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H.B. 500
136th General Assembly

Fiscal Note & Local Impact Statement

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Version: As Introduced

Primary Sponsors: Reps. T. Mathews and Ritter

Local Impact Statement Procedure Required: No

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Highlights

- The bill may increase state foundation aid and school district revenues by allowing a school district to designate a Junior Reserve Officer Training Corps (JROTC) program as part of the district's career-technical education (CTE) program and requiring the Department of Education and Workforce to approve such a designated program for CTE categorical funding through the school funding formula. The increases may be in the millions of dollars annually if all school districts with existing JROTC units opt to designate them as CTE programs.
- The bill may increase a district's federal revenues for CTE programs, depending in part on whether those programs are included in federally approved state and local plans as recognized CTE programs of study. DEW and participating school districts may incur administrative expenses as a result of this approval process.

Detailed Analysis

JROTC overview

According to the Department of Education and Workforce (DEW), Junior Reserve Officer Training Corps (JROTC) programs combine classroom instruction and community service and offer relevant experience for students interested in joining the military. School districts interested in hosting a JROTC unit must apply to the respective military branch. JROTC programs are primarily funded by the federal government through the Department of Defense. JROTC instructor salaries are typically paid by the host school, with the military branch reimbursing 50% of the cost. The military branch establishing the JROTC unit provides curriculum materials, equipment, uniforms, and transportation where available. The host schools may incur costs for facilities, administrative support, and any transportation and equipment not covered. Currently,

a total of 63 JROTC units are in operation across the state: 58 units operated 44 traditional school districts, four units operated by two joint vocational school districts (JVSDs), and one unit operated by a community school.

State career-technical education categorical funding

The bill allows a school district that offers a JROTC program to designate it as a career-technical education (CTE) program and requires DEW and the lead district of each career-technical planning district (CTPD) to approve designated JROTC programs for CTE categorical funding through the school funding formula. Thus, the bill may increase state foundation aid and school district revenues. The bill requires DEW to determine the appropriate CTE funding category for JROTC programs for the purpose of calculating a school district's CTE funding. Currently, there are five funding categories, three of which house various workforce development programs while the other two are for career-based intervention and family and consumer science programs. Each CTE funding category is assigned a weight, which is multiplied by the career-technical base cost per pupil for the fiscal year to determine per-pupil CTE funding. The three CTE workforce development program categories are assigned weights ranging from 0.1830 to 0.6230. CTE students also generate CTE associated services funding with a weight of 0.0294. Based on the current CTE base cost per pupil of \$9,856, the weighted per-pupil CTE amounts for JROTC programs range from \$1,804 to \$6,140 plus about \$290 for associated services. However, the school funding formula equalizes CTE categorical funding by applying a district's state share percentage so that lower wealth school districts receive higher per-pupil amounts of state aid. Based on preliminary data for FY 2026, the weighted average state share percentage of the 44 traditional school districts currently hosting a JROTC unit is 44% while the weighted average for the two JVSDs is about 70%.

Nationally, enrollment in each JROTC unit averages about 139 students.¹ Currently, federal law sets the minimum number of students necessary for a JROTC unit at 100 but recent federal legislation, the National Defense Authorization Act for FY 2025 (NDAA for FY 2025), reduces the minimum to 50 students beginning in October 2026. If the national average is representative of Ohio, an estimated 8,647 Ohio school district students participate in JROTC units (~139 students per unit x 62 school district units). In general, students are counted for CTE categorical funding purposes based on the length of time a student is enrolled in the course, the course's number of hours of scheduled instruction, and the number of hours in the school calendar (set at 1,080 for schools that are not community schools). Typically, JROTC courses run the full school year and are comprised of 180 contact hours more or less. If we assume a student is enrolled at one school in a JROTC course for the full school year, the CTE full-time equivalent (FTE) for the student is likely to be around 0.167 (180 contact hours ÷ 1,080 hours). This suggests that there would be 1,441 Ohio JROTC CTE FTEs statewide (8,647 participants x 0.167 FTE) if all districts opt to designate their units as CTE programs. The amount of additional state foundation aid and district revenues generated by the bill will depend on the CTE funding category DEW chooses. As shown in the table below, the statewide annual amount could vary from over

¹ Derived from data presented in the Congressional Research Service's [Defense Primer: Junior Reserve Officers' Training Corps \(PDF\)](#), which may be accessed by conducting a keyword "IF11313" search on the U.S. Congress website: [congress.gov](https://www.congress.gov).

\$1 million to over \$4 million before any funding guarantees are applied. The amounts shown include additional CTE associated services funds.

Projected Statewide Career-Technical Education Additional Aid (in millions) Before Funding Guarantees for JROTC Units Under CTE Funding Category Scenarios							
District Type	JROTC Units	Est. Student Count	Est. CTE FTE	Avg. State Share	Category 1 Scenario (\$6,140 Per Pupil)	Category 2 Scenario (\$5,820 Per Pupil)	Category 4 Scenario (\$1,804 Per Pupil)
Traditional	58	8,089	1,348	44.0%	\$3.8	\$3.6	\$1.2
JVSD	4	558	93	69.9%	\$0.4	\$0.4	\$0.1
Total	62	8,647	1,441		\$4.2	\$4.0	\$1.4

Actual amounts may be different than those shown in the table for several reasons. Student participation in Ohio and FTE counts may be higher or lower than estimated. Also, amounts may be higher in future years if the school funding formula's base cost inputs are updated to more recent data. On the other hand, as stated earlier, the amounts shown in the table above are before any funding guarantees, which ultimately ensure a district's state aid in FY 2026 or FY 2027 does not fall below what it received in FY 2021. For a district on a guarantee to actually receive any additional state funding, the change would have to increase the district's state aid by more than the guarantee payment.

Further, the bill may incentivize the creation of additional JROTC units. However, in addition to new units needing military branch approval, federal law limits the number of JROTC units nationwide. The NDAA for FY 2025 increased the minimum and maximum number of units by 100 each, to 3,500 and 4,100 units beginning in October 2026, respectively. Based on the information provided by the Congressional Research Service, there are about 3,500 units operating nationwide across all services.

Potential federal funding

A school district designating its JROTC unit as a CTE program may also be able to receive federal Perkins Act funding for it. Perkins Act funds provide formula grants to school districts and postsecondary institutions for CTE programs. However, a district that designates a JROTC unit as a CTE program will not automatically be eligible for Perkins Act funding. JROTC unit eligibility for Perkins Act funds will depend on the inclusion of the JROTC program as a program of study in the state's federally approved Perkins Act plan, which must be submitted at least every four years. Although Ohio's most recent Perkins plan was approved in 2024, states may also submit annual revisions as needed. To qualify JROTC units for Perkins Act funding before the next full plan cycle, DEW will need to revise the state plan to demonstrate that JROTC instruction meets CTE criteria and required program quality indicators.

Perkins Act allocations are distributed to the lead district of each CTPD and then allocated locally based on approved applications. As part of this local application process, school districts must complete a comprehensive local needs assessment (CLNA) and a budget for their Perkins

allocations. The CLNA must engage local stakeholders and demonstrate that programs of study align with community employment needs and labor market data. Both DEW and eligible school districts may incur administrative expenses related to developing and revising state and local plans to include JROTC programs.