

HB 3401: Encouraging ESD transformation and more money to classrooms and services. ESD Fund Portability

Testimony to Committee

Education transformation is underway. Early Learning Council, Higher Education Coordinating Commission, Education Investment Board – lots of people are looking at the spectrum of education, from pre-kindergarten to beyond high school. Each is looking through a different lens but all with an eye on improving student achievement and investing dollars in the best ideas.

Education Service Districts were created with the mission of “interorganizational coordination and cooperation” and to take advantage of “operational and fiscal efficiencies.” Of course the principles that led to the formation of ESD’s are still true. It just doesn’t hurt to reexamine the way it works every decade or two or three, as times change. After all, technology and teaching practices *have* changed. What an ESD might provide directly, or act as broker, might change with the times, too, and in fact does.

Now, years later, we know that there are more efficiencies that can be gained, for example, through intergovernmental agreements with other ESD’s or school districts. Some are even doing that already. You’ve heard a lot about ESD reform and I know I don’t need to take your time telling you more about it. My concern was heightened after I started hearing from my own local districts and reading the latest reports on school and ESD funding.

Because there was broad discomfort with an “opt out” plan – until just weeks ago – I started looking at other ideas, what might be less jarring on ESD’s than an abrupt, complete Opt Out – a divorce, if you will. Reading the Education Service District Task Force report published in January of this year, the **Portability of Funds** recommendation provides a planned transition, and a way for school districts to stay involved with their ESD for some, or many, or all of the services that their own local ESD provides. And it would also allow them to purchase some services elsewhere, if it would benefit their schools, in terms of cost or effective service most suited to their needs. You have in front of you the -1 amendment, which I have requested; it is based on the Task Force report.

Portability of Funds does not supplant another idea – Opt Out – which you’ve already heard and passed. The two concepts are not in conflict, and in fact are complementary, and were both recommended by the Task Force. They are both appropriate options to make available. I hope you will adopt, also, the recommendation of the Task Force. Thank you.

Update, June 25

Since the House Education adopted an amended version of this bill in April, several stakeholders have come together to work with me on a final amendment that achieves several purposes: it removes the unfunded ESD mitigation fund, allows portability of funds for three ESD’s starting next yearⁱ, and sets up a work group to develop recommendations on regionalization of service delivery. I’m pleased about the collaboration and thank the parties for helping develop a reasonable approach to continue working on modernizing and improving the system of critical supports for schools.

ⁱ Columbia Gorge, Lane, and Northwest Regional ESD’s. Withdraw up to 65% first year, up to 75% second year, up to 100% third year. Additional 10% first and second years if at least 10% is spent with another ESD.