

House Appropriations and Education Committee Hearing

Prepared statement submitted by DCED

October 5, 2023

Good afternoon, Honorable Members of the House Appropriations and Education Committees.

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).

The Tax Credit Division staff of seven is responsible for administering 12 different tax credit programs throughout the Commonwealth totaling over \$540 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 Program (EITC) and Opportunity Scholarship Tax Credit (OSTC) programs which in turn make up \$405 million in tax credit awards. Each of these Educational Tax Credit programs allows participating businesses to financially support non-profits and private schools throughout 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 Pre-K through 12th grade through either Innovative Educational Programming for public school students or private school tuition assistance. EITC and OSTC participating scholarship organizations annually provide over 72,000 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 \$150 million dollars.

We appreciate the opportunity to discuss the EITC and OSTC programs and look forward to answering any questions you may have.

Thank you for your time.