

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 Purpose * * *

8 Sec. 1. FINDINGS AND PURPOSE

9 (a) 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.

12 (2) Some education services are higher in cost or intensity but lower in
13 incidence, such as specialized services for students with some low incidence
14 disabilities, making it more efficient and affordable to collaborate to ensure
15 quality education is available in every region, for every child.

16 (3) Market concentration means single districts cannot rely on
17 competitive bidding to reduce costs and improve quality. Districts often all
18 have separate contracts for the same service, with the same vendor or vendors,
19 which is an avoidable duplicative cost.

20 (4) For services that all districts need, such as professional development
21 and specialized settings for students with extraordinary needs, collaboration at

1 the county level ensures that the highest quality expertise and programming
2 can be shared at scale in ways that benefit all students and districts.

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

7 (6) Examples of functions that can be challenging or less affordable
8 given the small size of Vermont’s districts are:

9 (A) applying for State and other grants;

10 (B) supporting staff and educator pipelines;

11 (C) supporting transformation of operations or implementation of
12 new State initiatives or quality standards;

13 (D) providing high-quality, evidence-based professional development
14 in a coherent and consistent way;

15 (E) providing or ensuring access to specialized settings for students
16 with unique needs or highly specialized needs;

17 (F) managing prekindergarten programs to ensure equitable access to
18 high-quality prekindergarten programs;

19 (G) managing afterschool and extended learning to ensure all
20 students have access to opportunity and can thrive;

1 (H) procurement of services to support education, from food service
2 to transportation, given the lack of enough vendors to ensure competitive
3 bidding; and

4 (I) providing appropriate support and education for English learners.

5 (7) Municipal collaboratives serve the purpose of representative
6 democracy and provide for coordinated municipal action but in ways that
7 simplify the process of accessing the tools of municipal government, including
8 municipal grants and bonds.

9 (b) The purpose of this act is to allow and encourage school districts to
10 create boards of cooperative education services to maximize the impact of
11 available dollars through collaborative funding; reduce duplication of
12 programs, personnel, and services; and contribute to equalizing educational
13 opportunities for pupils in diverse schools.

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

15 CHAPTER 10. BOARDS OF COOPERATIVE EDUCATION SERVICES

16 § 601. CREATION OF BOARD OF COOPERATIVE EDUCATION

17 SERVICES; ORGANIZATION

18 (a) Establishment of boards of cooperative education services. When the
19 boards of two or more school districts within the same career and technical
20 educational service region vote to explore the advisability of entering into a
21 written agreement to provide shared programs and services, the interested

1 boards shall meet and discuss the terms of any such agreement. At this
2 meeting or a subsequent meeting, the participating boards may enter into a
3 proposed agreement to form an association of school districts to deliver shared
4 programs and services to complement the educational programs of member
5 school districts in a cost-effective manner. An association formed pursuant to
6 this chapter shall be known as a board of cooperative education services
7 (BOCES) and shall be a body politic and corporate with the powers and duties
8 afforded them under this chapter. [decision point—SBE or AOE approval?]

9 (b) Articles of agreement. Agreements to form a BOCES pursuant to this
10 chapter shall take the form of articles of agreement and shall serve as the
11 operating agreement for the BOCES. No agreement or subsequent
12 amendments shall take effect unless approved by the member school district
13 boards [and SBE or AOE?]. At a minimum, the articles of agreement shall
14 state:

15 (1) the names of the participating school districts;

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

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

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

19 including any applicable membership fee;

20 (5) the service fees for member districts and the service fees for

21 nonmember districts; provided, however, that fees for nonmember districts

1 shall not be more than 20 percent higher than the fee for member districts for
2 the same service;

3 (6) the detailed procedure for the preparation and adoption of an annual
4 budget;

5 (7) the method of termination of the BOCES and the withdrawal of
6 member school districts;

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

9 (9) the powers and duties of the board of directors of the BOCES to
10 operate and manage the association; and

11 (10) any other matter not incompatible with law that the member school
12 districts consider necessary to the formation of the BOCES.

