



**Senate Finance Committee
House Bill 96
May 28, 2025**

Chair Cirino, Vice Chair Chavez, Ranking Member Hicks-Hudson, and members of the Senate Finance Committee, thank you for the opportunity to testify today on House Bill 96. We are the proud Leadership team of Garfield Heights City School District in Cuyahoga County, with Dr. Richard Reynolds as the Superintendent, and myself, Phillip Oko as the Treasurer/CFO.

Dr. Richard D. Reynolds
Superintendent of Schools

Phillip J. Oko, M.B.A.
Treasurer/CFO

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Garfield Heights CSD is a 7-square mile urban first-ring District that sits just below Cleveland. We serve roughly 2,700 students across 5 buildings. Our student population is a majority-minority, with 85% of our students being African-American.

I appreciate the work of this committee and the General Assembly in supporting Ohio's public schools, and I respectfully offer the following comments on several provisions in House Bill 96.

Fair School Funding Plan: Preserve the Phase-In and Update Base Cost Inputs

As the Leadership team of Garfield Heights CSD, we see firsthand how our schools shape not just individual student futures, but the vitality of our entire community. Our District, Board, City and Community actively work to ensure we utilize our resources to the absolute best of our ability. Our work at Garfield Heights CSD, alongside our Mayor Matt Burke, City Council, and the Garfield Heights Community, is a testament to the complex understanding of the factors it takes to educate a whole Garfield Heights student. The Fair School Funding Plan is an embodiment of that work for our District. We remain firmly in support of the Fair School Funding Plan.

Replacing the FSFP phase-in with temporary "bridge funding" moves away from this progress and reintroduces uncertainty into a system we've worked hard to stabilize.

We strongly urge the Senate to:

- Remove temporary "bridge funding" and maintain the phase-in as proposed by Governor DeWine;
- Update the base cost inputs to reflect current costs, such as staffing, class sizes, and services; and
- Maintain guarantees until full implementation of the FSFP is complete, including updated categorical funding.

Without updated base costs, districts like Garfield Heights risk being penalized even as other formula inputs—such as property valuations or income data—are refreshed. This creates structural imbalance and shifts more of the funding burden onto local taxpayers.



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The Fair School Funding Plan provides an objective, rational, and transparent solution to school funding. Created in collaboration with school district leaders and expert practitioners, it translates real student needs into concrete resources. These real costs allow our District leadership to create fiscal and academic plans to reflect our Strategic Plan, and to create programming to reflect on the needs of our students and community.

Cash Balance Cap & Five-Year Forecast Elimination

Under the House-passed version of HB 96, districts with a carryover balance above 30% of the prior year's expenditures could face property tax reductions. For districts like mine, this would create serious planning challenges.

Ohio collects property taxes in arrears, which means that any reduction triggered by a June 30 balance wouldn't affect collections until 18 months later—long after the budget for the affected year has been adopted.

In Garfield Heights, we traditionally have built modest cash reserves to:

- Stretch our finances as far as we can. We have not asked for "new" money via property taxes in 12 years.
- Maintain cash flow squeezes throughout the year. We run two 3-payroll months, and have large bond-debt payments for which our cash balance can absorb without fiscal stress.
- Allow for emergency repairs – our buildings are old, with our newest building turning 24 this year, and our oldest turning 100. We are able to navigate and pre-plan any major capital projects to maintain what we have with a stable cash balance.

Capping cash balances would undercut responsible financial planning and could increase long-term costs for both school districts and local taxpayers.

In addition, replacing the five-year forecast with a three-year projection would weaken our ability to plan ahead, monitor for emerging deficits, and communicate with our communities. Years four and five are often when deficits appear—particularly in districts dependent on levy renewals.

We urge the Senate to:

- Remove the 30% cash balance provision from HB 96; and
- Reinststate the five-year forecast requirement to ensure long-term financial transparency.



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Our District and the Crucial Impact of HB 96 and the Fair School Funding Plan

- **Our Story & Impact** - Garfield Heights is a proud school district and community, but it goes without saying that there are serious funding challenges specific to our District. Albeit being one of the highest taxed Districts in the state – due to unique city charters and county levies, our School District is amongst the poorest when it comes to income, local share, and tax distribution, and overall ranking. Garfield Heights has seen an extraordinary economic change over the past 25 years, mainly attributed to the Great Recession, for which we have never recovered. Although our financial status is often below that of our peers, we pride ourselves on being excellent stewards of the limited funds we have. For example, we have not asked for new operating money via property taxes in 13 years (last new money levy was 2012). Unfortunately, our District received a 55% property valuation increase, and our residents have felt the immediate pain of that, as a large portion of our District lives on fixed income. As a result of this economic pressure, our renewal emergency levies have been rejected in decisive manners. Omitting cost input updates would further shift the burden onto our local taxpayers, and lead to a loss in state funding over the life of the phase-in, and an overreliance on further property taxes. Along with that, we managed our large COVID-ESSER fund allocation, roughly \$25 million over 3 years, without putting our District at risk of a fiscal cliff. We are adept at stretching every dollar we have, and have continually operated with a cash balance of 15-20% of our total expenditures, to account for the cyclical nature of our funding cycle. Without cost input updates, predicting funding trends long-term will be difficult and unsustainable.
- **Special Education** – The Ohio Department of Education and Workforce (DEW) led a study to examine the true costs of special education and recommend weights that would allow for a more accurate partnership between the state and schools. Implementation of these weights is important to our district because we are a highly transient District, with increasing special education costs. Year-in and year-out we have new students that require intensive services via IEPs, that are inherited from other Districts. We are asking for updated weight calculation to be able to better service those students, as the increasing cost and needs of our student base with disabilities are ever-changing and growing.



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- **DPIA weights** – DEW also led a study to determine the cost of educating student who are economically disadvantaged. Over half of Ohio students are considered economically disadvantaged. Garfield Heights is a universal Title-I and CEP District – meaning all of our students are considered economically disadvantaged. We utilize these funds for critical programming needs, such as wraparound services, mental health needs, and intensive intervention to address learning loss. Our students need these additional supports and services. The long-lasting effects of COVID and learning loss has presented challenges to not only educate, but to close the gap of the learning loss. We receive roughly \$2 million in DPIA funding, and updated costs will help keep pace with the rising expenditure costs. This is a crucial part of our funding story. DPIA weights with cost inputs are critical to our service to our children and community, and will have a long-standing effect on our students.

In closing – the Fair School Funding Plan represents more than just a funding formula – it represents our commitment to every Ohio student, family, and community. By fully implementing this plan, we invest in stronger communities, a more competitive workforce, and a brighter future for Ohio.

Thank you for your consideration of these crucial next steps in supporting Ohio's educational excellence.

Chair Cirino and members of the committee, thank you for your time and attention. I would be happy to answer any questions you may have at this time.

Sincerely,

Dr. Richard Reynolds, Superintendent

Phillip J. Oko, M.B.A., Treasurer/CFO