



# Members Brief

An informational brief prepared by the LSC staff for members and staff of the Ohio General Assembly

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Volume 134 Issue 77  
January 26, 2023

## Joint Vocational School District Funding

Joint vocational school districts (JVSDs) are legal entities that provide career-technical education programs. JVSDs partner with associate school districts that may send students to their schools. There are 49 JVSDs in Ohio, educating approximately 2.7% of total public school students. JVSDs are funded with a formula that is similar to the formula for traditional districts. For FY 2022, funding to JVSDs totaled \$347.3 million.

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### Overview

All school districts are required to provide career-technical education for their students in grades 7-12.<sup>1</sup> Districts may do this through one of three ways: establishing their own program (referred to as a comprehensive district), contracting for the services (referred to as a compact), or becoming a member of a joint vocational school district (JVSD). The Ohio Department of Education has organized the provision of career-technical education throughout the state based on career-technical planning districts (CTPD), each with a “lead district” to coordinate the

<sup>1</sup> R.C. 3313.90.

career-technical services.<sup>2</sup> There are 92 CTPDs across the state. Ohio's 49 JVSDs represent 53% of CTPDs.

Statewide, enrolled average daily membership (ADM), the student count used for funding purposes, for JVSDs totaled 44,418 full-time equivalent (FTE) students in FY 2022, about 2.7% of total public school students. JVSDs typically educate students for the last two years of their high school careers.

## Funding overview

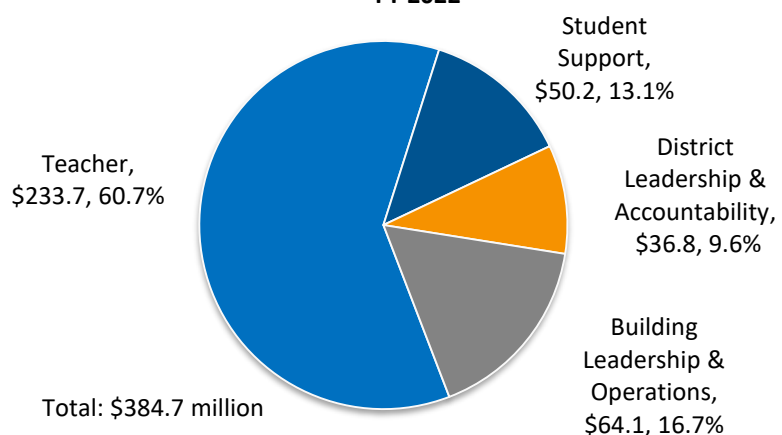
JVSDs combine the territory of their associate traditional school districts. Like a traditional school district, a JVSD has taxing authority. Levies must be approved by a majority of voters in the JVSD's territory and the same JVSD millage rate applies to all associate districts within a JVSD. A JVSD's ability to raise local revenues is also partly dependent on its property value. Since JVSDs are geographically larger but educate fewer students than traditional districts, their values per pupil are much higher and their average property tax rates are much lower than those of traditional districts.

JVSDs receive state operating funding through a separate formula similar to that used to fund traditional school districts. H.B. 110 of the 134<sup>th</sup> General Assembly established the current formulas for traditional districts and JVSDs for FY 2022 and FY 2023. Under the current formula, JVSDs receive a distribution for the state share of their base cost, additional categorical funds for students receiving career-technical or special education services or identified as economically disadvantaged or English learners, and guarantee funding if applicable. Unlike traditional school districts, JVSDs do not receive targeted assistance or gifted student funding. Additionally, the base cost and local share calculations for JVSDs differ somewhat from those used for traditional districts. Each component of the JVSD formula is described in more detail below.

## Base cost

Similar to traditional school districts, the formula calculates a base cost to educate JVSD students using the costs for teachers, student support, district leadership and accountability, and building leadership and operations. In general, these are calculated in the same manner for JVSDs as for traditional districts (for more information, see the [Base Cost Model](#) *Members Brief*). However, the base cost calculation for JVSDs (1) replaces the cost for special teachers (for classes in art,

Chart 1: Components of the JVSD Base Cost (\$ in millions), FY 2022



<sup>2</sup> R.C. 3317.023 (A)(1) and (2).

music, physical education, dance, drama, visual arts, etc.) with the cost for teachers focused on career preparation, student organization activities, and health and physical education but calculates the cost in the same manner, (2) repurposes the cost for academic and athletic co-curricular activities to instead be used for various staff needs particular to JVSDs, and (3) eliminates the minimum number of positions computed for purposes of a district's student wellness and success staffing cost component. The base cost for JVSDs totaled \$384.7 million in FY 2022. Chart 1 illustrates the proportion each of the four main components represent of the total base cost. The teacher base cost is the largest element, comprising \$233.7 million (61%).