13 (c) Board of directors. A BOCES shall be managed by a board of directors,
14 which shall be composed of one person appointed annually by each member
15 school district board. Appointed persons shall be members of a member
16 district school board. Each member of the board of directors shall be entitled
17 to a vote. No member of the board of directors shall receive an additional
18 salary or stipend for the member's services as a board member. No member of
19 the board of directors of a BOCES shall serve as a member of a board of
20 directors or as an officer or employee of any related for-profit or nonprofit
21 organization. The board of directors shall elect a chairperson from its

1 members and provide for such other officers as it may determine are necessary
2 and may establish advisory committees. The board of directors shall meet not
3 fewer than six times annually. Each member of the board of directors shall
4 provide updates on the activities of the BOCES on a quarterly basis to the
5 member's appointing school district board at an open board meeting.

6 (d) Service regions. There shall be not more than one BOCES in each
7 career and technical educational service region. School districts shall not be a
8 member of more than one BOCES. A school district may seek services as a
9 nonmember from BOCESs located in service regions other than the school
10 district's own career and technical educational service region.

11 (e) Agency of Education promotion. The Agency of Education shall
12 promote the use of BOCESs as providers of education services and programs
13 for local school districts and shall include consideration of grant applications
14 that include the use of education cooperatives for the purpose of procuring
15 services and programs.

16 § 602. POWERS OF BOARDS OF COOPERATIVE EDUCATION

17 SERVICES

18 (a) In addition to any other powers granted by law, a BOCES shall have the
19 following specific powers, to be exercised in its discretion in a way that best
20 serves the regional needs of its members:

- 1 (1) to operate specialized therapeutic programs for students with
2 extraordinary needs in a manner consistent with Section 504 of the
3 Rehabilitation Act of 1973, 29 U.S.C., § 794, and the Individuals with
4 Disabilities Education Act, 20 U.S.C. § 1400 et seq. and any other applicable
5 State or federal law;
- 6 (2) to operate career technical education programs;
- 7 (3) to provide English learner services;
- 8 (4) to provide services for students with high-intensity, low-frequency
9 needs;
- 10 (5) to contract for food, transportation, and health services on a regional
11 level; and
- 12 (6) to provide regional coordination of professional development and
13 educator pipelines.
- 14 (b) A BOCES shall not be required to offer all services authorized under
15 subsection (a) of this section.
- 16 (c) A BOCES may employ an executive director who shall serve under the
17 general direction of the board and who shall be responsible for the care and
18 supervision of the BOCES. The executive director shall not serve as a board
19 member, officer, or employee of any related for-profit or nonprofit
20 organization.

1 (d) A BOCES shall be a body politic and corporate and shall have standing
2 to sue and be sued to the same extent as a school district. A BOCES may enter
3 into contracts for the purchase of supplies, materials, services, and for the
4 purchase or leasing of land, buildings, and equipment as considered necessary
5 by the board of directors.

6 § 603. FINANCING; BUDGETING; AND ACCOUNTING

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

12 (b) Treasurer.

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

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

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

1 (4) The board of directors shall ensure that its blanket bond covers a
2 newly appointed treasurer before the treasurer enters upon the duties of the
3 office. In lieu of a blanket bond, a BOCES may choose to provide suitable
4 crime insurance coverage. [The board of directors may pay reasonable
5 compensation to the treasurer for services rendered.]

6 (5) [term limit?]

7 (c) Financial accounting system. A BOCES shall adopt and maintain a
8 financial accounting system, in accordance with generally accepted accounting
9 principles and Governmental Accounting Standards Board principles, [and any
10 supplemental requirements prescribed by the State Board of Education, in
11 consultation with the State Auditor]. Annually, a BOCES shall cause an
12 independent audit to be made of its financial statements consistent with
13 generally accepted governmental auditing standards and shall discuss and vote
14 to accept the audit report at an open meeting of the board. The board shall
15 transmit a copy of each audit to the boards of its member districts [and shall
16 file each audit with the AOE/SBE?].

17 (d) Annual statement. Annually, a BOCES shall prepare financial
18 statements, including:

19 (1) a statement of net assets;

20 (2) a statement of revenues, expenditures, and changes in net assets; and

1 (3) such supplemental statements and schedules [as may be required by
2 State Board rule].

