

Outline of ESD History

Education service districts originated in Oregon's first laws establishing a general system of common schools - a system that has maintained but changed the responsibilities and names of Oregon's mid-level education service entity. Throughout the history of Oregon's regional services system, local governance and state statutes concerning the mission of ESDs has remained somewhat constant: "Education Service Districts assist school districts and the State of Oregon achieving Oregon's education goals by providing excellent and equitable educational opportunities for all Oregon public school students." Today, there are 20 ESDs serving Oregon's 36 counties.

Major periods in the development of Oregon's ESDs:

1849-1871	Origination and foundation established
1872-1944	The County Unit as regulatory arm of the state
1945-1962	Rural School Districts and equalization
1963-1976	Intermediate Education Districts and Advent of Services
1977-Present	Education Service Districts
1994	Passage of SB 26, the ESD Reorganization Act
1997	Passage of Ballot Measure 47 and 50 converted ESD tax bases to "rates"
1998-present	The era of funding regional services on an equity-based formula
2005	Passage of HB 3184 implementing ESD funding and governance reforms
2011	Passage of SB 250 implementing ESD funding and service reforms
2013	Passage of HB 340. Pilot bill allowing districts in three ESD regions to request distribution of percentage of moneys available.

1945—The Legislature created the county "rural school district." In the early 1960s, rural school districts began to provide special education services for disabled children. The Legislature studied the role of the county school superintendent's office and its potential for the future. In 1963, it replaced the "rural school district" title with "Intermediate Education District" (IED).

1977—The Legislature changed the name of the intermediate education district to "education service district." This change reflected the growing recognition that the county office had become a major service center for local districts. Also, the passage of the Public Law 94-142, the federal legislation guaranteeing to all students with handicaps the right to a free and appropriate education, made the ESD's role as a provider of special education services even more important and necessary, as did the State's increased interest in early intervention and early childhood education programs, the same of which was occurring on a national basis.

1991—The Legislature authorized a task force to study regional services on a statewide basis. The 1993 Legislature passed SB 26, the ESD Reorganization Act, which required the merger of 29 ESDs down to 21, including the annexation of six county units (Crook, Klamath, Lincoln, Morrow, Hood River, and Josephine) into one of the remaining 21 ESDs, i.e., Linn-Benton ESD annexed Lincoln County School District and became a three-county unit named Linn-Benton-Lincoln ESD; and Clatsop, Columbia, Tillamook, and Washington ESDs began the merger process to become the Northwest Regional ESD. (In 2003 Yamhill ESD voluntarily merged with Willamette ESD to further reduce the number of ESDs in the state to 20.)

1996—Clatsop, Columbia, Tillamook, and Washington ESDs officially consolidated to become the Northwest Regional ESD. The consolidation resulted in the formation of one of the largest and most diverse education service districts in the state. Two of Oregon's largest school districts—Beaverton and Hillsboro—reside in the urban parts of Washington County while many smaller, more rural districts reside along the Columbia River, Coast Range Mountains and Pacific Ocean. This diversity in culture, size, landscape and geography creates an area where supplemental services provided by NWRESD are in great demand by schools large and small.

2000—The Legislature completed an interim task force study of ESDs. As a result of that study, the Legislature passed two major pieces of legislation: SB 259 and SB 260. Senate Bill 259 reestablished the primary mission of ESDs: "The mission of Education Service Districts is to assist school districts and the Department of Education in achieving Oregon's educational goals by providing equitable, high quality, cost-effective and locally responsive educational services at a regional level."

SB 259 also establishes that ESDs exist to help:

- Ensure an equitable and excellent education for all children in the state
- Implement the Oregon Educational Act for the 21st Century

- Foster the attainment of high standards of performance by all students in Oregon's public schools
- Facilitate interorganizational coordination and cooperation among educational, social service, health care and employment training agencies.

Senate Bill 260 addressed two major issues regarding ESD funding:

- Through a progressive five-year process, funding was equalized across Oregon ESDs in fiscal year 2005-2006.
- ESD funding became connected to local district funding in that a small portion of the State School Fund allocation to a region is distributed to the ESD with the remainder distributed to local districts in accordance with the state funding formula. In fiscal year 2001-2002, 4.888% of the region's State School Fund allocation was used to fund the ESD. That percentage increased gradually over the next four years, such that in the fiscal year 2004-2005, 5.097% of the regional State School Fund allocation was used to fund ESDs.

2005—The Legislature passed House Bill 3184 which implemented reforms to both ESD funding and governance. Beginning with the 2006-2007 school year, the K-12 state budget formula changed: School districts now receive 95.25% of the region's State School Fund allocation and ESDs receive 4.75%.

High Desert ESD, Willamette ESD and Northwest Regional ESD were selected to pilot the governance reform portion of the new law:

- The terms of 2005-06 Board members expired on June 30, 2006.
- For the purpose of modifying the governance of the ESD's involved in the pilot project; their regions were divided up into zones of approximately equal population, without crossing district boundaries. From each of the zones, each school district board within the zone had one vote to cast to determine representation on the ESD board. That process produced five ESD board members who took office July 1, 2006. They in turn appointed one board member from each of the following regional groups: higher education, social services, the business community, and one at-large member who took office on August 8, 2006. The terms of all nine Board members will expire on June 30, 2010.

Each ESD, with their component school districts, must annually develop a Local Service Plan with services included from at least the following categories: special education, technology, school improvement and administration. The Plan must also include any "entrepreneurial services" that the ESD intends to offer to any entity either outside of the ESD boundary or inside the ESD boundary but not a component school district.

There was no change in the way the Local Service Plan is approved: Annually, 90% of the State School Fund revenue received by an ESD is subject to the resolution process. Under the process, at least two-thirds of the school districts in an ESD, representing more than one-half of the student population, must approve the Local Service Plan.

2007—The Legislature passed Senate Bill 755 which staggered terms of office for Northwest Regional ESD Board members effective Jan. 1, 2008. In addition, the bill allows for ESD appointed Board members to take a stance on political issues.

2011—The Legislature passed Senate Bill 250 which allows local districts in the NWRESD region to withdraw from the ESD beginning with the 2012-13 school year. A district must notify the agency in November of the prior year of their intent to withdraw and provide final notice and official action to withdraw by March 1.

SB 250 also reduces ESD funding from 4.75% to 4.5% of the state school fund beginning July 1, 2011 for an impact of approximately \$2.45 million to NWRESD for the 2011-13 biennia.

2013—The Legislature passed House Bill 3401, a pilot bill impacting Northwest Regional, Columbia Gorge, and Lane ESD. It allows school district boards of school districts located in those three regions to request distribution of percentage of moneys available to education service district from State School Fund and local revenues before November 1, of each year. The percentage requested may not exceed the following:

1. **2014-15:** 65% of all amounts received from SSF and attributable to the school district and 75% of all amounts considered being local revenues of the ESD (services purchased from another ESD).
2. **2015-16:** 75% of all amounts received from SSF and attributable to the school district and 85% of all amounts considered being local revenues of the ESD. (services purchased from another ESD).
3. **2016-17:** Up to 99.99% of all amounts received from SSF and attributable to the school district.