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H.B. 500
136th General Assembly

Fiscal Note & Local Impact Statement

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Version: As Reported by House Education

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) or National Defense Cadet Corps (NDCC) program as part of the district's career-technical education (CTE) program and requiring the Department of Education and Workforce to include such designated programs in the calculation of 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 or NDCC programs opt to designate them as CTE programs.

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.

National Defense Cadet Corps (NDCC) programs are similar in structure and purpose to JROTC programs but are not federally funded. NDCC programs are approved by a U.S. military branch but are fully funded by the host district or school.

Currently, a total of 63 JROTC units are in operation across the state: 58 units operated by 44 traditional school districts, four units operated by two joint vocational school districts (JVSDs), and one unit operated by a community school. DEW does not collect data on NDCC programs that operate in Ohio. While it is unclear how many NDCC units are currently active in Ohio, it is likely that number is much smaller than the number of JROTC units based on some national information contained within a January 2026 U.S. Government Accountability Office (GAO) report. Across the country and all military branches, military officials reported to the GAO that there were 102 NDCC units at the start of the 2025-2026 school year, or 3% of the number of JROTC units nationally.

State career-technical education categorical funding

The bill allows a school district that offers a JROTC or NDCC program to designate it as a career-technical education (CTE) program and requires DEW to include designated programs in the calculation of 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 and NDCC 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 and NDCC 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.

Due to data limitations with respect to NDCC units in Ohio, the remainder of this analysis will focus on the fiscal effect of allowing JROTC units to generate CTE funding. Actual increases in state foundation aid may be higher to the extent that NDCC units operate in Ohio and generate CTE funding.

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. NDCC units appear to have similar minimums. 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

[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.

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 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 or NDCC programs. 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.

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