

1 TO THE HOUSE OF REPRESENTATIVES:

2 The Committee on Education to which was referred House Bill No. 630
3 entitled “An act relating to boards of cooperative education services”
4 respectfully reports that it has considered the same and recommends that the
5 bill be amended by striking out all after the enacting clause and inserting in
6 lieu thereof the following:

7 * * * Findings and Intent * * *

8 Sec. 1. FINDINGS; INTENT

9 (a) Findings. The General Assembly finds that:

10 (1) Vermont’s school districts are small by national and regional
11 standards, which denies them some of the benefits of scale. As of 2021,
12 Vermont was one of approximately nine states that did not have an established
13 system of cooperative educational service agencies.

14 (2) Some specialized education services are higher in cost or intensity
15 but lower in incidence. Collaborating to ensure quality education is more
16 regionally available to serve students in the least restrictive environment, with
17 a focus of reintegration into the classroom, may make providing such services
18 more efficient and affordable.

19 (3) Students should be in the least restrictive setting to reach success.
20 Some students require a higher level of care and access to peers that would not
21 be available in an inclusive setting. Some students who are currently placed in
22 substantially separate programs are not able to access their community, peers,

1 or inclusive activities. Vermont is currently sending many of these students to
2 programs that are geographically far away or out of state. Working
3 cooperatively could prevent these students from being transported such long
4 distances. Staying closer to home will also afford these students greater
5 opportunities for afterschool or community-based activities.

6 (4) Market concentration means single districts cannot always rely on
7 competitive bidding to reduce costs and improve quality. Districts often all
8 have separate contracts for the same service, with the same vendor or vendors,
9 which is an avoidable duplicative cost.

10 (5) For services that all districts need, such as professional development
11 and specialized settings for students with extraordinary needs, collaboration
12 statewide ensures that the highest quality expertise and programming can be
13 shared at scale in ways that benefit all students and districts.

14 (6) Collaborative management of some functions would yield the same
15 outcome but at a lower price and with fewer demands on administrative time,
16 such that districts can spend proportionally less of every dollar on
17 noninstructional administrative tasks or duplicative services and capabilities.

18 (7) Examples of functions that can be challenging or less affordable
19 given the small size of Vermont's districts are:

20 (A) applying for State, federal, and other grants;

21 (B) supporting staff and educator development, recruitment, and
22 retention;

1 (C) supporting transformation of operations or implementation of
2 new State initiatives or quality standards;

3 (D) providing high-quality, evidence- and science-based professional
4 development in a coherent and consistent way;

5 (E) providing or ensuring access to regionally available specialized
6 settings for students with unique needs or highly specialized needs in the least
7 restrictive environment, with a focus on reintegration and early intervention;

8 (F) managing prekindergarten programs to ensure equitable access to
9 high-quality prekindergarten programs;

10 (G) procurement of services to support education, from food service
11 to transportation, given the lack of enough vendors to ensure competitive
12 bidding;

13 (H) providing skilled facilities planning and management; and

14 (I) providing appropriate support and instruction for English learners.

15 **(b) Intent. This act** is one of the initial steps in ensuring the opportunity to
16 transform Vermont’s educational system. It is the intent of the General
17 Assembly to address the delivery, governance, and financing of Vermont’s
18 education system, with the goal of transforming the educational system to
19 ensure high-quality education for all Vermont students, sustainable and
20 transparent use of public resources, and appropriate support and expertise from
21 the Agency of Education.

1 Sec. 2. 16 V.S.A. chapter 10 is added to read:

2 CHAPTER 10. BOARDS OF COOPERATIVE EDUCATION SERVICES

3 § 601. POLICY

4 It is the policy of the State to allow and encourage supervisory unions to
5 create boards of cooperative education services to provide shared programs
6 and services on a regional and statewide level. Formation of a boards of
7 cooperative education services shall be designed to maximize the impact of
8 available dollars through collaborative funding; reduce duplication of
9 programs, personnel, and services; and contribute to equalizing educational
10 opportunities for pupils in diverse schools. OR Formation of a boards of
11 cooperative education services shall be designed to encourage and support
12 local decisions and actions that provide substantial equity of educational
13 opportunities statewide, lead students to achieve or exceed the State's
14 Education Quality Standards, maximize operational efficiencies, promote
15 transparency and accountability, and be delivered at a cost that parents, voters,
16 and taxpayers value.

