Joint Vocational Schools' SF3 Line-by-Line Document Pursuant to Provisions of AM SUB HB 119 Fiscal Years 2008 and 2009

The funding of joint vocational schools (JVS) in Ohio is a shared effort between the state and localities similar to the way traditional public schools are funded. The local source of funds for these entities is the property taxes raised by JVS member school districts. JVS state funding is formula based and is primarily a function of the number of students enrolled and the property valuation of the member school districts. Each JVS provides educational and career tech services to its member districts' students and receives state funding for them directly from the state.

As is the case with the traditional public school districts, the state funding of the JVSs is foundation-based, whereby a legislatively predetermined adequate per-pupil funding amount is multiplied by the JVS enrollment. From this base amount the charge-off portion which is the local share of the funding is subtracted to determine the state base cost funding amount. AM SUB HB 119 has completely eliminated the use of the cost of doing business factor from the foundation formula. Additionally, HB 119 also eliminates the calculation of the formula aid guarantee which HB 66 had installed in FY06 and FY07. The law also continues the funding of the JVSs for special education students in addition to the formula aid funding based on six different weights plus an additional amount for Speech Only related services. JVSs also receive career tech weighted funding for students participating in these programs in addition to formula aid funding plus unit funding for the Graduation Reality and Dual-Role Skills (GRADS) program. The provisions of HB 119 continue the application of the Transitional Aid Guarantee to the foundation formula calculation which HB 66 had installed in FY06 and FY07. This funding component prevents JVSs from receiving less in state formula funding than they had received the previous year.

The following highlights the major changes provisions of AM SUB HB 119 have incorporated in the formula funding of JVSs.

- Foundation levels or the per-pupil funding amounts for FY08 and FY09 were established at $5,565 and $5,732 respectively. These amounts represent a 3.0 percent increase from the respective previous years' amounts.
- The cost of doing business factor has been eliminated from the foundation formula altogether.
- AM SUB HB 119 has also eliminated the formula aid guarantee AM SUB HB 66 had installed in FY06 and FY07.

AM SUB HB 66 introduces a number of changes in the tax law that affect the state funding of the JVSs. The most prominent of these changes is the annual phase down of the assessment rate of all general tangible values to zero by tax year 2011. Since the property valuation base of JVSs is the combined property valuation of the member school districts and the member school districts are affected by the tax law changes, the funding of JVSs is also affected by these changes. For a more detailed explanation of the tax law changes, you can refer to the SF3 Line-by-Line document provided for cities, exempted villages and local school districts by selecting the link to *District SF-3 Reports* at:

http://www.ode.state.oh.us/GD/Templates/Pages/ODE/ODEDetail.aspx?page=3&TopicRelationID=1001&ContentID=10849&Content=37187

Line-by-Line SF3 Formula Funding for FY09

Before discussing the JVS SF3 form, please note that in an attempt to simplify things the same SF3 document is used for JVSs as is used for city, exempted village and local school districts. As a result there are some data elements and funding calculations reflected on this generic SF3 document that do not apply to JVSs. In these cases a '0' or the abbreviation 'N/A' is given to indicate the funding components are irrelevant in this context and of course no explanation for them is provided either.

ADM [Lines 1A to 1F, Line 1I and 1K, Line 2 & Line 3 of the SF3] pursuant to provisions of Section 3317.03(D) & Section 3317.013 - These lines reflect the number of students that reside in JVS member school districts and attend the JVS on an FTE basis. Lines 1A to 1F show the number of special education students that are included in the formula ADM based on their FTE number who are also eligible to receive additional special education funding based on their handicapping category weights. The special education weights for each category are given below:

Category	Weight
Category 1 – Speech Only	0.2892
Category 2 – LD, DH and Other Health (minor)	0.3691
Category 3 – Hearing Impaired, Visually Impaired & SBH	1.7695
Category 4 – Other Health (major), Orthopedic	2.3646
Category 5 – Multi-handicapped	3.1129
Category 6 – TBI, Deaf-blind and Autistic	4.7342

Line 1I gives the FTE of all other students attending the JVS. Line 2 provides the total FTE number of all students. This total is referred to as the Formula ADM which also appears on Line 3 of the SF3 and is the enrollment base for the formula aid calculation. The law provides for JVSs to compile the formula ADM count of their students during the first full weeks of October and February on an FTE basis and send the information to the Ohio Department of Education. The October and the February counts are annualized based on a compilation methodology that includes 75 percent of the October count and 25 percent of the February count.

