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H.630

Introduced by Representatives Holcombe of Norwich, Graning of Jericho, and
Brady of Williston

Referred to Committee on

Date:

Subject: Education; regional boards of cooperative education services;
specialized education settings; shared services; shared purchasing;
counties

Statement of purpose of bill as introduced: This bill proposes to allow and
encourage school districts to create boards of cooperative education services to
provide shared education services and access grants on a county level.

An act relating to boards of cooperative education services

It is hereby enacted by the General Assembly of the State of Vermont:

~~*** Findings and Purpose ***~~

~~Sec. 1. FINDINGS AND PURPOSE~~

~~(a) The General Assembly finds that~~

~~(1) Vermont's school districts are small by national and regional~~

~~standards, which denies them some of the benefits of scale.~~

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

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

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

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

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

19 ~~(A) applying for State and other grants;~~

20 ~~(B) supporting staff and educator pipelines,~~

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

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

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

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

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

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

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

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

19 (b) The purpose of this act is to allow and encourage school districts to
20 create boards of cooperative education services to maximize the impact of
21 available dollars through collaborative funding, reduce duplication of

1 ~~programs, personnel, and services; and contribute to equalizing educational~~
2 opportunities for pupils in diverse schools.

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

4 CHAPTER 10. BOARDS OF COOPERATIVE EDUCATION SERVICES

5 § 601. CREATION OF BOARD OF COOPERATIVE EDUCATION
6 SERVICES

7 (a) Whenever the boards of two or more school districts within the same
8 county desire to establish a board of cooperative education services for the
9 purpose of providing shared education services as set forth in this chapter and
10 have so certified to the Secretary of Education and other interested boards by
11 appropriate resolution, the superintendents of any two of the interested school
12 district boards may call a meeting of the duly appointed representatives of the
13 interested boards. The interested boards shall seek from the Secretary of
14 Education any aid and assistance that may be reasonably required, to the end
15 that a proper plan of organization for the board of cooperative education
16 services shall be accomplished. At this meeting, the boards that have
17 previously and respectively adopted resolutions so authorizing may enter into a
18 proposed agreement to form a board of cooperative education services, which
19 proposed agreement shall set forth the names of the participating school
20 districts and the following.

1 ~~(1) the mission, purpose, and focus of the board of cooperative~~
2 ~~education services;~~

3 ~~(2) the programs or services to be offered by the board of cooperative~~
4 ~~education services;~~

5 ~~(3) the financial terms and conditions of membership of the board of~~
6 ~~cooperative education services, including a limit on the amount of cumulative~~
7 ~~surplus revenue that may be held by the board at the end of a fiscal year;~~

8 ~~(4) the detailed procedure for the preparation and adoption of an annual~~
9 ~~budget;~~

10 ~~(5) the method of termination of the board of cooperative education~~
11 ~~services and the withdrawal of member school districts;~~

12 ~~(6) the procedure for admitting new members and for amending the~~
13 ~~collaborative agreement;~~

14 ~~(7) the powers and duties of the board of directors of the board of~~
15 ~~cooperative education services to operate and manage the education~~
16 ~~collaborative; and~~

17 ~~(8) any other matter not incompatible with law that the member school~~
18 ~~districts consider necessary to the formation of the board of cooperative~~
19 ~~education services.~~

20 ~~(b)(1) At a subsequent meeting, the boards that have approved participation~~
21 ~~in a board of cooperative education services shall agree upon the number of~~

1 ~~members that are to compose the cooperative board, except that there shall be~~
2 not less than five board members, and each participating board shall be entitled
3 to at least one member on the board of cooperative education services.

4 (2) Each participating school district board shall then appoint its
5 assigned number of representatives, and one alternate for each, from its
6 membership, or it may appoint the superintendent of the school district's
7 supervisory union as one of its assigned number of representatives.

8 (3) As a term of office expires or a member of the board of cooperative
9 services resigns from, is removed from, or leaves the member's role in the
10 corresponding member district, a replacement to the board of cooperative
11 education services shall be appointed by the participating school district board
12 within 30 days after the expiration date. When other vacancies occur, they
13 shall be filled by appointment by the respective school district boards within
14 30 days from the date on which the vacancy occurs.

15 (c) A board of cooperative education services shall meet at least quarterly.
16 A quorum shall consist of a simple majority of those members serving on a
17 board of cooperative education services. In the absence of a regular member,
18 the alternate, if present, may be counted toward the required quorum and
19 assume the duties of the regular member.

