



January 21, 2021

The Honorable Anne Kaiser, Chair
House Ways and Means Committee
House Office Building Room 131
6 Bladen Street
Annapolis, MD 21401

Re: H.B. 0337, *Sales and Use Tax-Vendor Collection Credit- Job Training*

Chair Kaiser and Members of the House Ways and Means Committee:

My name is Olivia Farrow, Director of Community Engagement at Ascension Saint Agnes Healthcare and Vice-Chair of the Board of Goodwill Industries of the Chesapeake.

Goodwill Industries of the Chesapeake is a strong supporter of this legislation. The purpose of this bill is to allow for qualified job training organizations to keep the taxes that are currently remitted, up to \$250K, to the state through the sale of donated goods, permitting them to further invest in their communities through workforce development programs. This bill would impact residents throughout the State of Maryland by allowing qualified job training organizations to increase their capacity by providing access to quality remedial education, pre-apprenticeships and access to in-demand skills training and careers.

Goodwill is a nonprofit organization that operates 32 retail stores and 5 career centers in Central Maryland and the Eastern Shore. Our career centers provide a continuum of skills training and career placement services to those seeking employment and in particular those who have the biggest hurdles to overcome when looking for work. Our retail stores provide the majority of the funding to support our workforce development programs.

In addition to the workforce development services, Goodwill's ultimate goal is to open The Excel Center in Baltimore City, an adult high school that would allow individuals twenty-one years of age and older the opportunity to obtain their high school diploma through an accelerated two-year program, while simultaneously engaging in job training. This educational attainment pathway would increase the access our participants have to apprenticeships and employment opportunities.

Data indicate that there are more than 82,000 people over the age of 25 in the City of Baltimore without a high school diploma or GED. The unemployment rate for this segment of the population is 20.7%. That is more than four times the statewide rate of 3.5% and the rate in Baltimore city of 5%.

In June 2018, MSDE and DOL approved our application to open The Excel Center. Its concept is unlike any current adult education program in Maryland. It is not a program. It is a school! Students will attend classes as prescribed by a curriculum approved by MSDE. Remedial and basic high school course work will be balanced with tangible job skills training and dual credit college level coursework. Students will participate in high quality, deliberate instruction to build basic skills and access the secondary-level instruction that leads to a diploma. The center will have childcare for children of all ages so that parents may attend classes knowing their children are safe. The Excel Center will also address critical non-academic barriers to employment opportunities, like transportation, reliable housing, and mental and physical health.

This is a proven model. Excel Centers operated by Goodwills around the country graduated 1,621 students during the 2018-19 school year. Overall, Excel Centers have now graduated more than 6,300 students since its first school opened ten years ago in Indianapolis. There are now 31 schools across 5 states and the District of Columbia.

Attaining a high school diploma increases a person's income by an average of \$9,000 per year.

This tax credit would provide financial support toward operationalizing the Excel Center model in Maryland. We urge a favorable report on HB 337.

Sincerely,



Olivia Farrow

Vice-Chair