instructional technology) managed centrally.

*Effectiveness*<sup>iv</sup>

- Better response time for technology and software issues from ESAs.
- 92% of educators and administrators agree or strongly agree that ESAs meet their needs.
- Developed and implements a four-year needs assessment cycle consisting of meeting with superintendents, administrators, educator focus groups, and LEA board members culminating in an action plan to better meet school needs.

*Funding*

- Fully state-supported.

# South Dakota Education Service Agencies

## South Dakota

### Profile

Name: Education Service Agencies (ESAs)

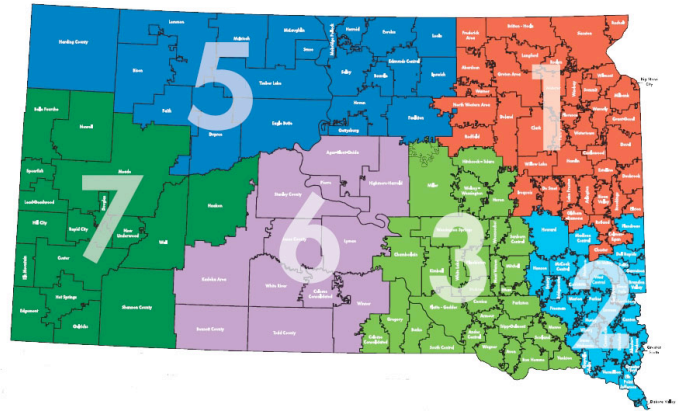
Website: <http://sdesa.k12.sd.us/>

Students served: 125,596<sup>xviii</sup>

Number of ESAs: 6

Services Provided:<sup>xix</sup>

- Professional Development
- Transition Support
- Vocational Education
- Career Counseling Services
- Science, Technology, Engineering, Mathematics Summer Camps
- School Wellness Programs
- Curriculum Mapping
- Charlotte Danielson Framework Development and Administration
- Curriculum-based Assessment and Analysis
- Instructional Technologies and Media Support
- Therapeutic Support and Psychological Services



*Efficiencies*<sup>iii</sup>

- Cost control and savings in the provision of special education services.
- Cost savings through collaborative purchasing agreements.

*Effectiveness*<sup>iii</sup>

- Uniformity of program implementation through standards-based professional development.
- Creation of an effective mechanism for creating change in the local school districts.
- Development of a bi-directional pathway of communication where the state department of education can channel ideas and goals to local districts and local school districts can communicate needs and ideas back to the state department of education.

*Funding*<sup>iii</sup>

- Currently, fully entrepreneurial.
- Began as a blended model (50% state, 50% entrepreneurial).
- Blended model preferred.

# Wisconsin

## Profile

Name: Cooperative Educational Service Agency (CESA)

Students served: 872,286<sup>xx</sup>

Number of ESAs: 12

Website: [dpi.wi.gov/cesa.html](http://dpi.wi.gov/cesa.html)

Services Provided:<sup>xxi</sup>

- Alternative Educational Programs
- Vocational education
- Crisis Planning
- Fiscal and Human Resource Services
- Grant Writing
- Instructional Services
- Professional Networking
- Special Education Services
- Curriculum, Instruction, and Assessment Services
- Technology & Web Development
- Gifted and Talented Services
- Transition Support Services

Efficiencies<sup>vii,viii</sup>

- Saved over \$50 million through collaborative insurance purchasing.
- Program focused on resource management has saved over \$715 million since being implemented in 2001.
- Individualized youth service program (\$25,000 to \$30,000 per year) that supports children with severe emotional disorders in their home and community to avoid long-term residential facilities (\$90,000 per year) or hospitalizations (\$707 - \$1,475 per day).
- CESAs have partnered with *Materials Safety Data Sheet Online* to save districts \$3,000 off the retail price through group buying.
- CESAs manage E-Rate filings.

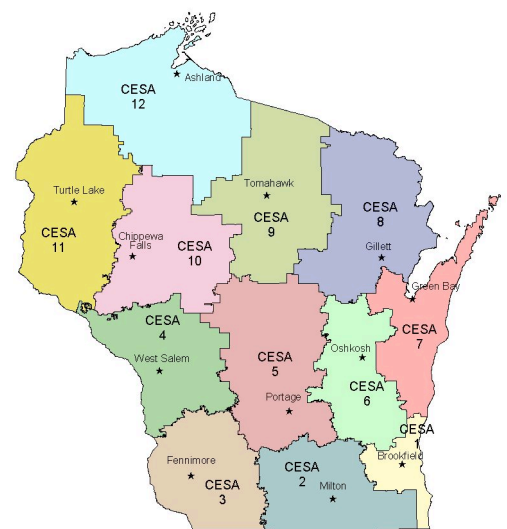
Effectiveness<sup>i,vii</sup>

- State-wide network of CESAs to improve service delivery.
- Employees rate 95% satisfaction with new insurance program.

Funding

- Fully entrepreneurial.

