For your members who may have insufficient factual background regarding ESD 112, we wanted to share the following information regarding ESD 112’s legal standing and mission:

**ESD Legal Authority**

The legal authority of ESD 112 is set out in Washington state law. According to RCW 28A.310.010, ESD 112 (and the eight other educational service districts in Washington) were created to provide: (1) “cooperative and information services to local school districts; and (2) services to school districts . . . to assure equal educational opportunities.”

To carry out this broad purpose, the legislature authorized ESD 112 to offer services “that provide for the development and implementation of programs, activities, services or practices that support the education of preschool through twelfth grade students in the public schools or that support the effective, efficient, or safe management and operation of the school district or districts.” RCW 28A.310.210(7). ESD 112 is also authorized to enter into contracts with school districts and other educational services districts “for the joint financing of cooperative service programs.” RCW 28A.310.210(9). ESD 112 may employ consultants and legal counsel that are necessary to provide the services. *Id.*

Further support for the broad authority of ESD 112 to provide services, including construction management services, is found in RCW 28A.310.350. This section of the statute describes the “core services” that ESD 112 must budget for. It includes, “but is not limited to” services that meet the “special needs of local education agencies.” In summary, providing CSG program services for the benefit of school districts that are both within and outside ESD 112’s regional boundaries is clearly within the parameters that the state legislature adopted and is consistent with the intent and purpose of the state legislation that ESD 112 operates under.

**Why Does ESD 112 have a Construction Services Group Program?**

As is the case with most of the current 250 ESD 112 programs, CSG was originated (26 years ago) and has grown in response to school district requests for assistance in managing their capital construction projects. The motivation and purpose of offering the CSG program services to school districts is simple; it is what ESD 112 does and it is what ESD 112 was created by the Washington State legislature to do.

ESD 112, like the eight other educational service districts across the state, were created to (among other things) provide services to school districts that need and will benefit from the services. The positive response and ongoing interest of school districts to receive CSG program services over the past 26 years confirms the ESD 112 Board’s position that the CSG program offers essential services to school districts that are in need and that benefit from those services. This is consistent with our mission.
State Budget Support for ESD 112 and its CSG Program

To the extent that your members are of the opinion that CSG is offering its services at a lower cost because CSG is subsidized by state funds, we want to clarify that is not accurate. There are, however, other examples of state agencies in Washington and Oregon that received state subsidy to provide construction management services. For example, the State of Washington Department of Enterprise Services (DES) has received well over $30M to fund its construction services program within state operating budgets. The DES construction services program operates in a manner that is similar to ESD 112’s CSG program (for example, we both solicit and engage consulting professionals in a wide range of construction-management related services). DES has also offered to provide construction management services to school districts.

ESD 112, on the other hand, in FY 16 received approximately $517,000 annually from the State of Washington operating budget. None of the $517,000 is allocated to CSG program costs. In fact, the $517,000 is allocated to and spent for ESD 112 State-of-Washington-mandated services. It also is worth noting that the $517,000 ESD 112 received from the state budget represents less than 1% of ESD 112’s annual budget.

Summary

ESD 112 provides services that school districts need that we can provide for the benefit of the districts and students. ESD 112 will continue to provide services in response to the needs of districts, subject to our ability to deliver the services with skills and resources that produce benefits for the school districts or students we collectively serve. Future service offerings will be based on these considerations. District’s that request and receive assistance from ESD 112 in managing their construction projects are very appreciative of the choice they have of securing these services from CSG.