17 § 602. DEFINITIONS

18 As used in this chapter:

19 (1) "Educator" means any:

20 (A) individual licensed under chapter 51 of this title, the majority of
21 whose employed time in a public school district, supervisory union, or board of
22 cooperative education services is assigned to furnish to students direct

1 instructional or other educational services, as defined by rule of the Standards
2 Board, or who is otherwise subject to licensing as determined by the Standards
3 Board; or

4 (B) individual licensed under chapter 51 of this title, the majority of
5 whose employed time in a public school, school district, or supervisory union
6 is assigned to developing and managing school curriculum, evaluating and
7 disciplining personnel, or supervising and managing a public school system or
8 public school program.

9 (2) “Supervisory union” means an administrative, planning, and
10 educational service unit created by the State Board under section 261 of this
11 title that consists of two or more school districts. This term also means a
12 supervisory district.

13 § 603. CREATION OF BOARD OF COOPERATIVE EDUCATION

14 SERVICES; ORGANIZATION; SECRETARY APPROVAL

15 (a) Establishment of boards of cooperative education services. When the
16 boards of two or more supervisory unions vote to explore the advisability of
17 entering into a written agreement to provide shared programs and services, the
18 interested boards shall meet and discuss the terms of any such agreement. At
19 this meeting or a subsequent meeting, the participating boards may enter into a
20 proposed agreement to form an association of supervisory unions to deliver
21 shared programs and services to complement the educational programs of
22 member supervisory unions in a cost-effective manner. An association formed

1 pursuant to this chapter shall be known as a board of cooperative education
2 services (BOCES) and shall be a body politic and corporate with the powers
3 and duties afforded them under this chapter.

4 (b) Articles of agreement. Agreements to form a BOCES pursuant to this
5 chapter shall take the form of articles of agreement and shall serve as the
6 operating agreement for a BOCES. Agreements shall include a cost-benefit
7 analysis outlining the projected financial savings or enhanced outcomes, or
8 both, that the parties expect to realize through shared services or programs. No
9 agreement or subsequent amendments shall take effect unless approved by the
10 member supervisory union boards and the Secretary of Education. The
11 Secretary shall approve articles of agreement if the Secretary finds that the
12 formation of the proposed BOCES is in the best interests of the State, the
13 students, the member supervisory unions, and aligns with the policy set forth in
14 section 601 of this title, subject to the limitations of subsection (d) of this
15 section. At a minimum, the articles of agreement shall state:

16 (1) the names of the participating supervisory unions;

17 (2) the mission, purpose, and focus of the BOCES;

18 (3) the programs or services to be offered by the BOCES;

19 (4) the financial terms and conditions of membership of the BOCES,

20 including any applicable membership fee;

21 (5) the service fees for member supervisory unions and the service fees
22 for nonmember supervisory unions, as applicable;

1 (6) the detailed procedure for the preparation and adoption of an annual
2 budget with carryforward provisions;

3 (7) the method of termination of the BOCES and the withdrawal of
4 member supervisory unions, which shall include the apportionment of assets
5 and liabilities;

6 (8) the procedure for admitting new members and for amending the
7 articles of agreement;

8 (9) the powers and duties of the board of directors of the BOCES to
9 operate and manage the association, including:

10 (A) board meeting attendance requirements;

11 (B) consequences for failure to attend a board meeting;

12 (C) a conflict-of-interest policy; and

13 (D) a policy regarding board member salaries or stipends; and

14 (10) any other matter not incompatible with law that the member
15 supervisory unions consider necessary to the formation of the BOCES.

