

**Interested Party Testimony on House Bill 33**  
**Senate General Government Committee**  
**Amy Wachob, President and CEO of Goodwill Industries of Northwest Ohio**  
**Anne Richards, President & CEO of Goodwill of Greater Cleveland**  
**May 9, 2023**

Chairman Rulli, Vice Chairman Schuring, Ranking Member DeMora, and members of the Senate General Government Committee, thank you for allowing us to testify today. My name is Amy Wachob, and I am President and CEO of Goodwill of Northwest Ohio, which serves 13 counties. I am also the current Board Chairperson for the Ohio Association of Goodwill Industries (OAGI). OAGI is comprised of 16 autonomous Goodwill organizations that cover all 88 counties in our State. Collectively, we employ approximately 7,600 Ohioans with an estimated payroll of \$130 million.

Goodwill Industries was born in Boston in 1902 when Reverend Edgar J. Helms went door to door with a burlap sack, and asked not for money, but for clothes in need of repair. Helms employed people facing challenges to mend the clothes for a daily wage. He then sold the clothes back to the community and the mission of Goodwill was established. Through his efforts, Helms learned there was more dignity in receiving a hand up, not a handout.

Today, this cycle of donations, processing, resale, and employment continues. Ohio's Goodwill's empower people with disabilities and other disadvantages, such as mental illness, criminal history, homelessness, and veterans to achieve financial independence and a better quality of life that a job can provide. In 2022, Goodwill placed 5,000 people in jobs throughout our State and assisted another 78,000 Ohioans with workforce development services.

We do this through a comprehensive array of employment programs which includes assistance writing a resume, training in digital literacy and certifications for in-demand jobs, services for returning citizens and veterans, assessing job skills, and job placements.

Goodwill is a valued partner in strengthening our State's existing economy as well as preparing for future economic development. Each organization tailors workforce programming to meet the needs of the communities we serve and the needs of local and future employers. We focus on the number one resource in business, the human resource.

In 2022, in Northwest Ohio we served 1,413 returning citizens with direct assistance removing barriers to employment. We were directly involved in connecting individuals with getting their driver's license, obtaining a birth certificate, purchasing clothing, and assisting with reinstatement fees all to clear the runway for employment.

We placed 144 returning citizens into jobs and continued working with these individuals after they found employment. Based on statistics from the Ohio Department of Rehabilitation and Corrections, it costs roughly \$100 per day to incarcerate someone. The average stay in prison is 2.73 years. Based on these numbers, it costs the State of Ohio roughly \$36,000 to incarcerate someone for one year and \$100,000 for 2.73 years. Clearly, there is an economic benefit to identifying alternatives to incarceration. Goodwill programs that help people with prior legal histories find employment have been proven to dramatically reduce the recidivism rate. The recidivism rate for our Goodwill Reentry Program is 5% as compared to the State's rate of 30%.

In 2022, Goodwill Easter Seals Miami Valley (GESMV) placed 883 individuals into employment. Of those placed, over 50% had experience with either the criminal justice system or were actively in recovery from substance use.

For example, Goodwill Dayton partners with the Montgomery County ADAMHS Board on their Employment and Recovery Program. Last year, they served over 500 individuals in various stages of recovery and placed over 200 individuals into employment. The retention rate of employment for those served through this program showed consistency and many individuals are reaching 1 year+ in their current jobs.

I'd like to introduce my colleague, Anne Richards, to provide additional insight on the work of Ohio Goodwill organizations.

Chairman Rulli, and members of the Committee, my name is Anne Richards, and I am the President and CEO of Goodwill of Greater Cleveland. I am also the past Chairperson of OAGI.

One question that may come to mind after hearing Amy's summary of the employment services offered by Ohio Goodwill organizations is do proceeds from the sale of the donated goods pay for all the training and wraparound services they provide? The answer is "no" and that is why we are here today.

At Greater Cleveland Goodwill, we have 28 programs and none of them are fully funded by public sources or third-party partners. Although we receive some public funding through fees for services, additional funds are needed to expand our programs to serve a greater number of targeted, underserved populations.

While we support the needs of thousands of individuals in our communities, there is much more we can do to provide employment opportunities for Ohioans with disabilities and other barriers to employment.

We are here today to ask for your support of a budget amendment to allow nonprofit organizations that sell donated goods to retain 25% of the state sales tax to be reinvested into job training and job placement programs. This proposal is also being considered as Senate Bill 82, sponsored by Senators Michelle Reynolds and Catherine Ingram.

There are several examples of how retained funding would be used. First, at our Goodwill we are in talks with the Euclid Hospital CEO. Many residents in this community don't have a primary

care physician and lack access to quality healthcare. When they have nowhere else to go, they end up at the Euclid ER. With this new program, a case manager would be assigned to anyone who comes to the ER without a primary care physician. The goal is to not only get the person a primary care provider, but to eliminate other barriers to employment the person may have. Goodwill will have a space on site and would be assigned to these individuals for additional follow-up. Not one dime of this program is funded by anyone.

Funds would also be used to expand current programming, such as Goodwill Dayton's Recovery and Employment Program, which has a demonstrated record of success. Should this legislation be enacted, this very successful program could be replicated in other counties.

This program will more than pay for itself through increased payrolls and reduced public benefits and recidivism rates. Unlike grants, this proposal will provide a reliable funding source for our organizations. And not just us, it would benefit any nonprofit that sells donated items and offers workforce programs.

At Goodwill, we know that when people learn skills to earn their own paychecks, they have the power to transform lives and communities. Please support this proposal, which will allow us to connect more individuals with the power of work. Thank you for the opportunity to testify today. We are happy to answer any questions you may have.