Wisconsin CESA Districts



## Potential Next Steps

If further exploration is warranted, the next step could be to organize a working group with a well-defined purpose and goal. Through research for this white paper, two potential consulting resources, who are both experts in working with ESAs, have been identified:

1. Lee Warne, Executive Director of the Association of Educational Service Agencies.
2. Susan Leddick, Ed.D: President of Profound Knowledge Resources, Inc.

## Summary

This white paper contains information about the efficiencies, effectiveness, and potential concerns of Educational Service Agencies (ESAs). Data were gathered through personal interviews with ESA administrators across the country, meetings with experts in the ESA field, and a review of existing research and program outcomes. The conclusion, based on the information gathered, is that ESAs are working in the 46 of 50 states that are currently employing them in their public education system. Despite ongoing apprehensions about funding streams, accountability, and accreditation, the benefits appear to outweigh the concerns. ESAs warrant further investigation as a potential benefit to Maine's system of public education.

"We've created a lot of things, thanks to the ESAs, that couldn't have happened in this small state."

*-Dan Guericke, Director  
Mid-Central Education Service Agency  
South Dakota*

## Resources

### *Web-sites:*

- Association of Education Service Agencies: <http://www.aesa.us/>
- Iowa Area Education Agencies: <http://www.iowaaea.org/>
- South Dakota Education Service Agencies: <http://sdesa.k12.sd.us/>
- Wisconsin Cooperative Education Agencies: <http://dpi.wi.gov/cesa.html>

### *Books:*

- The Educational Service Agency: American Education's Invisible Partner by E. Robert Stephens and William G. Keane, 2005, University Academic Press, Inc.

### *Journals:*

- Perspectives: A Journal of Research and Opinion about Educational Service Agencies: <http://www.aesa.us/Pubs/publications-perspectives.html>

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- <sup>i</sup> Association of Educational Service Agencies, 3 Oct 2011, <[http://www.aesa.us/esa\\_links.html](http://www.aesa.us/esa_links.html)>
- <sup>ii</sup> E.R. Stephens and W.G. Keane. The Educational Service Agency. (Lanham, MD: The University Press of America, Inc., 2005)
- <sup>iii</sup> Dan Guericke, Personal interview, 30 Sept 2011.
- <sup>iv</sup> Joe Crozier, Personal interview, 30 Sept 2011.
- <sup>v</sup> J. Schuman, L. Enerson, S. Theall. "Educational Service Agencies in Massachusetts: Building Capacity in Small School Districts," Perspectives Fall 2010: 39-46.
- <sup>vi</sup> Joan Wade, Personal interview, 30 Sept 2011.
- <sup>vii</sup> Joan Wade, "Wisconsin's Cooperative Educational Service Agencies (CESA)," PowerPoint Presentation. 24 May 2011.
- <sup>viii</sup> Joan Wade. "Waste, Fraud and Abuse Commission Follow up Report," May 2011.
- <sup>ix</sup> D.S. Gray, E. Nixon-Peterson, S. Zimmer. "An ESA Leads an Effort for Student Improvement and Gets Results," Perspectives Fall 2010: 11-18.
- <sup>x</sup> Cliff Carmody, Personal Interview, 7 Oct 2011.
- <sup>xi</sup> ----. "Grant Wood Area Education Agency Annual Progress Report 2009-2010," Chapter 72 Customer Satisfaction – Participation.
- <sup>xii</sup> J. Jeffrey. "Iowa's Area Education Agency Accreditation Standards: Moving Towards Alignment of an Educational System," Perspectives Sept 1998: 35-36.
- <sup>xiii</sup> Karen Shankman, Personal interview, 22 Sept 2011.
- <sup>xiv</sup> Lee Warne, Personal interview, 26 Sept 2011.
- <sup>xv</sup> Iowa Department of Education, 4 Oct 2011, < [http://educateiowa.gov/index.php?option=com\\_docman&task=cat\\_view&gid=391&Itemid=55](http://educateiowa.gov/index.php?option=com_docman&task=cat_view&gid=391&Itemid=55)>
- <sup>xvi</sup> Iowa Area Education Agencies, 4 Oct 2011, < <http://www.iowaaea.org/>>
- <sup>xvii</sup> Joe Crozier, Personal interview, 30 Sept 2011.
- <sup>xviii</sup> South Dakota State Department of Education, 4 Oct 2011, < <http://doe.sd.gov/ofm/fallenroll.asp>>
- <sup>xix</sup> South Dakota ESA, 3 Oct 2011, <<http://sdesa.k12.sd.us/>>
- <sup>xx</sup> Wisconsin Department of Public Instruction Public Data, 4 Oct 2011, <<http://dpi.wi.gov/lbstat/pubdata2.html>>
- <sup>xxi</sup> Cooperative Educational Service Agency 6, 3 Oct 2011, <[http://www.cesa6.k12.wi.us/products\\_services/](http://www.cesa6.k12.wi.us/products_services/)>