

Senate Education Committee Hearing

Prepared statement submitted by DCED

April 23, 2021

Good morning Chairs Martin and Williams and members of the Senate Education Committee.

My name is Jimmy O'Donnell and I am the Director of the Tax Credit Division within the Financial Management Center at the Pennsylvania Department of Community and Economic Development (DCED). With me today is the Executive Director of the Financial Management Center, Mr. Kevin Rowland.

The Tax Credit Division staff of seven is responsible for administering 12 different tax credit programs throughout the commonwealth totaling over \$315 million dollars in tax credit awards on an annual basis. Our primary day-to-day duties focus on the administration of the Educational Improvement Tax Credit (EITC) and Opportunity Scholarship Tax Credit (OSTC) programs which in turn make up \$240 million in tax credit awards. Each of these educational tax credit programs allow participating businesses to financially support nonprofits and private schools across the commonwealth and, in return, receive state tax credits based upon their donations. Participating non-profits and private schools are then required to use their EITC and OSTC funds to support students in grades pre-K through 12 through either innovative educational programming for public school students or private school tuition assistance.

EITC and OSTC participating scholarship organizations annually provide over 60,000 private school scholarships to eligible students through the tax credit programs. As you are aware, these programs are extremely popular and are oversubscribed annually by upwards of \$120 million dollars.

As you may know, Governor Wolf has proposed some program reform measures to provide the department and taxpayers with additional data on the programs.

I am happy to answer questions on this proposal and the current programs.

Thank you for your time.