

GII

Proposal Comments

4.19.23

The comments in this document are unedited and appear how they were received.

Proposal H

Comments: 12 total

- Seems like one that members could rally around
- Really well done. Nice idea of setting aside \$450K for members' conference.
- "This proposal does not adequately address the equity issue for small GWs"
- How is it fair that over 60% of Goodwills will pay at most 3.25X less for their next dollar earned than the smallest 40%? This appears to be the current dues structure (e.g. 2002) updated for 2023. Why did you choose \$115M as the point in which Goodwills no longer have to contribute a penny more for the network in which they belong? What is special about that number? What do you say to Wooster OH with a very small number of households that this is the number and that it is fair? A regressive rate system already keeps the 'runaway train' concern in check; why don't you have the an 'escape velocity' concern for MEGA GWs?"
- I appreciated the outline of the proposal as well as the focus on using a portion of the money for COE. Funding COE independent of GII is an important strategic idea. We need to govern ourselves before we can ask GII to lead us.
- I like the brackets, percentages, and revenue cap. I'm fine with the positive change in GII Revenue, but perhaps the numbers can be adjusted so the change isn't as great.
- Love this proposal staying within the realm of what can't be challenged legally, addressing redistribution of dues in a more equitable way that doesn't adversely impact any Goodwill and funding the Council in a way that doesn't negatively impact GII. Love that it was based on a maximum level of dues paid to determine the cap.
- The only change I would make to this proposal is to increase the high threshold to something like \$150,000,000.
- I can't support an increase to GII this large as we are all struggling with increased costs
- May vote higher at DA. I'm in favour of no caps for the larger Goodwills
- Appreciate the cap and percentages, increase YOY reasonable
- Don't want to increase GII revenue this much.

Proposal I

Comments: 14 total

- If this was the proposal I would vote no
- No cap. S/B #8
- "I believe we will not be able to pass a proposal that does not have a cap. Also, as a small GW I am tired fo hearing we use GII services when there is no data to support the misconception
- I appreciated this proposal referenced researching rates associated with other franchising models for comparison, and keeps the process simple.
- Too heavily weighted against the large Goodwills
- Without caps, I feel our largest Goodwill members will pay too much.
- No cap included - won't get our votes ever. Disproportionately impacts larger Goodwills who also have more people to serve locally (hence larger opportunity) and negatively impacts GIIs budget.
- A flat rate is an interesting idea, but I would make the top of Bracket One something that is more realistic, perhaps \$500,000,000.
- The same definition of earned revenue creates it less appealing than other proposals.
- I can't support an increase to GII this large as we are all struggling with increased costs
- totally agree with "a regressive tiered structure is fundamentally inequitable..." and "maintaining a cap on dues will result in a similar degree of inequity over time".
- Dues for largest Goodwills is unreasonable/unfair
- Like one rate, don't want to increase GII revenue this much.
- Unless there is a cap, the runaway train is real. I can't support a no cap proposal.

Proposal J

Comments: 11 total

- No cap. S/B #8
- Not enough relief is given to GW under \$7,000,000.
- Too heavily weighted against the large Goodwills
- Without caps, I feel our largest Goodwill members will pay too much.
- No cap included - won't get our votes ever. Disproportionately impacts larger Goodwills who also have more people to serve locally (hence larger opportunity).
- I am not sure I am comfortable with no cap.
- The same definition of earned revenue creates it less appealing than other proposals.
- This proposal seems to me to be the most balanced. I would like to see more of a decrease to small GW's but feel that this has a better chance of being accepted by all

- "Really like the concept of removing the upper cap. It's ridiculous the larger Goodwills are not charged dues on such a low threshold (current cap amount). Totally agree that a regressive tiered rate dues structure disingenuously incentivizes growth
- Reasonable cap and increase for larger Goodwills
- Unless there is a cap, the runaway train is real. I can't support a no cap proposal.

Proposal K

Comments: 13 total

- I liked the aspect of removing the Business Services revenue as we pay Ability One a 3-4% fee anyway. The mission revenue is problematic as how can we ask GII to help us with this if we don't fund the help.
- No cap. S/B#8
- I believe having no upper cap will prevent the proposal from passing.
- I thought reducing business services revenue was a valid factor to include as well as the rationale behind it.
- Too heavily weighted against the large Goodwills
- Without caps, I feel our largest Goodwill members will pay too much.
- No cap included - won't get our votes ever. Disproportionately impacts larger Goodwills who also have more people to serve locally (hence larger opportunity). Also negatively impacts GII. Changes earned revenue definition which could cause challenges?
- I am not in favor of changing the definition of earned revenue.
- The updated to the earned revenue definition along with equity ratio provides the best long-term equity equation.
- Agree with all the points, may vote higher than #4 at DA.
- Increase to great for some, with larger Goodwills paying the same as upper mid-range
- Don't want to decrease GII revenue, like redefining earned revenue.
- Dues should be paid on all revenue. Not interested in going down this subjective path.

Proposal L

Comments: 10 total

- Same as I, would vote no
- No cap. S/B #8
- This proposal offer the greatest relief for the very small GWs. Removing business contracts with small margins is helpful.
- Too heavily weighted against the large Goodwills

- Without caps, I feel our largest Goodwill members will pay too much.
- No cap included - won't get our votes ever. Disproportionately impacts larger Goodwills who also have more people to serve locally (hence larger opportunity). Changes earned revenue definition which could cause challenges?
- I am not in favor of changing the definition of earned revenue.
- The update to the earned revenue definition along with the tier brackets made it appealing to the membership in my opinion.
- Increase too much for all Goodwills not getting a reduction.
- Unless there is a cap, the runaway train is real. I can't support a no cap proposal. Dues should be paid on all revenue. Not interested in going down this subjective path.