20 (d) There shall be not more than one board of cooperative education
21 services in each county. School districts shall not be part of more than one

1 ~~board of cooperative education services. If a school district is located in more~~
2 ~~than one county, the school board shall decide which board of cooperative~~
3 ~~education services to join.~~

4 (e) ~~The Agency of Education shall promote the use of boards of~~
5 ~~cooperative education services as providers of education services and~~
6 ~~programs for local school districts and shall include consideration of grant~~
7 ~~applications that include the use of education collaboratives for the purpose of~~
8 ~~procuring services and programs.~~

9 § 602. ORGANIZATION OF BOARD OF COOPERATIVE EDUCATION
10 SERVICES; OFFICERS

11 At its first meeting, the members of the board of cooperative education
12 services appointed pursuant to section 601 of this title shall elect from their
13 membership a chair, vice-chair, clerk, and a treasurer whose terms of office are
14 for two years, unless their terms of office as board members expire earlier, in
15 which case the officership shall similarly expire. The duties of the chair, vice-
16 chair, clerk, and treasurer of the board of cooperative education services are
17 the same as set forth for similar offices of school boards.

18 § 603. POWERS OF BOARDS OF COOPERATIVE EDUCATION
19 SERVICES

20 (a) In addition to any other powers granted by law, the board of
21 cooperative education services shall have the following specific powers, to be

1 ~~exercised in its discretion in a way that best serves the regional needs of its~~

2 members:

3 (1) to operate specialized therapeutic programs for students with

4 extraordinary needs;

5 (2) to operate career technical education programs;

6 (3) to provide English learner services;

7 (4) to provide services for students with high-intensity, low-frequency

8 needs;

9 (5) to contract for food, transportation, and health services on a regional

10 level; and

11 (6) to provide regional coordination of professional development and

12 educator pipelines.

13 (b) A board of cooperative education services shall not be required to offer

14 all services authorized under subsection (a) of this section.

15 (c) A board of cooperative education services may employ an executive

16 director who shall serve under the general direction of the board and who shall

17 be responsible for the care and supervision of the board of cooperative

18 education services. The executive director shall not serve as a board member,

19 ~~officer, or employee of any related for-profit or nonprofit organization.~~

§ 604. FINANCING, BUDGETING, AND ACCOUNTING

(a) The board of cooperative education services shall establish and manage a fund to be known as an education collaborative fund. All monies contributed by the member school districts and all grants or gifts from the federal government, State government, charitable foundations, private corporations, or any other source shall be paid to the board of cooperative education services and deposited into the fund.

(b) The board of cooperative education services shall appoint a treasurer who may be a treasurer of a school district belonging to the board. The treasurer may, subject to the direction of the directors of the board of cooperative education services, receive and disburse all money belonging to the board without further appropriation. The treasurer shall be sworn in before entering the duties of the office. The board shall ensure that its blanket bond covers a newly appointed treasurer before the treasurer enters upon the duties of the office. In lieu of a blanket bond, the collaborative may choose to provide suitable crime insurance coverage.

(c) Each board of cooperative education services shall adopt and maintain a financial accounting system, in accordance with generally accepted accounting principles and Governmental Accounting Standards Board principles, and any supplemental requirements prescribed by the State Board of Education, in consultation with the State Auditor.

1 ~~(d) Annually, each board of cooperative education services shall prepare~~
2 financial statements, including:

- 3 (1) a statement of net assets;
4 (2) a statement of revenues, expenditures, and changes in net assets; and
5 (3) such supplemental statements and schedules as may be required by
6 State Board rule.

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

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

18 § 605. MATCHING POWER

19 The board of cooperative education services shall be authorized to use the
20 contributions from the participating members to match State and federal funds,
21 or funds from any other agencies when applicable, when the acceptance of

1 ~~financial assistance from such other agencies requires matching of funds as a~~
2 condition of participating in services authorized by law.

3 § 606. STATE AND FEDERAL PAYMENTS

4 Any State or federal financial assistance that would accrue to an individual
5 supervisory union or school district if it were performing a service performed
6 under the direction of a board of cooperative education services shall be
7 apportioned by the appropriate State or federal agency to the participating
8 school districts on the basis of the proportionality of the contributions of the
9 participating school districts to the performance of the service or upon the
10 basis of proportionality otherwise set forth by law.

11 § 607. BUILDINGS AND FACILITIES

12 (a) A school district that is participating in a cooperative service
13 agreement, when authorized by a vote of the eligible electors of the district,
14 may contract for bonded indebtedness for the purpose of purchasing sites,
15 constructing buildings or other structures, and equipping buildings that are
16 necessary for the operation of a cooperative education service program. The
17 district that contracts for bonded indebtedness may charge the other members
18 participating in the cooperative service agreement for the use of the building
19 and equipment. The rental proceeds may be applied to the retirement of said
20 bonded indebtedness. This section shall not be construed to create liability for

1 ~~retirement of such bonded indebtedness upon the other members participating~~
2 in the cooperative service agreement.

