

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; INTENT; PURPOSE

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

20 (A) Students should be in the most inclusive setting to reach success.
21 Some students require a higher level of care and access to peers that would not

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1 be available in an inclusive setting. Some students who are currently placed in
2 substantially separate programs are not able to access their community, peers,
3 or inclusive activities. Vermont is currently sending many of these students to
4 programs that are geographically far away or out of state. Working
5 cooperatively could prevent these students from being transported such long
6 distances. Staying closer to home will also afford these students greater
7 opportunities for afterschool or community-based activities.

8 (B) Education cooperatives that have access to spaces inside school
9 buildings can also more readily access district-based services, counseling, job
10 coaching, and academic support while maintaining greater access to peers
11 when appropriate.

12 (C) The goal and focus of specialized education services should
13 always be to return students to the classroom. Education cooperatives can
14 provide the least restrictive environment for a student to find, gain, and hone
15 the skills necessary to return to the most inclusionary setting as possible.

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

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1 statewide ensures that the highest quality expertise and programming can be
2 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, federal, 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- and science-based professional
14 development in a coherent and consistent way;

15 (E) providing or ensuring access to regionally available specialized
16 settings for students with unique needs or highly specialized needs in the least
17 restrictive environment, with a focus on reintegration and prevention;

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

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1 (G) 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 (H) providing appropriate support and education for English learners.

5 (7) Municipal cooperatives 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, federal grants, and bonds.

9 (b) Purpose and intent.

10 (1) This act is one of the initial steps in ensuring the opportunity to
11 transform Vermont's educational system. It is the intent of the General
12 Assembly to address the delivery, governance, and financing of Vermont's
13 education system, with the goal of transforming the educational system to
14 ensure high-quality education for all Vermont students, sustainable use of
15 public resources, and appropriate support and expertise from the Agency of
16 Education.

17 (2) The purpose of this act is to allow and encourage supervisory unions
18 to create boards of cooperative education services to maximize the impact of
19 available dollars through collaborative funding; reduce duplication of
20 programs, personnel, and services; and contribute to equalizing educational
21 opportunities for pupils in diverse schools.

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

2 CHAPTER 10. BOARDS OF COOPERATIVE EDUCATION SERVICES

3 § 601. CREATION OF BOARD OF COOPERATIVE EDUCATION

4 SERVICES; ORGANIZATION

5 (a) Establishment of boards of cooperative education services. When the
6 boards of two or more supervisory unions vote to explore the advisability of
7 entering into a written agreement to provide shared programs and services, the
8 interested boards shall meet and discuss the terms of any such agreement. At
9 this meeting or a subsequent meeting, the participating boards may enter into a
10 proposed agreement to form an association of supervisory unions to deliver
11 shared programs and services to complement the educational programs of
12 member supervisory unions in a cost-effective manner. An association formed
13 pursuant to this chapter shall be known as a board of cooperative education
14 services (BOCES) and shall be a body politic and corporate with the powers
15 and duties afforded them under this chapter.

16 (b) Articles of agreement. Agreements to form a BOCES pursuant to this
17 chapter shall take the form of articles of agreement and shall serve as the
18 operating agreement for a BOCES. Agreements shall include a cost-benefit
19 analysis outlining the projected financial savings or enhanced outcomes, or
20 both, that the parties expect to realize through shared services or programs. No
21 agreement or subsequent amendments shall take effect unless approved by the

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1 member **supervisory union** boards and the Secretary of Education. At a
2 minimum, the articles of agreement shall state:

3 (1) the names of the participating **supervisory unions**;

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

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

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

7 including any applicable membership fee;

8 (5) the service fees for member **supervisory unions** and the service fees

9 for nonmember **supervisory unions**, **as applicable**; provided, however, that **if**

10 **fees for nonmembers differ from fees for members**, nonmember fees shall not

11 be more than 20 percent higher than the fee for members for the same service;

12 (6) the detailed procedure for the preparation and adoption of an annual

13 budget **with carryforward provisions**;

14 (7) the method of termination of the BOCES and the withdrawal of

15 member **supervisory unions**, **which shall include the apportionment of assets**

16 **and liabilities**;

17 (8) the procedure for admitting new members and for amending the

18 articles of agreement;

19 (9) the powers and duties of the board of directors of the BOCES to

20 operate and manage the association, **including board meeting attendance**

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1 requirements, consequences for failing to attend a board meeting, and a
2 conflict of interest policy; and

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

5 (c) Board of directors. A BOCES shall be managed by a board of directors,
6 which shall be composed of one person appointed annually by each member
7 supervisory union board. Appointed persons shall be members of a member
8 supervisory union board or the superintendent of the member supervisory
9 union. Each member of the BOCES board of directors shall be entitled to a
10 vote. No member of the board of directors shall receive an additional salary or
11 stipend for the member's services as a board member. No member of the
12 board of directors of a BOCES shall serve as a member of a board of directors
13 or as an officer or employee of any related for-profit or nonprofit organization.
14 The board of directors shall elect a chair from its members and provide for
15 such other officers as it may determine are necessary. The board of directors
16 may also establish subcommittees and create board policies and procedures as
17 it may determine are necessary. The board of directors shall meet not fewer
18 than six times annually. Each member of the board of directors shall provide
19 updates on the activities of the BOCES on a quarterly basis to the member's
20 appointing supervisory union board at an open board meeting.