16 (c) Board of directors. A BOCES shall be managed by a board of directors,
17 which shall be composed of one person appointed annually by each member
18 supervisory union board. Appointed persons shall be members of a member
19 supervisory union board or the superintendent or designee of the member
20 supervisory union. Each member of the BOCES board of directors shall be
21 entitled to a vote. No member of the board of directors of a BOCES shall
22 serve as a member of a board of directors or as an officer or employee of any

1 related for-profit or nonprofit organization. The board of directors shall elect a
2 chair from its members and provide for such other officers as it may determine
3 are necessary. The board of directors may also establish subcommittees and
4 create board policies and procedures as it may determine are necessary. The
5 board of directors shall meet not fewer than four times annually. Each member
6 of the board of directors shall provide updates on the activities of the BOCES
7 on a quarterly basis to the member’s appointing supervisory union board at an
8 open board meeting.

9 (d) Number of BOCESs. There shall be not more than six BOCESs
10 statewide. Supervisory unions shall not be a member of more than one
11 BOCES but may seek services as a nonmember from other BOCESs.

12 (e) Agency of Education promotion. The Agency of Education shall
13 promote the use of BOCESs as providers of education services and programs
14 for local school districts and supervisory unions and shall include
15 consideration of grant applications that include the use of education
16 cooperatives for the purpose of procuring services and programs. The Agency
17 may designate BOCESs as eligible recipients for any applicable federal or
18 State grants for educational programs.

19 § 604. POWERS OF BOARDS OF COOPERATIVE EDUCATION

20 SERVICES

21 (a) In addition to any other powers granted by law, a BOCES shall have the
22 power to provide educational programs, services, facilities, and professional

1 and other staff that, in its discretion, best serve the needs of its members. A
2 BOCES shall follow all applicable State and federal laws in its provision of
3 services, including Section 504 of the Rehabilitation Act of 1973,
4 29 U.S.C. § 794, and the Individuals with Disabilities Education Act,
5 20 U.S.C. §§ 1400–1482.

6 (b) A BOCES may employ an executive director who shall serve under the
7 general direction of the board and who shall be responsible for the care and
8 supervision of the BOCES. The board shall annually evaluate the executive
9 director’s performance and effectiveness in implementing the programs,
10 policies, and goals of the BOCES. The executive director shall not serve as a
11 board member, officer, or employee of any related for-profit or nonprofit
12 organization.

13 (c) A BOCES shall be a body politic and corporate and shall have standing
14 to sue and be sued to the same extent as a school district. A BOCES may enter
15 into contracts for the purchase of supplies, materials, services, and for the
16 purchase or leasing of land, buildings, and equipment as considered necessary
17 by the board of directors. Section 559 of this title shall apply to the
18 procurement of services or items with costs that exceed \$40,000.00, as well as
19 high-cost construction contracts, as defined by subsection 559(b) of this title.

20 (d) The board of directors of a BOCES may apply for State, federal, or
21 private grants to obtain funds necessary to carry out the purpose for which the
22 BOCES is established.

1 § 605. FINANCING; BUDGETING; AND ACCOUNTING

2 (a) Education cooperative fund. A BOCES shall establish and manage a
3 fund to be known as an education cooperative fund. All monies contributed by
4 the member school districts and all grants or gifts from the federal government,
5 State government, charitable foundations, private corporations, or any other
6 source shall be deposited into the fund.

7 (b) Treasurer.

8 (1) A BOCES shall appoint a treasurer who may be a treasurer of a
9 member school district and who shall be sworn in before entering the duties of
10 the office.

11 (2) The treasurer may, subject to the direction of the board of directors,
12 receive and disburse all money belonging to the board without further
13 appropriation.

14 (3) The treasurer shall keep financial records of cash receipts and
15 disbursements and shall make those records available to the board of directors
16 upon request.

17 (4) The board of directors shall ensure that its blanket bond covers a
18 newly appointed treasurer before the treasurer enters upon the duties of the
19 office. In lieu of a blanket bond, a BOCES may choose to provide suitable
20 crime insurance coverage. The board of directors may pay reasonable
21 compensation to the treasurer for services rendered and shall evaluate the
22 treasurer's performance annually.