The statewide average base cost per pupil for JVSDs amounted to \$8,891. This amount is referred to in the formula as the statewide average career-technical base cost per pupil and is used in the calculation of the career-technical education and associated services funds categorical add-on.

## State share of the base cost

Like the formula for traditional districts, the base cost is shared between state and local revenues. However, the JVSD formula differs somewhat from traditional districts in its calculation of the state and local shares. Instead of calculating a per-pupil local capacity amount, the JVSD formula calculates a local share of the base cost by multiplying  $\frac{1}{2}$  mill (0.05%) by the lesser of the district's three-year average valuation or its most recent annual valuation. This is largely consistent with the prior formula for JVSDs. The state share of the base cost for JVSDs generally is the base cost minus the local share. Similar to traditional districts however, a JVSD's state share of the base cost cannot be less than 5% of its base cost. In effect, this provision sets a floor of 5% for the state share percentage (see below). In FY 2022, no JVSD had state share percentage at the 5% floor. Overall, the state share of the base cost for JVSDs totaled \$288.2 million in FY 2022.

### State Share of the Base Cost

Total base cost = Teacher base cost + student support base cost + leadership and accountability base cost + building leadership and operations base cost

Local share =  
(Lesser of three-year average value or most recent annual value) x 0.0005

State share of the base cost =  
Greater of (Total base cost - local share) and (Total base cost x 0.05)

## State share percentage

To determine the state's share of the cost for career-technical education and associated services funds, special education additional aid, and English learner funds, the formula calculates a state share percentage for each JVSD by dividing the district's state share of the base cost by its total base cost. The resulting figure is multiplied by the calculated cost for each of the above components. JVSD state share percentages in FY 2022 ranged from 21% to 93%. The statewide weighted average was 75%.

## State Share Percentage

State share percentage = State share of the base cost / Total base cost

### Categorical components

Like traditional school districts, the current JVSD funding formula includes categorical add-ons that address the needs of students receiving special education services, career-technical education services, students who are economically disadvantaged, and English learners. The amount for these add-ons is determined for JVSDs similar to the way it is determined for traditional school districts. For example, the same category weights and statewide average base cost per pupil amounts are used for each component (see the [Categorical Add-On Aid to Ohio Schools](#) *Members Brief* for more information). Each JVSD's state share percentage is used to equalize its state funding for career-technical education, special education, and English learner funds. Like the formula for traditional school districts, disadvantaged pupil impact aid (DPIA) for economically disadvantaged students is not subject to the state share percentage. These add-on components are summarized below.

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In general, CTE, special education, and English learner categorical funds are each calculated as follows:

[Sum of (category student count x weighted category per-pupil amount)] x state share percentage

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### Career-technical education and associated services funds

Across all five career-technical education categories, career-technical FTEs at JVSDs statewide amounted to 36,552 in FY 2022, with \$107.9 million in funding. The graphic above shows the calculation of this funding, which multiplies the FTE for each category by each category's weighted per-pupil amount. Total funding equals the sum of each category result multiplied by the state share percentage.

Similar to the traditional school districts formula, JVSDs receive career-technical education associated services funds. These are calculated in the same way, based on a weighted per-pupil amount applied to the sum of a JVSD's career-technical FTE in categories one through five and equalized based on the state share percentage. The amount calculated for career-technical education associated services funds for JVSD students was \$7.1 million in FY 2022.

### Special education funds

Special education funds are calculated in a similar way to career-technical education funds. These funds are calculated by multiplying the ADM of each of the six special education categories by the respective weighted per-pupil category amount, the results of which are equalized by the state share percentage and then summed. Across all special education categories, special education ADM at JVSDs statewide amounted to 8,937 in FY 2022, while funding totaled \$49.7 million.

## English learner funds

As with the prior two add-on categories, English learner funds are calculated by multiplying the number of students in each of three English learner categories by the respective weighted per-pupil category amount, the results of which are equalized by the state share percentage and then summed. Across all three categories, JVSDs educated about 415 students identified as English learners statewide in FY 2022. English learner funding for these students totaled approximately \$311,600.

## Disadvantaged pupil impact aid

Unlike the prior categorical add-ons, DPIA for JVSDs is not equalized by the state share percentage. In FY 2022, JVSDs educated 12,761 students identified as economically disadvantaged.

