



Testimony of Goodwill Industries of the Columbia Willamette
SB181
May 9, 2017
House Committee on Revenue

Goodwill Industries of the Columbia Willamette (GICW), a 501(c)(3) nonprofit organization, joins with NAO in expressing reservations about SB181.

GICW has operated continuously in Oregon since 1927 providing employment services to people in need. It currently employs approximately 2,800 people all at or above state minimum wage. Last year GICW paid more than \$92 million in wages, taxes and benefits. Approximately two-thirds of its employees have barriers to employment. GICW's administrative expense in 2016 was 4.7% of total revenues.

In addition, in 2016 GICW provided free employment services and job training to more than 37,000 unduplicated persons in Northwest and Central Oregon and SW Washington. During that same period, GICW helped more than 10,000 people find jobs. GICW funds more than 99% of the services it provides through revenue generated by its retail program. All Goodwill's Job Connection services are free of charge.

GICW does receive funding support for its programs for people with developmental disabilities. However, this funding is less than 1% of total annual revenues.

Our concerns over SB181 relate to the increased burden it imposes not only on nonprofit organizations, but also the added burden on state government.

There exists the danger of lack of consistency in dealing with nonprofits given the large number of organizations spread throughout Oregon's 36 counties.

In addition, there are already safeguards and requirements ensuring the proper application of tax exempt status. ORS 307.162(7) requires any institution or organization that owns property that is exempt from taxation which changes the use of the property to a use that would not entitle the property to exemption from taxation to notify the county assessor of the change to a taxable use within 30 days.

SB181 creates new reporting requirements that are unnecessary and overly burdensome. In GICW's case, where the organization currently provides services through facilities located in 15 of Oregon's 36 counties, SB181 would require 15 separate annual filings potentially subject to 15 different interpretations. Finally, the Oregon attorney general, charitable activities section already provides oversight in cases where tax exemption may be questioned.

In conclusion, SB181 potentially creates more confusion and uncertainty than clarity when 36 different County Tax Assessors must interpret the annual filings of organizations that have historically operated properly and in accordance with existing law.

Sincerely,



Robert Barsocchini
General Counsel
Goodwill Industries of the Columbia Willamette



A little about Goodwill Industries of the Columbia Willamette.

- Goodwill Industries of the Columbia Willamette (GICW) was incorporated as a 501(c)(3) nonprofit organization in 1927 and has continuously provided employment services to people in need for approximately 90 years.
- GICW has approximately 2800 employees and all of them earn at or above state minimum wage. In 2016, Goodwill paid more than \$92 million in wages, taxes, and benefits; approximately two-thirds of our employees have barriers to employment.
- In 2016, Goodwill provided free employment services and job training to more than 37,000 unduplicated persons in Northwest and Central Oregon and SW Washington.
- Last year alone, Goodwill helped more than 10,000 people find jobs. All of our Job Connection services are free of charge.
- In 2016, Goodwill funded more than 99% of the services we provided through revenue generated by our retail program. Government fee-for-service funding was less than 1% of total revenue.
- In 2016, our administrative expense was 4.7% of total revenues. The recommended standard of excellence encourages nonprofits to maintain administrative costs at 15% or less of annual revenues.
- In 2016, our Goodwill recycled more than 193 million pounds of donated household items.