Proposal M

Comments: 14 total

- This makes the most sense to me, however Not sure enough support would get behind taking close to 1M away from GII. I suggest tweaking to get to more of a revenue-neutral structure
- Best overall equity ratio for all members. I loved the rebate driven by the strength of GII's balance sheet and interest income.
- This proposal offers a much lower Equity Ratio for small GWs a takes out low margin business. Would like to see Business contract eliminated from Revenue as well. Also very much like rebate generated by GII interest earned.
- "How is the earned revenue that is excluded from this plan similar or different to the exclusion in Proposal N? Why does this Proposal only exclude 'low margin' revenue of this nature? There are several other revenue types with >100 E/R on a historical and consistent basis. Why did you choose \$120M as the point in which Goodwills no longer have to contribute a penny more for the network in which they belong? What is special about that number? What do you say to Wooster OH with a very small number of households that this is the number and that it is fair? With a 3.2% reduction (or \$850K) in GII funding, how do you propose that GII bridges that gap in 2023? What specific cuts are you proposing that GII makes? Since the increase is based on CPI, please base the specific cuts off of 2022 budget.
- I thought reducing business services revenue was a valid factor to include as well as the rationale behind it
- Ability One has high fees and a member should not have to pay twice. I can support this proposal but only if GII doesn't get to collect revenue twice on the same funding. GII takes a cut from all funding that passes through GII (some as high as 15%) and then they collect dues on this same funding
- Doesn't fully fund GII but is pretty fair. Still too heavily weighted to large Goodwills.
- Generally I like the brackets and percentages, but don't want to see a reduction in GII Revenue. Perhaps a minor adjustment can address.

- No cap included - won't get our votes ever. Disproportionately impacts larger Goodwills who also have more people to serve locally (hence larger opportunity). Not all Goodwills have the same AB1 opportunity with margins and to exclude it changes earned revenue definition that could be legally challenged.
- Error here in bracket ranges (120 0000)
- I am not in favor of changing the definition of earned revenue. I also don't want to see this significant a drop in GII revenue.
- Decrease dues for GII not reasonable
- Don't want to decrease GII revenue otherwise could like.
- The proposal creates a less equitable solution with eliminating the Ability One revenue from earned revenue definition. Only a percentage of Goodwill organizations have Ability One, and some states limit the contracts that can be operated for Ability One. This creates a different us versus them.

Proposal N

Comments: 12 total

- GII revenue is still too high but this proposal respects the governing documents.
- Reducing the equity ratio to 4.2 is a positive move.
- "How is the earned revenue that is excluded from this plan similar or different to the exclusion in Proposal M? Why does this Proposal only exclude 'low margin' revenue of this nature? There are several other revenue types with >100 E/R on a historical and consistent basis. Why did you choose \$43M as the point in which Goodwills no longer have to contribute a penny more for the network in which they belong? What is special about that number? What do you say to Wooster OH with a very small number of households that this is the number and that it is fair? Over 43% of GWs in your proposal would not pay a penny more in dues from this point forward. How in the world is this fair?
- This is a very solid proposal
- I would not support a model where a \$42 million Goodwill pays the same dues as those with considerably higher revenues.
- Only concern is change to earned revenue which I thought could cause potential legal issues.
- I am not in favor of changing the definition of earned revenue.
- I like the equity of this proposal but don't feel that the large GW's will be able to support this much of an increase
- Non starter for me (my vote) as my dues increase over \$200,000 over 5 years. We cannot afford this. Proposal developers should vet their proposals for reasonableness and "how will this land?". We are a medium size Goodwill and do not have the financial wherewithal to withstand head winds such as this.
- Range to large for paying the same dues: 42M to largest Goodwills

- Not equitable enough. Don't want a cliff.
- I struggle with excluding facility based revenue especially if this proposal is being submitted by a large facility based organization. If facility based contracts have low margins the local Goodwill should adjust their pricing or pay/subsidize this small % of dues.

Proposal O

Comments: 13 total

- Like the reduction in small and medium obligations. Love the \$1M free from dues.
- Removing business services is helpful as it is usually low margin business held strictly for Mission. 25% relief for the very smallest GWs is not a "dramatic reduction."
- "Why does this Proposal only discount Business Services revenue by 30%? There are several other revenue types with >100 E/R on a historical and consistent basis. Why do these revenue types remain included? And why did you choose Business Services revenue by only 30%? Business Services has been 65% less profitable than DGR Revenue over the past 10 years on a consistent basis. Why did you choose \$80M as the point in which Goodwills no longer have to contribute a penny more for the network in which they belong? What is special about that number? What do you say to Wooster OH with a very small number of households that this is the number and that it is fair? Over 19% of GWs in your proposal would not pay a penny more in dues from this point forward. How in the world is this fair?"
- Excluding the first million to fund attendance at DA is a great suggestion.
- I don't like not paying dues on first approximately \$1 million in revenue, but a fair proposal.
- This puts too much burden on the mid-sized Goodwill members.
- Only concern is change to earned revenue which I thought could cause potential legal issues.
- Only 3 brackets, what is percentage of gws over 80m?
- I would change the top breakpoint and make it higher, perhaps at \$150,000,000. I am unclear if this proposal contains a cap.
- Voted as #3 though fearful of the \$100,000 plus increase for my Goodwill (over the 5 years). Hesitantly voted as high as #3 because of this.
- Better range for paying the same dues.
- Bracket range shouldn't end at 80.
- Won't support a dues structure that has members not paying dues for any portion of their earned revenue.