Formula ADM includes any student who receives educational services from the JVS including students enrolled in a community school who are attending the JVS under an agreement that entitles them to attend the JVS.

ADM		K	1-12	Total
1A.	Special Ed Category 1	N/A	0.00	0.00
1B.	Special Ed Category 2	N/A	126.62	126.62
1C.	Special Ed Category 3	N/A	20.26	20.26
1D.	Special Ed Category 4	N/A	1.88	1.88
1E.	Special Ed Category 5	N/A	8.38	8.38
1F.	Special Ed Category 6	N/A	8.84	8.84
1G.	JVSD,JVSD Spec Ed	N/A	N/A	N/A
1H.	Non-Jnt OE JVSD, JVSD Spec Ed	N/A	N/A	N/A
1I.	All Other Students	N/A	374.61	374.61
1J.	MRDD	N/A	N/A	N/A
1K.	Ed. Choice	N/A	N/A	N/A
2.	Total	N/A	540.59	540.59

3. Formula ADM (Line 2) 540.59

Recognized Valuation [Line 4A of the SF3] pursuant to provisions of Section 3317.021(D)(1)(2) & Section 3317.015 - This is the sum total of recognized property valuation of all taxpaying member school districts of a JVS. A member school district located in a county that is due for update or reappraisal of real properties has its valuation increases phased into the charge-off valuation calculation over a three year time period in order to prevent big valuation increases occurring all in one year. Recognized property valuation serves as the basis for the charge-off amount calculation without any further adjustments.

4A. Recognized Valuation $5,194,123,298.00

Local Charge-off [Line 4B of the SF3] pursuant to provisions of Section 3317.16(B) - This is the local share of the adequate funding or the base cost funding amount due a JVS. The law provides that the sum total of recognized property valuations of the tax paying member school districts of a JVS be multiplied by the charge-off millage of 0.5 mill to yield the local share of the base cost funding.

4B. Local Charge Off (Recognized Valuation * .0005) $2,597,061.65

$5,732 X Line 3 [Line 5A of the SF3] pursuant to provisions of Section 3317.16(B)(1) - This is what is known as the adequate funding amount through which each JVS receives the foundation amount times the enrollment figure presented on Line 3. The foundation amounts are $5,565 and $5,732 in FY08 and FY09 respectively. The product of this calculation is the minimum funding each JVS should receive from state and local sources combined for its students.

5A. 5,732 * Line 3 $3,098,661.88

Formula Aid [Line 6 of the SF3] pursuant to provisions of Section 3317.16 - This is the state share of the adequate funding amount that appears on line 5A. The state share is calculated by subtracting from the adequate funding amount (line 5A) the local charge-off amount (line 4B).

6. Formula Aid ((Line 5A – Line 4B) $501,600.23

Base Cost Funding [Line 9 of the SF3] pursuant to provisions of Section 3317.16(B) – This is basically the formula aid calculated on line 6 plus Poverty Based Assistance (PBA) and Parity Aid. However as JVSs do not receive PBA and Parity Aid, we treat these funding components as having values of zero.

9. Base Cost Funding (Line 6) $501,600.23

State Share Percentage [Line 10 of the SF3] pursuant to provisions of Section 3317.16(A) **-** If a JVS is eligible to receive base cost funding as calculated on line 9 then that amount is divided by the adequate funding amount (line 5A) to obtain the state share percentage. Obviously if a JVS does not receive any base cost funding on line 9 then the state share percentage will amount to zero. The state share percentage which indicates the extent to which the state is obligated to provide base cost funding is utilized in calculation of the weighted special and career tech education funding as the basis for state contribution.

