



ARIZONA STATE SENATE

Forty-ninth Legislature, First Regular Session

PROGRAM PRESENTATION

Average Daily Membership – Joint Technological Education District

Background

A Joint Technological Education District (JTED) is a cooperative effort between two or more school districts to provide education in specialized vocational and technological courses in order to supply students with sufficient skills for entry into occupations that normally do not require a postsecondary degree. First authorized by Laws 1990, Chapter 248, for the purposes of improving vocational education and providing the required specialized instruction more cost efficiently, there are currently 11 JTEDs statewide (see below).

Formation & Governance – After conducting a needs-assessment for the intended geographical area, school districts interested in forming a JTED submit plans for establishing and operating the JTED to the governing board of each participating district. Once approved by the governing boards, the plan must then receive approval from the State Board of Education (SBE). The voters in each participating district must approve the formation following the receipt of SBE approval in the next general election, including the additional tax rate levied by JTEDs (a maximum of \$.05). Districts may also choose to join an established JTED upon approval of the voters or withdraw from a district with governing board approval. JTEDs are governed by a joint board consisting of five members elected from five single member districts formed within the joint district. The boundaries of these districts are set so they are approximately equal in population and generally follow election precinct lines.

Operation – A JTED operates under one of the following organizational models: central, satellite or a combination. In a JTED using the central model, the member districts send students to a centralized facility for instruction. Currently, three JTEDs operate under the central campus model. Under the satellite model, the member districts provide the instruction and facilities for the JTED courses. Satellite courses account for the majority of the enrollment growth experienced by JTEDs in the last five years.

Funding – JTEDs receive funding through local, state, county and federal monies. Similar to the formula used by traditional school districts, JTED funding is based on student enrollment and the costs are shared between the state and local funds. A JTED may levy a rate of five cents per \$100 of secondary net assessed property valuation to generate the local contribution. Any amount needed to fund the required formula above the amount generated through the local tax is funded through state funds. JTEDs pass through a portion of the funding received for satellite courses to their member districts. Students enrolled attending courses at both a JTED and a member district generate funding for both districts. JTED state aid was capped in FY 2005-2006 at the greater of its FY 2004-2005 funding level or twice the amount that the \$.05 tax levy would generate. A modified cap was continued in FY 2006-2007, allowing for a two percent increase over FY 2005-2006.

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Reforms – A moratorium placed on the formation of new JTEDs was enacted by the Legislature in 2002 exempting those districts in the midst of forming, although the average daily membership (ADM) grew significantly in the existing JTEDs. In 2004, the Auditor General completed an analysis of two JTEDs: EVIT and NAVIT. The report found that each had converted a majority of the high school courses offered in their member districts to satellite courses without making substantive changes, resulting in higher state aid funding. Additionally, the Auditor General found that in some cases student enrollment figures had been overstated and made recommendations to avoid state fiscal impacts. The Legislature enacted significant changes to the JTED statutes in Laws 2006, Chapter 341, including continuation of the state funding cap, property tax limitations, specified course requirements and additional reporting requirements.

Fiscal Information

ADM growth and state funding support for JTEDs:

Fiscal Year	# of JTEDs	ADM	% ADM Increase	Funding
FY 2002	8	5,380	109.7%	\$18,474,400
FY 2003	8	7,202	33.9%	\$20,565,000
FY 2004	10	10,392	44.3%	\$36,720,800
FY 2005	10	13,822	33.0%	\$42,177,200
FY 2006	10	15,670	13.4%	\$66,041,500
FY 2007	10	17,149	9.4%	\$56,940,500
FY 2008	11	20,771	21.4%	\$72,994,236

NOTES: Data from Arizona Department of Education's Annual Report, funding includes all state funds not just basic state aid.

Current JTEDs and FY 2008 ADM:

JTED	FY 2008 ADM
Cochise Technology District	495.628
Coconino Association for Vocation Industry & Technology (CAVIAT)	471.458
Gila Institute for Technology	381.840
East Valley Institute of Technology (EVIT)	6,898.018
Western Maricopa Education Center (West-MEC)	5,025.303
Northeast Arizona Technological Institute of Vocational Education (NATIVE)	821.753
Northern Arizona Vocational Institute of Technology (NAVIT)	1,363.530
Pima County	4,091.580
Central Arizona Valley Institute of Technology (CAVIT)	755.823
Cobre Valley Institute of Technology (CVIT)	129.753
Valley Academy for Career & Technical Education (VACTE)	336.328

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FY 2008-2009 Budget Action

JTEDs will receive a proportionate budget reduction due to the statewide reductions for the base support level (\$98,198,000) and the soft capital allocation (\$21,000,000) contained in S.B. 1006. Any JTED with an ADM of 600 or less is exempt from these reductions.

Committee Activity

The Committee on Education, Accountability & Reform held a presentation on Wednesday, February 4, 2009, to review JTEDs and their ADM counts. The topics discussed were:

- What are JTEDs?
- How JTEDs, member districts and charter schools share ADM.
- When a JTED student can be counted as more than one ADM.

Attachments

Senate Research Staff Power Point presentation from Wednesday, February 4, 2009.

Prepared by Senate Research
February 9, 2009
SM/jas