



March 9, 2022

The Honorable Guy Guzzone, Chair
The Honorable James Rosapepe, Vice Chair
Senate Budget and Taxation Committee
Miller Senate Office Building, 3 West Wing
11 Bladen Street
Annapolis, MD 21401

Re: S.B. 798, Sales and Use Tax – Vendor Collection Credit – Alteration

Chair Guzzone, Vice-Chair Rosapepe and Members of the Senate Budget and Taxation Committee:

I am Olivia Farrow and I am writing in support of SB 798 as 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 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.

In addition to 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 over 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.

Research shows that underrepresented and minority student groups are more likely to drop out of school. Academically low-achieving students, students with disabilities, and other at-risk youth all have higher rates of not completing school than others. With its focus on persons over age 21 who have not graduated from high school, adult high schools will intentionally seek out prospective students from these underrepresented and marginalized groups. With 82,000 persons over the age

of 25 in Baltimore City without a high school diploma or GED and the number growing each year, the pool of prospective students to fill available seats is substantial.

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. The average Excel Center has approximately 150 graduates each year.

This tax credit would provide financial support toward operationalizing the Excel Center model in Maryland. We urge a favorable report on SB 798.

Sincerely,



Olivia Farrow

Vice Chair, Goodwill Industries of the Chesapeake