

1 Introduced by Committee on Education

2 Date:

3 Subject: Education; school districts; cooperative education service areas;  
4 staffing; teachers; school closure; designation

5 Statement of purpose of bill as introduced: This bill proposes to <Purpose>

6 An act relating to next steps in transforming Vermont’s education system

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

8 **\*\*\* Cooperative Educational Service Areas \*\*\***

9 Sec. 1. 16 V.S.A. chapter 10 is amended to read:

10 CHAPTER 10. ~~BOARDS OF COOPERATIVE EDUCATION SERVICES~~

11 EDUCATIONAL SERVICE AREAS

12 § 601. POLICY

13 It is the policy of the State to allow and encourage supervisory unions to

14 create boards of cooperative education services educational service areas to

15 provide shared programs and services on a regional and statewide level.

16 Formation of a board of cooperative education services shall be designed to

17 build upon the geographically focused cooperative regions used by Vermont

18 superintendents as of July 1, 2024; It is the intent of the General Assembly that

19 cooperative educational service areas are utilized by member supervisory

20 unions to maximize the impact of available dollars through collaborative

1 funding; reduce duplication of programs, personnel, and services; and  
2 contribute to ~~equalizing~~ the equalization of educational opportunities for all  
3 pupils.

4 § 602. DEFINITIONS

5 As used in this chapter:

6 (1) “Educator” means any:

7 (A) individual licensed under chapter 51 of this title, the majority of  
8 whose employed time in a public school district, supervisory union, or ~~board of~~  
9 cooperative ~~education services~~ educational service area is assigned to furnish  
10 to students direct instructional or other educational services, as defined by rule  
11 of the Standards Board, or who is otherwise subject to licensing as determined  
12 by the Standards Board; or

13 \* \* \*

14 (3) “Cooperative educational service area (CESA)” means an  
15 association of supervisory unions created pursuant to this chapter to deliver  
16 shared programs and services to complement the educational programs of  
17 member supervisory unions in a cost-effective manner. A CESA shall be a  
18 body politic and corporate with the powers and duties afforded them under this  
19 chapter.

1 § 603. CREATION OF BOARD OF COOPERATIVE EDUCATION

2 ~~SERVICES~~ EDUCATIONAL SERVICE AREAS;

3 ORGANIZATION; SECRETARY APPROVAL

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

17 (1) CESA No. 1 is formed of the member supervisory unions of:

18 (2) CESA No. 2 is formed of the member supervisory unions of:

19 (3) CESA No. 3 is formed of the member supervisory unions of:

20 (4) CESA No. 4 is formed of the member supervisory unions of:

21 (5) CESA No. 5 is formed of the member supervisory unions of:

1           (6) CESA No. 6 is formed of the member supervisory unions of:

2           (7) CESA No. 7 is formed of the member supervisory unions of:

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

- 17           (1) the names of the participating supervisory unions;
- 18           (2) the mission, purpose, and focus of the ~~BOCES~~ CESA;
- 19           (3) the programs or services to be offered by the ~~BOCES~~ CESA;
- 20           (4) the financial terms and conditions of membership of the ~~BOCES~~
- 21 CESA, 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; [Repealed.]~~

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

10 (9) the powers and duties of the board of directors of the ~~BOCES~~ CESA  
11 to 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~~ CESA shall be managed by a board of  
19 directors, which shall be composed of one person appointed annually by each  
20 member supervisory union board. Appointed persons shall be members of a  
21 member supervisory union board or the superintendent or designee of the

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

12 ~~(d) Number of BOCESs. There shall be not more than seven BOCESs~~  
13 ~~statewide. Supervisory unions shall not be a member of more than one~~  
14 ~~BOCES but may seek services as a nonmember from other BOCESs.~~  
15 [Repealed.]