1 (c) Financial accounting system. A BOCES shall use the uniform chart of
2 accounts and financial reporting requirements used by supervisory unions as its
3 financial accounting system.

4 (d) Audit. Annually, a BOCES shall cause an independent audit to be
5 made of its financial statements consistent with generally accepted
6 governmental auditing standards and shall discuss and vote to accept the audit
7 report at an open meeting of the board. The board shall transmit a copy of
8 each audit to the boards of its member supervisory unions.

9 (e) Annual statement. Annually, a BOCES shall prepare financial
10 statements, including:

11 (1) a statement of net assets; and

12 (2) a statement of revenues, expenditures, and changes in net assets.

13 (f) Budget. A board of cooperative education services shall adopt a budget
14 prior to the beginning of the fiscal year for which the budget is adopted.

15 (g) Loans. A BOCES may, upon approval of its members, negotiate or
16 contract with any person, corporation, association, or company for a loan not to
17 exceed the difference between the anticipated revenues for the current fiscal
18 year for the budget of the BOCES and the amount credited to date to said
19 budget in order to pay current obligations. Such loan shall be liquidated within
20 six months thereafter from monies subsequently credited to said budget. The
21 total principal, interest, and fees to be paid on such loan shall not exceed the
22 total amount of the authorized budget for the same length of time.

1 § 606. ANNUAL REPORT; PUBLIC INFORMATION

2 (a) The board of a BOCES shall prepare an annual report concerning the
3 affairs of the BOCES and have it printed and distributed to the boards of the
4 member supervisory unions. The annual report shall include, at a minimum:

5 (1) information on the programs and services offered by the BOCES,
6 including information on the cost-effectiveness of such programs and services
7 and progress made towards achieving the objectives and purposes set forth in
8 the articles of agreement; and

9 (2) audited financial statements and the independent auditor's report.

10 (b) A BOCES shall maintain an internet website that makes the following
11 information available to the public at no cost:

12 (1) a list of the members of the board of directors of the BOCES;

13 (2) copies of approved minutes of open meetings held by the board of
14 the BOCES;

15 (3) a copy of the articles of agreement and any subsequent amendments;

16 and

17 (4) a copy of the annual report required under subsection (a) of this
18 section.

19 § 607. EMPLOYMENT

20 (a) A BOCES shall be considered to be a public employer and may employ
21 personnel, including educators, to carry out the purposes and functions of the
22 board. Annually, the board of a BOCES shall conduct an area survey of the

1 salaries of the educators and staff employed by the BOCES's member
2 supervisory unions and school districts.

3 (b) No person shall be eligible for employment by a BOCES as an educator
4 unless the person is appropriately licensed by the Standards Board for
5 Professional Educators pursuant to chapter 51 of this title.

6 (c) A person employed by a BOCES as an educator shall be a participant in
7 the Vermont State Teachers' Retirement System pursuant to chapter 55 of this
8 title.

9 (d) A person who is employed by a BOCES and who is not educator shall
10 be a participant in the Vermont Municipal Employees' Retirement System
11 pursuant to 24 V.S.A. chapter 125.

12 (e) Educators employed by a BOCES shall be entitled to organize pursuant
13 to chapter 57 of this title.

14 (f) Employees employed by a BOCES and who are not educators shall be
15 entitled to organize pursuant to 21 V.S.A. chapter 22.

16 (g) Educators and employees who are not educators that are employed by a
17 BOCES shall be provided health care benefits pursuant to chapter 61 of this
18 title.

19 Sec. 3. TRANSITION; REPORT

20 (a) On or before July 1, 2025, each supervisory union board shall consider
21 and vote on the desirability of establishing a board of cooperative education
22 services pursuant to 16 V.S.A. chapter 10. There shall be not more than six

1 boards of cooperative service established statewide. Supervisory union boards
2 that vote to establish a board of cooperative education services shall hold an
3 organizational meeting pursuant to 16 V.S.A. § 603 on or before July 1, 2026.

