



## **Bridge Educational Foundation**

909 Green Street

Harrisburg, PA 17102

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# Pennsylvania's Educational Tax Credit Programs

The educational tax credit partnership is tremendously successful in Pennsylvania. Pennsylvania's business community has fully embraced the opportunity to help students, thousands of businesses participate, and each year the available tax credits are exhausted within days of each new State fiscal year. The Pennsylvania General Assembly expanded the Program in both size and scope since its inception almost two decades ago.

*The educational tax credit programs allow for a total of \$240 million in educational opportunities for Pennsylvania's children.*

- **Educational Improvement Tax Credit (EITC):** Scholarship Credits SO (K-12): \$135 million
  - Grants scholarships to income-qualified students statewide
  - Educational Improvement Credits EIO (K-12): \$37.5 million
    - Allows for unique public school programs
  - **Pre-Kindergarten Scholarship Credits (PKSO):** \$12.5 million
    - Helps the youngest students attend pre-schools statewide
  - **Opportunity Scholarship Tax Credit (OSTC) (K-12):** \$55 million
- Provides scholarships to students who reside in the attendance boundaries of the lowest performing public schools

**Bridge Educational Foundation creates partnerships between families, schools, businesses and philanthropic leaders to provide tuition scholarships that allow children to attend the schools that best meets their educational needs.**

Bridge Educational Foundation is an independent, nondenominational scholarship Foundation providing opportunities to income-qualified families statewide.

- Bridge has raised more than \$38 million since our inception in 2005.
- Bridge has provided scholarship help to families in 61 Pennsylvania Counties.
- Since our inception in 2005 we have helped more than 36,000 Pennsylvania students choose their best educational options.
- We provided tuition scholarships to 1,922 students in the 19/20 school year attending 216 different schools.
- For point of reference, the average family income of a Bridge Educational Foundation scholarship family was \$57,206 for EITC and \$50,885 for OSTC last school year.

	Bridge Educational Foundation EITC Average Scholarship 19/20 School Year	Bridge Educational Foundation OSTC Average Scholarship 19/20 School Year
Pre-K	\$727	NA
K-8th	\$862	\$3,518
9 th - 12th	\$1,698	\$2,186

## Concerns with Governor's Proposed EITC Changes:

### 1. EITC/OSTC scholarships will not increase by \$36 million if the scholarship organization administrative percentage is lowered:

The Governor's 2021/2022 budget recommendation proposes to increase the amount of available educational tax credit scholarships by \$36 million by limiting the administrative percentages of scholarship organizations. This claim is misleading as many scholarship organizations, including Bridge, do not use 20% in administrative fees. **This proposed change will encourage scholarship organizations to pass along their administrative costs to low-income families in the form of application fees.**

### 2. Lowering the administrative percentage from 20 percent to 5 percent will hurt independent and small scholarship providers:

This proposed change targets the few independent scholarship organizations, like Bridge, which means organizations that are not affiliated with or subsidized by a religious organization, a school, or a group of schools. **Most SOs, their contractors, and or schools, charge each family a \$25-\$45 application fee to apply for a scholarship. We think this practice is wrong.** By contrast, Bridge manages the application eligibility process for families internally. Bottom line, the change to the administrative percentage would have a specific and significant negative impact on Bridge and the families we serve.

## Administrative Costs Explained

- The administrative percentage Bridge reports to the Pennsylvania Department of Education (DCED) averages, on an annual basis, 11%. The educational tax credit law allows for approved Foundations to retain up to 20% of their donations to administer their scholarship programs. Administrative percentages among educational tax credit scholarship organizations is difficult to compare as there are very few independent foundations.
- The Internal Revenue Service (IRS) looks more deeply into our Foundation's financials and the administrative **percentage Bridge reports to the IRS averages under 5%**
  - The 2018 Bridge IRS 990 reported 4.4% administrative cost (administration plus fundraising costs)<sup>1</sup>
  - Charity Navigator<sup>2</sup> lists the Rotary Foundation of Rotary International and Ronald McDonald House Charities on their "10 Best Charities Everyone's Heard Of" the administrative percentages reported are 10% and 7.2% respectively.
- Bridge is an independent Foundation. We do not have a partner or parent organization to underwrite the cost of operation.
- There are costs to properly administer the educational tax credit programs. Bridge is a large organization. We raise above the State's threshold for an independent audit and therefore Bridge is required to complete an annual independent audit to stay in compliance with the Pennsylvania Bureau of Charitable Organizations. Bridge retains an independent accounting firm to keep our books and provide an additional check on our practices.
- **Most importantly, Bridge does not pass on administrative costs to families. Bridge does not charge families an application fee to apply for scholarships.**
- Independent and small Foundations need the flexibility of the 20% administrative cap to properly administer the program and to prevent passing along the cost of administration to low-income families.