16 § 604. POWERS OF ~~BOARDS OF COOPERATIVE EDUCATION~~  
17 ~~SERVICES~~ EDUCATIONAL SERVICE AREAS

18 (a) In addition to any other powers granted by law, a ~~BOCES~~ CESA shall  
19 have the power to provide educational programs, services, facilities, and  
20 professional and other staff that, in its discretion, best serve the needs of its  
21 members. A ~~BOCES~~ CESA shall follow all applicable State and federal laws

1 in its provision of services, including Section 504 of the Rehabilitation Act of  
2 1973, 29 U.S.C. § 794, and the Individuals with Disabilities Education Act,  
3 20 U.S.C. §§ 1400–1482. At a minimum, a CESA shall provide services in at  
4 least three of the six the following areas to its members:

5 (1) special education;

6 (2) professional development;

7 (3) curriculum development and coordination;

8 (4) transportation;

9 (5) business and administrative services; and

10 (6) union school district creation consultation and facilitation.

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

18 (c) A ~~BOCES~~ CESA shall be a body politic and corporate and shall have  
19 standing to sue and be sued to the same extent as a school district. A ~~BOCES~~  
20 CESA may enter into contracts for the purchase of supplies, materials, and  
21 services and for the purchase or leasing of land, buildings, and equipment as

1 considered necessary by the board of directors. Section 559 of this title shall  
2 apply to the procurement of services or items with costs that exceed  
3 \$40,000.00, as well as high-cost construction contracts, as defined by  
4 subsection 559(b) of this title.

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

11 § 605. FINANCING, BUDGETING, AND ACCOUNTING

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

17 (b) Treasurer.

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

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

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

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

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

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

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

3 (1) a statement of net assets; and

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

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

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

16 § 606. ANNUAL REPORT; PUBLIC INFORMATION

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

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

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

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

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

9 (2) copies of approved minutes of open meetings held by the board of  
10 the ~~BOCES~~ CESA;

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

12 and

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

15 § 607. EMPLOYMENT

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

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

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

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

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

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

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

16 **Sec. 2. REPEAL**

17 **2024 Acts and Resolves No. 168, Sec. 3 (transition; report) is repealed.**

18 Sec. 3. 2024 Acts and Resolves No. 168, Sec. 4, as amended by 2025 Acts and  
19 Resolves No. 72, Sec. 7, is further amended to read:

1           Sec. 4. ~~BOCES~~ CESA GRANT PROGRAM; APPROPRIATION

2           (a) There is established the ~~Boards of Education Services~~ Educational  
3 Service Area Start-up Grant Program, to be administered by the Agency of  
4 Education, from funds appropriated for this purpose, to award grants to ~~enable~~  
5 ~~the formation of boards of cooperative education services (BOCES) formed~~  
6 ~~pursuant to 16 V.S.A. chapter 10 after July 1, 2024~~ the CESAs created in 16  
7 V.S.A. § 603(a) to assist with start-up costs. Supervisory unions CESAs shall  
8 be eligible for a single \$10,000.00 grant after two or more boards vote to  
9 explore the advisability of forming a board of cooperative education services  
10 pursuant to 16 V.S.A. § 603(a). Grants may be used for start-up and formation  
11 costs, including the development of proposed articles of agreement bylaws.  
12 Grants shall be awarded to only one supervisory union within each group of  
13 supervisory unions exploring the formation of a BOCES.

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

1 Sec. 4. 16 V.S.A. § 261a is amended to read:

2 § 261a. DUTIES OF SUPERVISORY UNION BOARD

3 \* \* \*

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

15 \* \* \*

16 Sec. 5. 16 V.S.A. § 1691a is amended to read:

17 § 1691a. DEFINITIONS

18 As used in this chapter:

19 (1) “Administrator” means an individual licensed under this chapter the  
20 majority of whose employed time in a public school, school district,  
21 supervisory union, or ~~board of cooperative education services~~ educational

1 service area is assigned to developing and managing school curriculum,  
2 evaluating and disciplining personnel, or supervising and managing a public  
3 school system or public school program.