3 (b) The school boards of the school districts participating in a cooperative
4 service agreement may jointly, separately, or, after approval of each
5 participating school board, as a board of cooperative education services
6 construct, purchase, or lease sites, buildings, and equipment for the purpose of
7 providing the facilities necessary for the operation of a cooperative service
8 program at any appropriate location, whether within or outside a school district
9 providing the money for the facilities.

10 § 608. CORPORATE STATUS OF BOARDS OF COOPERATIVE
11 EDUCATION SERVICES

12 Each board of cooperative education services shall be a body corporate and
13 in its name may hold title to personal property for any purpose authorized by
14 law, sue, and be a party to contracts for any purpose authorized by law.

15 § 609. EMPLOYMENT

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

19 (b) No person shall be eligible for employment by the board of cooperative
20 education services as an educator unless the person is appropriately licensed by

1 ~~the Standards Board for Professional Educators, pursuant to chapter 51 of this~~
2 ~~title.~~

3 § 610. SCHOOL FOOD AUTHORITY

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

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

9 § 611. STATE BOARD OF EDUCATION; RULES

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

13 Sec. 3. TRANSITION

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

20 (b) On or before July 1, 2027, the Secretary of Education shall review the
21 boards of cooperative education services as they exist, or are anticipated to

1 ~~exist on that date. On or before November 1, 2027, the Secretary shall issue a~~
2 written report to the General Assembly and the State Board of Education with
3 the following information and recommendations:

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

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

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

13 * * * Conforming Revision * * *

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

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

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

18 * * *

19 (33) May establish or join a board of cooperative education services
20 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.~~

**** Findings and Intent ****

Sec. 1. FINDINGS; INTENT

(a) Findings. The General Assembly finds that:

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

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

(3) Students should be in the least restrictive setting to reach success. Some students require a higher level of care and access to peers that would not be available in an inclusive setting. Some students who are currently placed in substantially separate programs are not able to access their community, peers, or inclusive activities. Vermont is currently sending many of these students to programs that are geographically far away or out of state. Working

cooperatively could prevent these students from being transported such long distances. Staying closer to home will also afford these students greater opportunities for afterschool or community-based activities.

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

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

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

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

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

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

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

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

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

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

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

(H) providing skilled facilities planning and management; and

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

(b) Intent. This act is one of the initial steps in ensuring the opportunity to transform Vermont's educational system. It is the intent of the General Assembly to address the delivery, governance, and financing of Vermont's education system, with the goal of transforming the educational system to ensure high-quality education for all Vermont students, sustainable and

transparent use of public resources, and appropriate support and expertise from the Agency of Education.

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

CHAPTER 10. BOARDS OF COOPERATIVE EDUCATION SERVICES

§ 601. POLICY

It is the policy of the State to allow and encourage supervisory unions to create boards of cooperative education services to provide shared programs and services on a regional and statewide level. Formation of a board of cooperative education services shall be designed to build upon the geographically focused cooperative regions used by Vermont superintendents as of July 1, 2024; maximize the impact of available dollars through collaborative funding; reduce duplication of programs, personnel, and services; and contribute to equalizing educational opportunities for all pupils.

§ 602. DEFINITIONS

As used in this chapter:

(1) "Educator" means any:

(A) individual licensed under chapter 51 of this title, the majority of whose employed time in a public school district, supervisory union, or board of cooperative education services is assigned to furnish to students direct instructional or other educational services, as defined by rule of the Standards

Board, or who is otherwise subject to licensing as determined by the Standards Board; or

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

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

§ 603. CREATION OF BOARD OF COOPERATIVE EDUCATION

SERVICES; ORGANIZATION; SECRETARY APPROVAL

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

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

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

(1) the names of the participating supervisory unions;

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

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

(4) the financial terms and conditions of membership of the BOCES, including any applicable membership fee;

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

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

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

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

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

(A) board meeting attendance requirements;

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

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

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

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

(c) Board of directors. A BOCES shall be managed by a board of directors, which shall be composed of one person appointed annually by each member supervisory union board. Appointed persons shall be members of a member supervisory union board or the superintendent or designee of the

member supervisory union. Each member of the BOCES board of directors shall be entitled to a vote. No member of the board of directors of a BOCES shall serve as a member of a board of directors or as an officer or employee of any related for-profit or nonprofit organization. The board of directors shall elect a chair from its members and provide for such other officers as it may determine are necessary. The board of directors may also establish subcommittees and create board policies and procedures as it may determine are necessary. The board of directors shall meet not fewer than four times annually. Each member of the board of directors shall provide updates on the activities of the BOCES on a quarterly basis to the member's appointing supervisory union board at an open board meeting.

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

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

§ 604. POWERS OF BOARDS OF COOPERATIVE EDUCATION

SERVICES

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

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

(c) A BOCES shall be a body politic and corporate and shall have standing to sue and be sued to the same extent as a school district. A BOCES may enter into contracts for the purchase of supplies, materials, services, and for the purchase or leasing of land, buildings, and equipment as considered necessary by the board of directors. Section 559 of this title shall apply to the

procurement of services or items with costs that exceed \$40,000.00, as well as high-cost construction contracts, as defined by subsection 559(b) of this title.

