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Cleveland Municipal School District

Senate Finance Committee

HB 110: School Funding Reform Provisions-Proponent Testimony

Derek M. Richey, Chief Financial Officer, Cleveland Municipal School District

May 17, 2021

Chairman Dolan and Ranking Member Sykes, on behalf of the Cleveland Municipal School District (CMSD) I appreciate the opportunity to share with you testimony in support of the Fair School Funding Plan provisions contained within HB 110.

I am the Chief Financial Officer (Treasurer) of the Cleveland Municipal School District (CMSD). CMSD serves 35,000 students and is one of the fastest improving school district in Ohio. We have increased graduation rates by 27.9% points over the past decade, which makes CMSD the 4th fastest improving of any Ohio district, and our graduation rate for Hispanic and African-American students exceed the State average by 5.4% points and 5.9% points, respectively. By 2014 and 2019, CMSD was in the top 15% in K-3 literacy improvement and we have expanded our enrollment in high-quality early childhood by 71.6%.

We believe with fair and equitable resources these gains can be sustained and built upon. As such, we support the direction of the Fair School Funding Plan. We thank the broad coalition of legislators, superintendents, and treasurers who have worked tirelessly over the past three years to analyze, construct, iterate, and propose this methodology.

While we generally support the philosophy, direction, and principles of the Fair School Funding Plan, we are particularly enthusiastic about certain components that increase transparency and equity.

- We strongly support the input-based approach that calculates the actual costs associated with providing well-rounded educational opportunities to Ohio students.
- We believe strongly that student need should drive school funding, while also recognizing “need” is hard to calculate. There is no perfect or agreed upon definition of “need” or how to differentiate it, so we applaud and support the research-based approach within the Fair School Funding Plan to identify weights for economically disadvantaged, students with disabilities, and English language learners. Furthermore, we support the methodology to differentiate need based on the concentration of economically disadvantaged students.

- We strongly support the formula's approach to funding students where they are educated rather than maintaining the complicated and opaque system of deductions for community schools and scholarship programs.
- We support the formula's approach to determining local capacity, which is also very hard to define and quantify. Specifically, we support the incorporation of taxpayer wealth as an additional factor to determine local capacity. We believe this additional measure adds much-needed nuance to assessing the true capacity of a local district to support providing a quality academic and enrichment experience for students. In addition to the inclusion of taxpayer wealth, we think this approach reflects an improvement on the State Share Index methodology where the local capacity of one district is impacted by fluctuations of capacity in another.

Furthermore, we believe the Fair School Funding Plan increases the transparency, visibility, and understanding of how and why districts receive different allocations and how State resources are allocated to traditional districts, community schools, and voucher programs. We welcome this transparency and believe it can enable more authentic and reliable comparisons of resource use and outcomes.

In closing, on November 3, 2020, CMSD taxpayers renewed a 15-mill levy and approved an additional 5.0 mills. In the midst of a global pandemic, our community – which has the nation's highest childhood poverty rate of any major American city – stepped up with their tax dollars to maintain, sustain, and continue our progress under the Cleveland Plan. We are in their debt. We believe the full implementation of the Fair School Funding Plan will enable us to meet our commitment and obligation to them.

COVID-19 has left an indelible mark on our state. We have the opportunity to leave a different kind of legacy – a new, fairer funding formula that will positively impact all Ohioans for years to come.

Respectfully Submitted,



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Cleveland Metropolitan School District