



Sponsor Testimony: House Bill 108

Representative Nick Santucci, 64th House District

Representative Adam Miller, 6th House District

House Ways and Means Committee

Chairman Roemer, Vice Chair Merrin, Ranking Member Troy, and members of the House Ways and Means Committee, thank you for allowing us to testify today on the Nonprofit Workforce Reinvestment Act, House Bill 108 and the companion bill to Senate Bill 82. Most of us remember our first paycheck from our first job, and the pride associated with earning a stable income. For individuals with barriers to employment, the joy of that first paycheck or a steady source of income can be elusive.

We ask for your support of the Nonprofit Workforce Reinvestment Act to provide additional resources for nonprofit organizations that focus on empowering individuals with workplace disadvantages to prepare for, find and retain competitive employment.

House Bill 108 will allow nonprofit organizations that sell donated goods to retain 25% of the sales tax generated by items sold at their stores, up to \$1 million per organization. Retained revenue will be used exclusively to fund job training and placement services for individuals with workplace disadvantages, including individuals with disabilities, mental health issues, criminal history, veteran status, and homelessness. This population historically experiences the highest rates of unemployment.

The bill is modeled after legislation that has passed in Kentucky and Louisiana. In each of these states, the proceeds are used for capital construction costs associated with opening new retail locations. As Ohio has a greater need for workforce programming, this legislation focuses solely on job training and placement services.

Under the legislation, nonprofit organizations would apply through the Department of Development to be certified as a qualifying retailer. An annual report must be filed with the Department of Development accounting for the use of funds retained in the preceding year. Qualifying retailers must list the number of individuals served by the retailer's workforce programs in that year. The Department of Development will review the reports for compliance,

and work with the Department of Tax to recover any taxes retained for purposes not authorized by the bill.

Thank you Chair Roemer, Vice Chair Merrin, Ranking Member Troy and members of the committee for allowing us to testify on this important piece of legislation

And thank you to my friend and joint sponsor for his leadership and dedication on this issue.

As Representative Santucci said, this bill would allow nonprofit organizations that sell donated goods to keep, and use more money for their important workforce programs. Retained funds will be reinvested into workforce development programs for individuals with employment challenges.

One prime example of an organization doing this is Goodwill Industries that has, for more than 120 years, been a leader in providing job training and placement services. They empower individuals with the skills and job support services they need to thrive.

We hear over and over from companies looking for workers. Labor shortages are real and we are competing against every other state for available workforce.

Goodwill is helping those on the margins attain the skills they need to find gainful employment. This bill helps. It will enable organizations like Goodwill to use these tax savings and invest them in more workforce development programs providing more job training for Ohio's workforce.

Thank you and we are happy to answer any questions you may have.