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10.   State Share % (Line 9 / Line 5A)                                          16.19.00%
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Special Education Weighted Amount [Line 11 of the SF3] pursuant to provisions of Sections 3317.022 & 3317.16(D) **-** In addition to basic cost funding, JVS students identified as special needs students (students with IEPs) are eligible to generate additional funding based on weights developed for students classified into six broad categories of special need. Special education categories and their respective weights are given in the explanation of line 1A to 1F above. To calculate the special education weighted component of the SF3, the number of students in each special need category is multiplied by the weight of that category times the foundation amount times the state share percentage shown on line 10. In this example based on the distribution of students given on lines 1A to 1F, the following calculations are generated for FY09:

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Special Ed Category 1 Funding:  0.00 X $5,732 X 0.2892 X (16.19/100) X 0.9 =       $0.00
Special Ed Category 2 Funding:126.62 X $5,732 X 0.3691 X (16.19/100) X 0.9 =  $39,033.90
Special Ed Category 3 Funding: 20.26 X $5,732 X 1.7695 X (16.19/100) X 0.9 =  $29,942.33
Special Ed Category 4 Funding:  1.88 X $5,732 X 2.3646 X (16.19/100) X 0.9 =   $3,712.88
Special Ed Category 5 Funding:  8.38 X $5,732 X 3.1129 X (16.19/100) X 0.9 =  $21,787.37
Special Ed Category 6 Funding:  8.84 X $5,732 X 4.7342 X (16.19/100) X 0.9 =  $34,953.80
Total Weighted Special Education Funding                                    = $129,430.28
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Presently the law provides for the weights to be phased in at 90 percent of their full value, hence the application of 0.9 in the above formulae.

The weighted special education funding that appears on line 11 of the SF3 reflects the amount calculated above plus and additional amount referred to as ‘Funding for Speech Language Pathology Services.’ This is to pay for special education related services by employing one personnel for every 2,000 students in formula ADM based on a statewide compensation figure and the state share percentage of the JVS. To calculate this funding component, formula ADM is divided by 2,000 with the result multiplied by the personnel allowance of $30,000. Based on our example here this component is calculated as follows:

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(540.59 / 2,000) X $30,000 X (16.19 / 100) = $1,312.82
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The two amounts calculated in this section are added together to obtain the total weighted special education funding that appears on line 11.

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11.   Special Education Weighted Amount ($129,430.28 + $1,312.82)                $130,743.10
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Career Tech Education Weighted Amount [Line 12 of the SF3] pursuant to provisions of Sections 3317.022, 3317.16(C) 3317.024 **-** In addition to basic formula funding, JVS students who receive instructions in career tech programs are eligible to generate additional funding based on the FTE of the time attending these programs and weights developed for the two categories of

career tech programs. The two career tech program categories are Work Force Development (WFD) and Other Programs (OP). The WFD weight is set at 0.57 and the weight for OP is set at 0.28. In addition to these, all career tech FTEs also generate funding for associate services based on a weight of 0.05. The weighted amount calculation for career tech is identical to the calculation of the special education weighted funding explained above. Assuming our JVS has 497.37 FTE in WFD and 0 FTE in OP, the calculation of the weighted career tech funding in FY09 will be as follows:

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Workforce Development:         497.37 X 0.57 X $5,732 X (16.19/100) = $263,091.90
Other Programs:                          0 X 0.28 X $5,732 X (16.19/100) =  $0.00
Associated Services:  (497.37 + 0.00) X 0.05 X $5,732 X (16.19/100) =  $23,078.24
Total Weighted Funding:                                                 $286,170.14
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In addition to the weighted career tech education funding, the law also provides for the calculation of a funding amount targeted to pregnant and parenting students. This unit based calculation is known as the Graduation, Reality And Dual-role Skills (GRADS) and is distributed to JVSs as part of their weighted career tech funding through a formula that utilizes the FTE number of teachers providing the service, the statewide average salary of such teachers which in FY08 and FY09 has been determined to be $47,555 and the state share percentage. If our JVS has 2.4 FTE of GRADS teachers, then the calculation for this funding component is:

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GRADS Funding: 0.75 X $47,555 X (16.19 / 100) = $5,774.37
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12.   Career-Technical Education Weighted Amount ($286,170.14 + $5,774.37)          $291,944.51
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Total State Basic Aid [Line 15 of the SF3] - This is the total of funding components calculated on lines 9, 11 and 12.