<sup>1</sup> Charitynavigator.com – Bridge Educational Foundation; <https://www.charitynavigator.org/ein/810673032>

<sup>2</sup> Charitynavigator.com "10 Of The Best Charities Everyone's Heard Of" <https://www.charitynavigator.org/index.cfm?bay=topten.detail&lis tid=18>

**Mr. & Mrs. Concepcion Cedeno**  
142 Normandy Road  
Upper Darby, PA 19082

March 26, 2021

**Mr Jim Carrigan**  
Carrlu Company, Inc.  
PO Box 1388  
West Chester, PA 19380

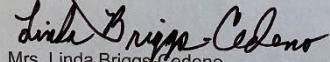
**Senator Timothy Kearney**  
130 S. State Road, Suite 101  
Springfield, PA 19064

**Representative Mike Zabel**  
5248 Township Line  
Drexel Hill, PA 19026

Dear Mr. Carrigan, Senator Kearney, and Representative Zabel,

The Bible tells us in 1 Thessalonians 5:18 ***“give thanks in all circumstances; for this is God’s will for you in Christ Jesus.”*** With a grateful and thankful heart, I am writing this letter on behalf of myself, my husband, and my daughter Ivory, who is a student at Monsignor Bonner & Archbishop Prendergast High School. With this pandemic came many changes in the lives of me and my family. Although to date we have escaped the Covid disease, we did not escape getting hit financially, when I was furloughed from my job of 35 years. My last day of employment was December 25, 2020 (Christmas Day). That news hit me like a ton of bricks, because that was the last thing I was expecting, after being loyal to that job for all of those years. Of course I shed a few tears, and then I fell down on my knees, and said to God ***“I don’t believe you brought me this far to leave me.”*** My faith is what keeps me and my family strong. Out of desperation I kept emailing and calling Mr. Patrick Walsh at the high school, and asked if there was any way the school could assist me and my family financially, to help with Ivory’s tuition. He assured me that he was going to try to find some way to help me and my family. That help came when Mr. Walsh emailed me and told me that there was a Bridge Scholarship that I could possibly apply for. He could not guarantee that we would get it, but he suggested that I fill out the application and also submit our tax papers to show our income. This is when Mr. Patrick Walsh, Ms. Christina Engler, and Ms. Kelly Gerdes helped me with the application process. I was trying not to be a pest, but I was desperate, because not only did I lose my job, but I also lost health insurance for me and Ivory. God heard and answered my prayers when the Bridge Educational Foundation granted us the \$1,000.00 scholarship. When I received this good news, I shed a few tears, because I was so glad that help finally came to me and my family. Mr. Carrigan, Senator Kearney, and Representative Zabel, you all have truly bridged the gap and paved the way for Ivory to complete her junior year at this school through your financial contribution. I pray that God will continue to bless each of you, keep you and your families healthy and safe, and that He will continue to bless the BRIDGE Educational Foundation for the work they are doing in bringing hope, bringing joy, and bringing financial relief to those in need.

Sincerely,



Mrs. Linda Briggs Cedeno  
On behalf of Mr. Concepcion Cedeno, and  
Ivory Cedeno

cc: Mr. Pete Gleason, Chairman (via U.S. Mail)  
Mr. Patrick Walsh (via email)  
Ms. Christina Engler (via email)  
Ms. Kelly Gerdes (via email)

***“Praise the LORD. Give thanks to the LORD, for he is good; his love endures forever.”***  
Psalm 106:1



## Harrisburg Catholic Elementary School

Holy Family Campus  
555 S. 25th Street  
Harrisburg, PA 17104  
Phone: 717- 232-2551  
Fax: 717-232-9661  
www.hbgcathelem.org

Cathedral Campus  
Church & Liberty Streets  
Harrisburg, PA 17101  
Phone: 717-234-3797  
Fax: 717-213-2000



*Expanding Minds, Growing Hearts*

December 3, 2020

Mr. Pete Gleason  
Chairman-Bridge Foundation  
PO Box 222  
Harrisburg, PA 17108

Dear Mr. Gleason,

Christmas is an appropriate time to remember and cherish the people in our lives who help us connect with all that is good and life-giving. One of the many things for which I am grateful is the loyalty and commitment of you. Throughout the school’s history, we have faced many challenges and emerged a stronger and better school because so many believe in our mission.

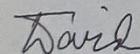
Your gift of scholarships from the Bridge Foundation offers critical financial assistance to deserving students for the 2020-2021 school year.

We have opened our doors this year for both in-person and virtual students, we have taken all the necessary steps to keep our students and faculty healthy, and its working! Our students-both in-person and virtual are learning in a safe environment.

This year, like those in the past, Harrisburg Catholic Elementary continues to advance its mission to inspire and enable all our students, especially those who need us most, to realize their full potential as productive, responsible, caring, and Christian citizens. Through our programs, we are making a difference!

Once again, we thank you for your efforts in obtaining scholarship for our children.

On behalf of the faculty, staff, and students, I extend my warmest wishes for a joyful and Blessed Christmas!



David Rushinski  
Principal – Harrisburg Catholic Elementary School

Harrisburg Catholic Elementary is a 501(c)3 Not for Profit Corporation.  
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