(d) The board of directors of a BOCES may apply for State, federal, or private grants, for which a BOCES may be otherwise eligible, to obtain funds necessary to carry out the purpose for which the BOCES is established. Nothing in this chapter is intended to create an entitlement to federal funds distributed by the Agency of Education to local education agencies.

§ 605. FINANCING; BUDGETING; AND ACCOUNTING

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

(b) Treasurer.

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

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

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

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

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

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

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

(1) a statement of net assets; and

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

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

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

§ 606. ANNUAL REPORT; PUBLIC INFORMATION

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

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

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

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

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

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

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

and

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

§ 607. EMPLOYMENT

(a) A BOCES shall be considered to be a public employer and may employ personnel, including educators, to carry out the purposes and functions of the board. Annually, the board of a BOCES shall conduct an area survey of the salaries of the educators and staff employed by the BOCES's member supervisory unions and school districts.

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

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

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

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

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

(g) Educators and employees who are employed by a BOCES shall be provided health care benefits pursuant to chapter 61 of this title.

Sec. 3. TRANSITION; REPORT

(a) On or before July 1, 2026, each supervisory union board shall consider and vote on the desirability of establishing a board of cooperative education services pursuant to 16 V.S.A. chapter 10. There shall be not more than seven boards of cooperative service established statewide. Supervisory union boards that vote to establish a board of cooperative education services shall hold an organizational meeting pursuant to 16 V.S.A. § 603 on or before July 1, 2027.

(b) On or before July 1, 2028, the Secretary of Education shall review the boards of cooperative education services as they exist, or are anticipated to exist, on that date. On or before November 1, 2028, the Secretary shall issue a written report to the General Assembly and the State Board of Education with the following information and recommendations:

(1) the number of boards of cooperative education services in existence on July 1, 2028, including the names of member supervisory unions and services provided;

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

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

Sec. 4. BOCES GRANT PROGRAM; APPROPRIATION

(a) There is established the Boards of Cooperative Education Services Start-up Grant Program, to be administered by the Agency of Education, from funds appropriated for this purpose, to award grants to boards of cooperative education services (BOCES) formed pursuant to 16 V.S.A. chapter 10 after July 1, 2024. BOCES shall be eligible for a single \$10,000.00 grant after the Secretary of Education approves the applicant's initial articles of agreement pursuant to 16 V.S.A. § 603(b). Grants may be used for start-up costs and may include reimbursement to member supervisory unions for costs incurred during the exploration and formation of the BOCES and articles of agreement.

~~(b) The sum of \$70,000.00 is appropriated from the General Fund to the Agency of Education in fiscal year 2025 to fund the Boards of Cooperative~~

~~Education Services Start-up Grant Program created in subsection (a) of this section. Unexpended appropriations shall carry forward into the subsequent fiscal year and remain available for use for this purpose.~~

(b) Notwithstanding any provision of 16 V.S.A. § 4025 to the contrary, the sum of \$70,000.00 is appropriated from the Education Fund to the Agency of Education in fiscal year 2025 to fund the Boards of Cooperative Education Services Start-up Grant Program created in subsection (a) of this section. Unexpended appropriations shall carry forward into the subsequent fiscal year and remain available for use for this purpose.

* * * Conforming Revisions * * *

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

§ 261a. DUTIES OF SUPERVISORY UNION BOARD

* * *

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

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

* * *

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

§ 1691a. DEFINITIONS

As used in this chapter:

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

* * *

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

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

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

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

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

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

* * *

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

§ 1981. DEFINITIONS

As used in this chapter unless the context requires otherwise:

* * *

(8) “School board negotiations council” means, for a supervisory district, its school board, and, for school districts within a supervisory union or board of cooperative education services, the body comprising representatives designated by each school board within the supervisory union

or board of cooperative education services and by the supervisory union board or board of cooperative education services to engage in professional negotiations with a teachers' or administrators' organization.

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

Sec. 10. 21 V.S.A. § 1722 is amended to read:

§ 1722. DEFINITIONS

As used in this chapter:

** * **

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

(19) "School employees' negotiations council" means the body comprising representatives designated by each exclusive bargaining agent

within a supervisory district ~~or~~, supervisory union, or board of cooperative education services to engage in collective bargaining with its school board negotiations council.

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

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

* * *

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

§ 2101. DEFINITIONS

As used in this chapter:

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

(2) “School employee”:

(A) includes the following individuals:

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

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

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

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

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

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

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

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

** * * Effective Date * * **

Sec. 12. EFFECTIVE DATE

This act shall take effect on July 1, 2024.