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15.   Total State Basic Aid (Line 9 + Line 11 + Line 12)                            $924,287.84
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Transitional Aid Guarantee [Line 19 of the SF3] pursuant to provisions of Section 269.30.90 - This is the mechanism designed to prevent the total SF3 funding of a JVS in the current year to fall below the amount the JVS received in the previous year. Total SF3 for the purposes of this calculation in the current year is the funding amount that appears on line 15 which is comprised of all of the funding components described above [i.e. Base Cost Funding (line 9); Special Education Weighted Amount and Related Services Amount including Speech Services Funding (line 11) and Career Technical Weighted Funding (line 12)]. This amount from the current year is compared with the comparable amount from the previous year plus any transitional aid guarantee the JVS may have received in the previous year and if the current year amount is less than the previous year amount the difference is given to the JVS.

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19.   Transitional Aid Guarantee                                                  $1,319,842.98
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Total State Foundation Aid [Line 21 of the SF3] - This is the total SF3 calculation including any transitional aid guarantee calculated on line 19.

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21.   Total State Foundation Aid (Line 15 + Line 19)                               $2,244,130.82
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Transfers and Adjustments [Lines 22A to 22F of the SF3] **-** Amounts reflected on these lines are the sums by which Total State Foundation Aid (line 21) is adjusted. These include adjustments for:

Education Service Center Deduction [Line 22A of the SF3] pursuant to provisions of Section 3317.11 **-** This is an amount that is subtracted from Total State Foundation Aid of the JVS for services provided to the JVS by an Education Service Center (ESC) for special education and related services as well as career technical education services.

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22A.   ESC Deduction                                                    $0.00
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Open Enrollment Adjustment [Line 22D of the SF3] pursuant to provisions of Section 3313.981 **–** This is an amount added to Total State Foundation Aid of a JVS for additional students in attendance through an open enrollment agreement between the JVS resident school district and the recipient district of the JVS itself. There are three different scenarios that cover open enrollment transfers.

<u>Scenario 1 – District 'A' resident student open enrolls to district 'B' and then attends the JVS. Both districts are in the same jointure</u>

- Student is counted in the ADM of district 'A' as an open enrollment jointure JVS student.
- As with all other resident JVS students 80 percent of the FTE is deducted on line 3 of the resident district's SF3.
- 20 percent of the foundation amount for this student is transferred from district 'A' to district 'B' via open enrollment adjustment.
- The JVS counts this student in its ADM and receives full funding on the SF3 from the state.
- No open enrollment transfer is made to the JVS.

<u>Scenario 2 – District 'A' resident student open enrolls to district 'B' and then attends the JVS. District 'A' is not in the same jointure as district 'B'</u>

- Student is counted in the ADM of district 'A' as an open enrollment non jointure student.
- Unlike jointure students 80 percent of the FTE is not deducted on line 3 of the resident district's SF3 so the student will generate full funding for the resident district.
- 20 percent of the foundation amount for this student is transferred from district 'A' to district 'B' via open enrollment adjustment.
- 80 percent of the foundation amount for this student is transferred from district 'A' directly to the JVS via open enrollment adjustment.
- The state provides 20 percent of the foundation amount for this student to the JVS.
- The JVS does not count the student in its ADM for SF3 funding.

<u>Scenario 3 – District 'A' resident student open enrolls directly in the JVS. District 'A' is not in the JVS jointure</u>

- Student is counted in the ADM of district 'A' as an open enrollment non jointure student.