4 \* \* \*

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

11 Sec. 6. 16 V.S.A. § 1931(20) is amended to read:

12 (20) “Teacher” means any licensed teacher, principal, supervisor,  
13 superintendent, or any professional licensed by the Vermont Standards Board  
14 for Professional Educators who is regularly employed, or otherwise contracted  
15 if following retirement, for the full normal working time for the teacher’s  
16 position in a public day school or school district within the State, or in any  
17 school or teacher-training institution located within the State, controlled by the  
18 State Board of Education, and supported wholly by the State; or in certain  
19 public independent schools designated for such purposes by the Board in  
20 accordance with section 1935 of this title; or who is regularly employed by a  
21 ~~board of cooperative education services~~ educational service area created in

1 accordance with chapter 10 of this title. In all cases of doubt, the Board shall  
2 determine whether any person is a teacher as defined in this chapter. It does  
3 not mean a person who is teaching with an emergency license.

4 Sec. 7. 24 V.S.A. § 5051(10) is amended to read:

5 (10) “Employee” means the following persons employed on a regular  
6 basis by a school district, by a supervisory union, or by a ~~board of cooperative~~  
7 ~~education services~~ educational service area for not fewer than 1,040 hours in a  
8 year and for not fewer than 30 hours a week for the school year, as defined in  
9 16 V.S.A. § 1071, or for not fewer than 1,040 hours in a year and for not fewer  
10 than 24 hours a week year-round; provided, however, that if a person who was  
11 employed on a regular basis by a school district as either a special education or  
12 transportation employee and who was transferred to and is working in a  
13 supervisory union or a ~~board of cooperative education services~~ educational  
14 service area in the same capacity pursuant to 16 V.S.A. § 261a(a)(6) or (8)(E)  
15 and if that person is also employed on a regular basis by a school district  
16 within the supervisory union, then the person is an “employee” if these criteria  
17 are met by the combined hours worked for the supervisory union and school  
18 district. The term also means persons employed on a regular basis by a  
19 municipality other than a school district for not fewer than 1,040 hours in a  
20 year and for not fewer than 24 hours per week, including persons employed in

1 a library at least one-half of whose operating expenses are met by municipal  
2 funding:

3 \* \* \*

4 Sec. 8. 16 V.S.A. § 1981 is amended to read:

5 § 1981. DEFINITIONS

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

7 \* \* \*

8 (8) “School board negotiations council” means, for a supervisory  
9 district, its school board, and, for school districts within a supervisory union or  
10 ~~board of a cooperative education services~~ educational service area, the body  
11 comprising representatives designated by each school board within the  
12 supervisory union or ~~board of cooperative education services~~ supervisory  
13 union board within each cooperative educational service area and by the  
14 supervisory union board or board of ~~a cooperative education services~~  
15 educational service area to engage in professional negotiations with a teachers’  
16 or administrators’ organization.

17 (9) “Teachers’ organization negotiations council” or “administrators’  
18 organization negotiations council” means the body comprising representatives  
19 designated by each teachers’ organization or administrators’ organization  
20 within a supervisory district, supervisory union, or ~~board of cooperative~~

1 ~~education services~~ educational service area to act as its representative for  
2 professional negotiations.

3 Sec. 9. 21 V.S.A. § 1722 is amended to read:

4 § 1722. DEFINITIONS

5 As used in this chapter:

6 \* \* \*

7 (18) “School board negotiations council” means, for a supervisory  
8 district, its school board, and, for school districts within a supervisory union or  
9 ~~board of a cooperative education services~~ educational service area, the body  
10 comprising representatives designated by each school board within the  
11 supervisory union or ~~board of cooperative education services~~ supervisory  
12 union board within a cooperative educational service area and by the  
13 supervisory union board or ~~board of cooperative education services~~ educational  
14 service area to engage in collective bargaining with their school employees’  
15 negotiations council.

16 (19) “School employees’ negotiations council” means the body  
17 comprising representatives designated by each exclusive bargaining agent  
18 within a supervisory district, supervisory union, or ~~board of cooperative~~  
19 ~~education services~~ educational service area to engage in collective bargaining  
20 with its school board negotiations council.

21 \* \* \*