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

4 (e) Agency of Education promotion. The Agency of Education shall
5 promote the use of BOCESs as providers of education services and programs
6 for local school districts and supervisory unions and shall include
7 consideration of grant applications that include the use of education
8 cooperatives for the purpose of procuring services and programs. The Agency
9 may designate BOCES as eligible recipients for any applicable federal or State
10 grants for educational programs.

11 § 602. POWERS OF BOARDS OF COOPERATIVE EDUCATION

12 SERVICES

13 (a) In addition to any other powers granted by law, a BOCES shall have the
14 power to provide educational programs, services, facilities, and professional
15 and other staff that, in its discretion, best serve the needs of its members. A
16 BOCES shall follow all applicable State and federal laws in its provision of
17 services, including Section 504 of the Rehabilitation Act of 1973, 29
18 U.S.C. § 794, and the Individuals with Disabilities Education Act, 20
19 U.S.C. §§ 1400–1482.

20 (b) A BOCES may employ an executive director who shall serve under the
21 general direction of the board and who shall be responsible for the care and

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1 supervision of the BOCES. The board shall annually evaluate the executive
2 director's performance and effectiveness in implementing the programs,
3 policies, and goals of the BOCES. The executive director shall not serve as a
4 board member, officer, or employee of any related for-profit or nonprofit
5 organization.

6 (c) A BOCES shall be a body politic and corporate and shall have standing
7 to sue and be sued to the same extent as a school district. A BOCES may enter
8 into contracts for the purchase of supplies, materials, services, and for the
9 purchase or leasing of land, buildings, and equipment as considered necessary
10 by the board of directors.

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

14 § 603. FINANCING; BUDGETING; AND ACCOUNTING

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

20 (b) Treasurer.

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

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

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

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

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

19 (d) Audit. Annually, a BOCES shall cause an independent audit to be
20 made of its financial statements consistent with generally accepted
21 governmental auditing standards and shall discuss and vote to accept the audit

1 report at an open meeting of the board. The board shall transmit a copy of
2 each audit to the boards of its member **supervisory unions**.

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

5 (1) a statement of net assets; and

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

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

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

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1 § 604. 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 § 605. 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

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1 board. Annually, the board of a BOCES shall conduct an area survey of the
2 salaries of the educators and staff employed by the BOCES' member
3 supervisory unions and school districts to create a salary schedule for BOCES
4 employees.

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

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

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

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

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

18 **§ 606. SCHOOL FOOD AUTHORITY**

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

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

4 Sec. 3. TRANSITION; REPORT

5 (a) On or before July 1, 2025, each supervisory union shall consider and
6 vote on the desirability of establishing a board of cooperative education
7 services pursuant to 16 V.S.A. chapter 10. There shall be not more than six
8 boards of cooperative service established statewide. Supervisory union boards
9 that vote to establish a board of cooperative education services shall hold an
10 organizational meeting pursuant to 16 V.S.A. § 601 on or before July 1, 2026.

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

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

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

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

14 Sec. 6. 24 V.S.A. § 5051(10) is amended to read:

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

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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. 7. 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

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1 cooperative education services to engage in professional negotiations with a
2 teachers' or administrators' organization.

3 (9) "Teachers' organization negotiations council" or "administrators'
4 organization negotiations council" means the body comprising representatives
5 designated by each teachers' organization or administrators' organization
6 within a supervisory district or supervisory union, or board of cooperative
7 education services to act as its representative for professional negotiations.

8 Sec. 8. 21 V.S.A. § 1722 is amended to read:

9 § 1722. DEFINITIONS

10 As used in this chapter:

11 * * *

12 (18) "School board negotiations council" means, for a supervisory
13 district, its school board, and, for school districts within a supervisory union or
14 board of cooperative education services, the body comprising representatives
15 designated by each school board within the supervisory union or board of
16 cooperative education services and by the supervisory union board or board of
17 cooperative education services to engage in collective bargaining with their
18 school employees' negotiations council.

19 (19) "School employees' negotiations council" means the body
20 comprising representatives designated by each exclusive bargaining agent
21 within a supervisory district or supervisory union, or board of cooperative

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1 education services to engage in collective bargaining with its school board
2 negotiations council.

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

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

10 * * *

11 * * * Effective Date * * *

12 Sec. 9. EFFECTIVE DATE

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

14

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16

17

18 (Committee vote: _____)

19

20

Representative _____

21

FOR THE COMMITTEE