4 (b) On or before July 1, 2027, the Secretary of Education shall review the
5 boards of cooperative education services as they exist, or are anticipated to
6 exist, on that date. On or before November 1, 2027, the Secretary shall issue a
7 written report to the General Assembly and the State Board of Education with
8 the following information and recommendations:

9 (1) the number of boards of cooperative education services in existence
10 on July 1, 2027, including the names of member supervisory unions and
11 services provided;

12 (2) the number of supervisory unions that are not members of boards of
13 cooperative education services and information on why such supervisory
14 unions have not joined a board of cooperative education services; and

15 (3) recommendations for expansion of the membership and powers of
16 boards of cooperative education services, including recommendations for
17 whether membership in such boards shall be mandatory.

18 Sec. 4. BOCES GRANT PROGRAM; APPROPRIATION

19 (a) There is established the Boards of Cooperative Education Services
20 Start-up Grant Program, to be administered by the Agency of Education, from
21 funds appropriated for this purpose, to award grants to boards of cooperative
22 education services (BOCES) formed pursuant to 16 V.S.A. chapter 10 after

1 July 1, 2024. BOCES shall be eligible for a single \$10,000.00 grant after the
2 Secretary of Education approves the applicant’s initial articles of agreement
3 pursuant to 16 V.S.A. § 602(b). Grants may be used for start-up costs and may
4 include reimbursement to member supervisory unions for costs incurred during
5 the exploration and formation of the BOCES and articles of agreement.

6 (b) The sum of \$60,000.00 is appropriated from the General Fund to the
7 Agency of Education in fiscal year 2025 to fund the Boards of Cooperative
8 Education Services Start-up Grant Program created in subsection (a) of this
9 section. Unexpended appropriations shall carry forward into the subsequent
10 fiscal year and remain available for use for this purpose.

11 * * * Conforming Revisions * * *

12 Sec. 5. 16 V.S.A. § 261a is amended to read:

13 § 261a. DUTIES OF SUPERVISORY UNION BOARD

14 * * *

15 (b) Virtual merger. In order to ~~promote the efficient use of financial and~~
16 ~~human resources~~ maximize the impact of available funding and resources, and
17 to reduce duplication of educational programs, personnel, and services, and
18 whenever legally permissible, supervisory unions are encouraged to reach
19 agreements with other supervisory unions jointly to provide any service or
20 perform any duty under this section pursuant to section 267 of this title, or to
21 form boards of cooperative education services pursuant to chapter 10 of this
22 title. Agreements between supervisory unions are not subject to the waiver

1 requirement of subdivision (a)(8) of this section. Agreements shall include a
2 cost-benefit analysis outlining the projected financial savings or enhanced
3 outcomes, or both, that the parties expect to realize through shared services or
4 programs.

5 * * *

6 Sec. 6. 16 V.S.A. § 1691a is amended to read:

7 § 1691a. DEFINITIONS

8 As used in this chapter:

9 (1) “Administrator” means an individual licensed under this chapter the
10 majority of whose employed time in a public school, school district, ~~or~~
11 supervisory union, or board of cooperative education services is assigned to
12 developing and managing school curriculum, evaluating and disciplining
13 personnel, or supervising and managing a public school system or public
14 school program.

15 * * *

16 (10) “Teacher” means an individual licensed under this chapter the
17 majority of whose employed time in a public school district ~~or~~, supervisory
18 union, or board of cooperative education services is assigned to furnish to
19 students direct instructional or other educational services, as defined by rule of
20 the Standards Board, or who is otherwise subject to licensing as determined by
21 the Standards Board.

1 Sec. 7. 16 V.S.A. § 1931(20) is amended to read:

2 (20) “Teacher” shall mean any licensed teacher, principal, supervisor,
3 superintendent, or any professional licensed by the Vermont Standards Board
4 for Professional Educators who is regularly employed, or otherwise contracted
5 if following retirement, for the full normal working time for ~~his or her~~ the
6 teacher’s position in a public day school or school district within the State, or
7 in any school or teacher-training institution located within the State, controlled
8 by the State Board of Education, and supported wholly by the State; or in
9 certain public independent schools designated for such purposes by the Board
10 in accordance with section 1935 of this title; or who is regularly employed by a
11 board of cooperative education services created in accordance with chapter 10
12 of this title. In all cases of doubt, the Board shall determine whether any
13 person is a teacher as defined in this chapter. It shall not mean a person who is
14 teaching with an emergency license.