- As was the case in the previous scenario 80 percent of the FTE is not deducted on line 3 of the resident district's SF3 so the student will generate full funding for the resident district.
- 20 percent of the foundation amount stays with the resident district.
- 80 percent of the foundation amount is transferred to the JVS via open enrollment adjustment.
- The state provides 20 percent of the foundation amount for this student to the JVS.
- The JVS does not count this student in its ADM for SF3 funding.

22D. Open Enrollment $0.00

Other Adjustments [Line 22E of the SF3] pursuant to provisions of Section 3317.023(K) & Section 3317.20(D) - This is an adjustment to the JVS SF3 for educational services provided by the JVS to another educational entity. The adjustment takes the form of the sum of the formula amount plus the per pupil building blocks amount of the resident district. In addition to this calculation the JVS also receives weighted special and career tech education funding based on the state share percentage of the resident school district. In addition to this adjustment JVS SF3 can also be adjusted for services provided by a county MRDD board for approved special education and related services units.

22E. Other Adjustments $0.00

Member Districts Associated Services Adjustment [Line 22G of the SF3]pursuant to provisions of Section 3317.16(C)(2) – This is a positive adjustment to the JVS SF3 for services the JVS provides to associated school districts and community schools for career tech services as a lead district. School districts and community schools that receive these services have a portion of their SF3 funding transferred to the lead JVS as compensation for the service. The calculation of this amount is based on a part of the formula used for the calculation of the weighted career tech funding shown on line 12 and it is done for each school district that is receiving such services from the JVS based on their respective number of students in career tech program and their state share percentages, i.e.

DISTRICT	CAT 1	CAT 2	COMM CAT 1	COMM CAT 2	WEIGHT	PER PUPIL	STATE SHARE %	FUNDING
School District A:	(23.85 +	88.05) +	(0.00 +	0.15) X	0.05 X	$5,732 X	(12.00/100) =	$3,853.62
School District B:	(00.03 +	12.11) +	(0.00 +	2.60) X	0.05 X	$5,732 X	(00.00/100) =	$0.00
School District C:	(07.72 +	00.14) +	(0.00 +	1.38) X	0.05 X	$5,732 X	(10.77/100) =	$285.21
School District D:	(20.01 +	56.39) +	(0.00 +	0.82) X	0.05 X	$5,732 X	(16.96/100) =	$3,753.46
School District E:	(30.94 +	43.13) +	(0.00 +	1.17) X	0.05 X	$5,732 X	(13.29/100) =	$2,865.83
School District F:	(51.85 +	53.48) +	(0.00 +	0.51) X	0.05 X	$5,732 X	(40.30/100) =	$12,224.50

Total for Transfer to JVS = $22,982.62

22F. Associated Services (member) $22,982.62

Total Funding [Line 23 of the SF3] – This is simply the total of the line 21 and line 22A through line 22G.

23. Total Funding (Line 21 through Line 22F) $2,267,113.44

Disclosure Items [Line 24A to 24N of the SF3] – These are information provided for clarification and to fulfill the funding requirements of the law.

24A.	Disclosure Items:	CTA Category 1 FTE (.57 weight)	497.37
24B.		CTA Category 2 FTE (.28 weight)	0.00
24C.		CTS GRADS FTE	0.75
24D		State Education Aid [ORC 5751.20(A)]	$2,244,130.82
24E.		FY1999 Funding	$2,244,130.82
24F.		FY2000 Total From JVS SF3	$2,262,863.17
24G.		FY2001 Total From JVS SF3	$2,288,651.97
24H.		FY2002 Total From JVS SF3	$2,272,166.74
24I.		FY2003 Total From JVS SF3	$2,267,348.06
24J.		FY2004 Total From JVS SF3	$2,269,456.15
24K.		FY2005 Total From JVS SF3	$2,274,902.44
24L.		FY2006 Total From JVS SF3	$2,273,730.42
24M.		FY2007 Total From JVS SF3	$2,274,153.32
24N.		FY2008 Total From JVS SF3	$2,265,709.53

Please refer all questions to:

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