### JVSD Disadvantaged Pupil Impact Aid

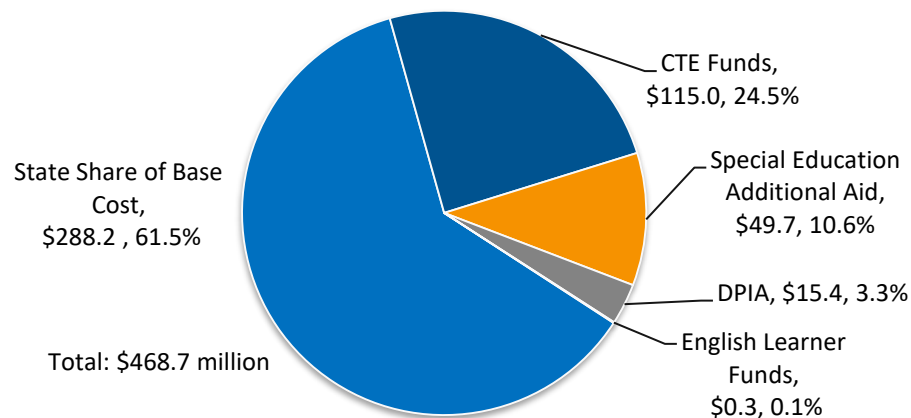
$$\text{District's DPIA} = \text{District's economically disadvantaged enrolled ADM} \times \\ \text{District's economically disadvantaged index} \times \$422$$

The percentage of economically disadvantaged students ranged from 0% to 100%, with a statewide weighted average of 28.7%. The resulting economically disadvantaged index (calculated by squaring the result of a JVSD's economically disadvantaged percentage divided by the state average percentage for JVSDs) ranged from zero to a high of about 12.1. Thus, the amount per economically disadvantaged pupil, in effect, ranged from \$0 to \$5,113 (\$422 x 12.12). JVSD DPIA funding statewide totaled \$15.4 million in FY 2022.

## Core foundation aid before phase-in

The amount calculated for the state share of the base cost, career-technical education and associated services funds, special education additional aid, English learner funds, and DPIA totaled \$468.7 million for JVSDs in FY2022. The chart below illustrates each formula component's share of funding for JVSDs in FY 2022. As the chart shows, the state share of the base cost is the largest component, at 61%. CTE funds make up 25% of JVSD funding. Other categorical components comprise about 14%. After the primary components of the funding formula are calculated, the formula adjusts a JVSD's funding through one or more provisions designed to limit large swings in state aid. These adjustments are described below.

**Chart 2: FY 2022 JVSD Core Foundation Aid Before Phase-in by Component (\$ in millions)**



## Phase-in

JVSD funding is subject to a phase-in like that for traditional districts in FY 2022 and FY 2023. In FY 2022, all components except for DPIA were phased-in at 16.67% while DPIA was phased-in at 0%. In FY 2023, the phase-in percentage for all components, including DPIA, increases to 33.33%. The phase-in amount is calculated by starting with FY 2020 foundation funding for these components prior to any reduction ordered by the Governor in response to the COVID-19 pandemic, then adjusting for open enrollment transfers into the district. Then, this amount is added to the product of the phase-in percentage and the difference between the amount calculated under the new formula and the FY 2020 amount. Overall, in FY 2022, the phase-in reduced foundation aid for JVSDs by \$122.4 million.

A JVSD's core foundation aid is the sum of its phased-in funding for the state share of the base cost, career-technical education and associated services funds, special education additional aid, English learner funds, and DPIA. In FY 2022, JVSD core foundation aid totaled \$346.2 million.

## Temporary transitional aid

JVSDs may receive temporary transitional aid like traditional school districts. In FY 2022, these funds generally guarantee a JVSD receives at least 100% of their FY 2020 foundation funding prior to any budget reductions and then adjusted for open enrollment transfers into the district. If a JVSD's core foundation aid is below this amount, temporary transitional makes up the difference. In FY 2022, two JVSDs received temporary transitional aid totaling \$116,250.

## Formula transition supplement

The formula transition supplement is another guarantee to ensure a district's foundation aid in FY 2022 and FY 2023 does not fall below FY 2021 levels. Specifically, the formula transition supplement guarantees that a JVSD's foundation aid is not less than the sum of (1) the foundation aid calculated for the district for FY 2021 before budget reductions then adjusted for open enrollment transfers into the district and (2) the district's student wellness and success funds for FY 2021. If the sum of a JVSD's core foundation aid and temporary transitional aid for a given

year is less than its FY 2021 funding, the formula transition supplement makes up the difference. The formula transition supplement totaled about \$935,000 for nine JVSDs in FY 2022.

## Final foundation aid

A JVSD's final foundation aid in each fiscal year is the sum of its core foundation aid plus the amounts computed for temporary transitional aid and the formula transition supplement. In FY 2022, final foundation aid for JVSDs totaled \$347.3 million. The statewide weighted average funding per pupil was \$7,819.

### JVSD Final Foundation Aid

Final foundation aid =  
Core foundation aid + temporary transitional aid + formula transition supplement

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