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

5 (f) Contracts. A BOCES may, upon approval of its members, negotiate or
6 contract with any person, corporation, association, or company for a loan not to
7 exceed the difference between the anticipated revenues for the current fiscal
8 year for the budget of the BOCES and the amount credited to date to said
9 budget in order to pay current obligations. Such loan shall be liquidated within
10 six months thereafter from monies subsequently credited to said budget. The
11 total principal, interest, and fees to be paid on such loan shall not exceed the
12 total amount of the authorized budget for the same length of time.

13 § 604. ANNUAL REPORT

14 The board of a BOCES shall prepare an annual report concerning the affairs
15 of the BOCES and have it printed and distributed to the boards of the member
16 districts. The annual report shall include, at a minimum:

17 (1) information on the programs and services offered by the BOCES,
18 including information on the cost-effectiveness of such programs and services

1 and progress made towards achieving the objectives and purposes set forth in
2 the articles of agreement; and

3 (2) audited financial statements and the independent auditor’s report.

4 § 605. EMPLOYMENT

5 (a) A board of cooperative education services shall be considered to be a
6 public employer and may employ personnel, including educators, to carry out
7 the purposes and functions of the board.

8 (b) No person shall be eligible for employment by the board of cooperative
9 education services as an educator or teacher unless the person is appropriately
10 licensed by the Standards Board for Professional Educators pursuant to chapter
11 51 of this title.

12 (c) A person employed by a BOCES as a teacher shall be a participant in
13 the Vermont State Teachers’ Retirement System pursuant to chapter 55 of this
14 title.

15 (d) A person who is employed by a BOCES and who is not a teacher shall
16 be a participant in the Vermont Municipal Employees’ Retirement System
17 pursuant to 24 V.S.A. chapter 125.

18 (e) Teachers employed by a BOCES shall be entitled to organize pursuant
19 to chapter 57 of this title.

20 (f) Employees employed by a BOCES shall be entitled to organize pursuant
21 to 21 V.S.A. chapter 22.

1 § 606. SCHOOL FOOD AUTHORITY

2 (a) A board of cooperative education services is authorized to maintain,
3 equip, and operate a food service facility as a school food authority.

4 (b) A board of cooperative education services that elects to operate as a
5 school food authority may seek, accept, and expend gifts, grants, and donations
6 to facilitate its operations as a school food authority.

7 § 607. STATE BOARD OF EDUCATION; RULES

8 The State Board of Education shall adopt rules pursuant to 3 V.S.A.
9 chapter 25 pertaining to boards of education cooperative education services as
10 may be necessary to carry out this chapter.

11 Sec. 3. TRANSITION

12 (a) On or before July 1, 2025, each school district shall consider and vote
13 on the desirability of establishing a board of cooperative education services
14 pursuant to 16 V.S.A. chapter 10. There shall be not more than one board of
15 cooperative service established in each county. School boards that vote to
16 establish a board of cooperative education services shall hold an organizational
17 meeting pursuant to 16 V.S.A. § 601 on or before July 1, 2026.

18 (b) On or before July 1, 2027, the Secretary of Education shall review the
19 boards of cooperative education services as they exist, or are anticipated to
20 exist, on that date. On or before November 1, 2027, the Secretary shall issue a

1 written report to the General Assembly and the State Board of Education with
2 the following information and recommendations:

3 (1) the number of boards of cooperative education services in existence
4 on July 1, 2027, including the names of member districts and services
5 provided;

6 (2) the number of school districts that are not members of boards of
7 cooperative education services, by county, and information on why such
8 school districts have not joined a board of cooperative education services; and

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

12 * * * Conforming Revisions * * *

13 Sec. 4. 16 V.S.A. § 563 is amended to read:

14 § 563. POWERS OF SCHOOL BOARDS; FORM OF VOTE

15 The school board of a school district, in addition to other duties and
16 authority specifically assigned by law:

17 * * *

18 (33) May establish or join a board of cooperative education services
19 pursuant to chapter 10 of this title.

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* * * Effective Date * * *

Sec. 5. EFFECTIVE DATE

This act shall take effect on July 1, 2024.

(Committee vote: _____)

Representative _____

FOR THE COMMITTEE