

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 board of
7 cooperative education services shall be designed to build upon the
8 geographically focused cooperative regions used by Vermont superintendents
9 as of July 1, 2024; maximize the impact of available dollars through
10 collaborative funding; reduce duplication of programs, personnel, and services;
11 and contribute to equalizing educational opportunities for pupils in diverse
12 schools. OR Formation of a boards of cooperative education services shall be
13 designed to encourage and support local decisions and actions that provide
14 substantial equity of educational opportunities statewide, lead students to
15 achieve or exceed the State’s Education Quality Standards, maximize
16 operational efficiencies, promote transparency and accountability, and be
17 delivered at a cost that parents, voters, and taxpayers value.

18 § 602. DEFINITIONS

19 As used in this chapter:

20 (1) “Educator” means any:

21 (A) individual licensed under chapter 51 of this title, the majority of
22 whose employed time in a public school district, supervisory union, or board of

1 cooperative education services is assigned to furnish to students direct
2 instructional or other educational services, as defined by rule of the Standards
3 Board, or who is otherwise subject to licensing as determined by the Standards
4 Board; or

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

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

14 § 603. CREATION OF BOARD OF COOPERATIVE EDUCATION

15 SERVICES; ORGANIZATION; SECRETARY APPROVAL

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

1 member supervisory unions in a cost-effective manner. An association formed
2 pursuant to this chapter shall be known as a board of cooperative education
3 services (BOCES) and shall be a body politic and corporate with the powers
4 and duties afforded them under this chapter.

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

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

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

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

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

21 including any applicable membership fee;

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

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

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

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

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

12 (A) board meeting attendance requirements;

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

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

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

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

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

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

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

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

1 § 604. POWERS OF BOARDS OF COOPERATIVE EDUCATION

2 SERVICES

3 (a) In addition to any other powers granted by law, a BOCES shall have the
4 power to provide educational programs, services, facilities, and professional
5 and other staff that, in its discretion, best serve the needs of its members. A
6 BOCES shall follow all applicable State and federal laws in its provision of
7 services, including Section 504 of the Rehabilitation Act of 1973,
8 29 U.S.C. § 794, and the Individuals with Disabilities Education Act,
9 20 U.S.C. §§ 1400–1482.

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

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

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

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

6 § 605. 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 and shall evaluate the
6 treasurer’s performance annually.

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

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

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

17 (1) a statement of net assets; and

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

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

21 (g) Loans. A BOCES may, upon approval of its members, negotiate or
22 contract with any person, corporation, association, or company for a loan not to

1 exceed the difference between the anticipated revenues for the current fiscal
2 year for the budget of the BOCES and the amount credited to date to said
3 budget in order to pay current obligations. Such loan shall be liquidated within
4 six months thereafter from monies subsequently credited to said budget. The
5 total principal, interest, and fees to be paid on such loan shall not exceed the
6 total amount of the authorized budget for the same length of time.

7 § 606. ANNUAL REPORT; PUBLIC INFORMATION

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

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

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

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

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

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

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

22 and

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

3 § 607. EMPLOYMENT

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

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

12 (c) A person employed by a BOCES as an educator 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 educator shall
16 be a participant in the Vermont Municipal Employees' Retirement System
17 pursuant to 24 V.S.A. chapter 125.

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

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

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

3 Sec. 3. TRANSITION; REPORT

4 (a) On or before July 1, 2025, each supervisory union board shall consider
5 and vote on the desirability of establishing a board of cooperative education
6 services pursuant to 16 V.S.A. chapter 10. There shall be not more than six
7 boards of cooperative service established statewide. Supervisory union boards
8 that vote to establish a board of cooperative education services shall hold an
9 organizational meeting pursuant to 16 V.S.A. § 603 on or before July 1, 2026.

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

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

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

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

4 Sec. 4. BOCES GRANT PROGRAM; APPROPRIATION

5 (a) There is established the Boards of Cooperative Education Services
6 Start-up Grant Program, to be administered by the Agency of Education, from
7 funds appropriated for this purpose, to award grants to boards of cooperative
8 education services (BOCES) formed pursuant to 16 V.S.A. chapter 10 after
9 July 1, 2024. BOCES shall be eligible for a single \$10,000.00 grant after the
10 Secretary of Education approves the applicant’s initial articles of agreement
11 pursuant to 16 V.S.A. § 602(b). Grants may be used for start-up costs and may
12 include reimbursement to member supervisory unions for costs incurred during
13 the exploration and formation of the BOCES and articles of agreement.

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

19 * * * Conforming Revisions * * *

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

21 § 261a. DUTIES OF SUPERVISORY UNION BOARD

22 * * *

1 (b) Virtual merger. In order to ~~promote the efficient use of financial and~~
2 ~~human resources~~ maximize the impact of available funding and resources, and
3 to reduce duplication of educational programs, personnel, and services, and
4 whenever legally permissible, supervisory unions are encouraged to reach
5 agreements with other supervisory unions jointly to provide any service or
6 perform any duty under this section pursuant to section 267 of this title, or to
7 form boards of cooperative education services pursuant to chapter 10 of this
8 title. Agreements between supervisory unions are not subject to the waiver
9 requirement of subdivision (a)(8) of this section. Agreements shall include a
10 cost-benefit analysis outlining the projected financial savings or enhanced
11 outcomes, or both, that the parties expect to realize through shared services or
12 programs.

13 * * *

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

15 § 1691a. DEFINITIONS

16 As used in this chapter:

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

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(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 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 not mean a person who is teaching with an emergency license.

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

1 (8) “School board negotiations council” means, for a supervisory
2 district, its school board, and, for school districts within a supervisory union or
3 board of cooperative education services, the body comprising representatives
4 designated by each school board within the supervisory union or board of
5 cooperative education services and by the supervisory union board or board of
6 cooperative education services to engage in professional negotiations with a
7 teachers’ or administrators’ organization.

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

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

14 § 1722. DEFINITIONS

15 As used in this chapter:

16 * * *

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

1 cooperative education services to engage in collective bargaining with their
2 school employees' negotiations council.

3 (19) "School employees' negotiations council" means the body
4 comprising representatives designated by each exclusive bargaining agent
5 within a supervisory district ~~or~~, supervisory union, or board of cooperative
6 education services to engage in collective bargaining with its school board
7 negotiations council.

8 (20) "Supervisory district" and "supervisory union" shall have the same
9 meaning as in 16 V.S.A. § 11.

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

15 * * *

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

17 **§ 2101. DEFINITIONS**

18 As used in this chapter:

19 (1) "Participating employee" means a school employee who is eligible
20 for and has elected to receive health benefit coverage through a school
21 employer.

22 (2) "School employee":

1 (A) includes the following individuals:

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

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

5 (iii) an individual employed as a supervisor as defined in
6 21 V.S.A. § 1502;

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

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

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

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

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

16 * * * Effective Date * * *

17 Sec. 12. EFFECTIVE DATE

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

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1 (Committee vote: _____)

2 _____

3 Representative _____

4 FOR THE COMMITTEE