15 Sec. 8. 24 V.S.A. § 5051(10) is amended to read:

16 (10) “Employee” means the following persons employed on a regular
17 basis by a school district ~~or~~, by a supervisory union, or by a board of
18 cooperative education services for ~~no~~ not fewer than 1,040 hours in a year and
19 for ~~no~~ not fewer than 30 hours a week for the school year, as defined in
20 16 V.S.A. § 1071, or for ~~no~~ not fewer than 1,040 hours in a year and for ~~no~~ not
21 fewer than 24 hours a week year-round; provided, however, that if a person
22 who was employed on a regular basis by a school district as either a special

1 education or transportation employee and who was transferred to and is
2 working in a supervisory union or a board of cooperative education services in
3 the same capacity pursuant to 16 V.S.A. § 261a(a)(6) or (8)(E) and if that
4 person is also employed on a regular basis by a school district within the
5 supervisory union, then the person is an “employee” if these criteria are met by
6 the combined hours worked for the supervisory union and school district. The
7 term shall also mean persons employed on a regular basis by a municipality
8 other than a school district for ~~no~~ not fewer than 1,040 hours in a year and for
9 ~~no~~ not fewer than 24 hours per week, including persons employed in a library
10 at least one-half of whose operating expenses are met by municipal funding:

11 * * *

12 Sec. 9. 16 V.S.A. § 1981 is amended to read:

13 § 1981. DEFINITIONS

14 As used in this chapter unless the context requires otherwise:

15 * * *

16 (8) “School board negotiations council” means, for a supervisory
17 district, its school board, and, for school districts within a supervisory union or
18 board of cooperative education services, the body comprising representatives
19 designated by each school board within the supervisory union or board of
20 cooperative education services and by the supervisory union board or board of
21 cooperative education services to engage in professional negotiations with a
22 teachers’ or administrators’ organization.

1 (20) “Supervisory district” and “supervisory union” shall have the same
2 meaning as in 16 V.S.A. § 11.

3 (21) “Municipal school employee” means an employee of a supervisory
4 union ~~or~~ school district, or board of cooperative education services who is not
5 otherwise subject to 16 V.S.A. chapter 57 (labor relations for teachers and
6 administrators) and who is not otherwise excluded pursuant to subdivision (12)
7 of this section.

8 * * *

9 **Sec. 11. 16 V.S.A. § 2101 is amended to read:**

10 **§ 2101. DEFINITIONS**

11 As used in this chapter:

12 (1) “Participating employee” means a school employee who is eligible
13 for and has elected to receive health benefit coverage through a school
14 employer.

15 (2) “School employee”:

16 (A) includes the following individuals:

17 (i) an individual employed by a school employer as a teacher or
18 administrator as defined in section 1981 of this title;

19 (ii) a municipal school employee as defined in 21 V.S.A. § 1722;

20 (iii) an individual employed as a supervisor as defined in
21 21 V.S.A. § 1502;

22 (iv) a confidential employee as defined in 21 V.S.A. § 1722;

1 (v) a certified employee of a school employer; and

2 (vi) any other permanent employee of a school employer not
3 covered by subdivisions (i)-(v) of this subdivision (2); and

4 (B) notwithstanding subdivision (A) of this subdivision (2), excludes
5 individuals who serve in the role of superintendent.

6 (3) “School employer” means a supervisory union or school district as
7 those terms are defined in section 11 of this title, or a board of cooperative
8 education services formed pursuant to chapter 10 of this title.

9 * * * Effective Date * * *

10 Sec. 12. EFFECTIVE DATE

11 This act shall take effect on July 1, 2024.

12

13

14

15

16 (Committee vote: _____)

17

18

Representative _____

19

FOR THE COMMITTEE