

2008-2009

THE SOUTH CAROLINA TEACHER LOAN PROGRAM

Annual Review



**SC EDUCATION
OVERSIGHT COMMITTEE**

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Summary

The Teacher Loan Program (TLP) was created in 1984 as part of the Education Improvement Act (EIA) to recruit individuals into teaching in critical needs areas and critical needs schools. In 2000 the South Carolina General Assembly directed the Education Oversight Committee to conduct an annual review of the program and to report their findings to the General Assembly. The first report was issued in 2002 and subsequent reports were issued annually thereafter. The focus of each report has remained the same over the continuum of reports, though there have been different research questions analyzed each year.

This study, which focused on the 2008-09 academic year, confirmed previous findings:

- (1) applications continue to increase annually;
- (2) white females are the overwhelming majority of teacher loan applicants and recipients;
- (3) the program has a significantly low default rate of only 1 percent; yet
- (4) the program still lacks identified and adopted goals and objectives and a governing board.

This study also found significant changes in the following areas:

- (1) in 2008-09 the average SAT scores of TLP recipients increased from 1081 in 2007-08 to 1096;
- (2) the number of loan applications increased by 9 percent between 2007-08 and 2008-09;
- (3) the number of loans awarded increased by 10 percent to 1,888, the largest total number since the program's inception;
- (4) the total amount of loans awarded was \$7.7 million, also an historic level; and
- (5) the percentage of male applicants increased to eighteen percent in 2008-09, the highest percentage since the program's inception.

The ongoing national recession may likely impact the amount of appropriations for the program which will in turn impact the number of teacher loans awarded in 2009-10.

The South Carolina Teacher Loan Program

Statutory Authority and Program Guidelines

The South Carolina Teacher Loan Program was established through action of the South Carolina General Assembly with the passage of the Education Improvement Act (EIA) of 1984. According to Section 59-26-20(j),

the Commission on Higher Education, in consultation with the State Department of Education and the staff of the South Carolina Student Loan Corporation, shall develop a loan program whereby talented and qualified state residents may be provided loans to attend public or private colleges and universities for the sole purpose and intent of becoming certified teachers employed in the State in areas of critical need. Areas of critical need shall include both geographic areas and areas of teacher certification and must be defined annually for that purpose by the State Board of Education.

The intent for the program was to encourage prospective college students from South Carolina to remain in the state to become teachers by offering loans that could be cancelled (or forgiven) if the recipient taught in a critical needs area. The program was one of a number of incentive-related programs included in the original EIA legislation. Beginning with an initial appropriation of \$1.5 million, the annual appropriation for the Teacher Loan Program has varied from \$1.2 to \$5.4 million since inception. The Student Loan Corporation (SLC) administers the program for the state of South Carolina.

According to regulations from the Commission on Higher Education (R. 62-120), eligible applicants for teacher loans must meet the following criteria:

- Be a United States citizen;
- Be a resident of South Carolina;
- Be enrolled in good standing at an accredited public or private college or university on at least a half-time basis;
- Be enrolled in a program of teacher education or have expressed intent to enroll in such a program;
- Be in good standing on any other student loan;
- Be in the top 40 percent of their high school graduating class (applicable for freshmen only);
- Have an SAT or ACT score equal to or greater than the SC average for the year of graduation from high school or the most recent year for which data are available (applicable for freshmen only);
- For students currently enrolled as undergraduate students, have taken and passed the Praxis I; and,
- Have an undergraduate cumulative grade point average of at least 2.75 on a 4.0 scale.

Graduate students who have completed at least one semester must have a grade point average of 3.5 (on a 4.0 scale) and must be seeking initial certification in a critical subject area if the applicant already holds a teaching certificate. The criterion requiring enrolled undergraduate students to take and pass the Praxis I to qualify for additional loans was eliminated for students who scored 1100 or better on the SAT (or an ACT score of 24).

College freshmen and sophomores may receive loans for up to \$2,500 per year, while juniors, seniors, and graduate students may borrow up to \$5,000 per year. The cumulative maximum amount is \$20,000. All participants must be at least half-time students. The maximum total loan amount for any individual student is currently \$40,000. The loan can be used for any purpose at the discretion of the recipient; it is not designated for tuition, room, board, books, etc.

Under current guidelines, teacher loans may be cancelled at the rate of 20 percent annually or \$3,000, whichever is greater, for each full year of teaching in a critical subject **or** a critical geographic area within the state. Should both criteria be met, teaching in a critical subject **and** in a critical geographic area simultaneously, the loan may be cancelled at an annual rate of 33.33 percent or \$5,000, whichever amount is greater for each full year of teaching. The State Board of Education annually reviews potential need areas and makes designations; therefore, areas of critical need may change from year to year. Generally, the subject areas deemed critical at the time of application to the loan program are honored for cancellation when the individual begins teaching. The geographic area designation must be deemed critical at the time of employment. Should the loan recipient decide not to teach, the interest rate is set at the interest rate charged on Stafford Loans, plus 2 percent. The interest rate for the TLP has been capped at 10.25 percent, and is presently 8.8 percent.

Appropriations from the General Fund support two other teacher loan programs – Career Changers and PACE (Program for Alternative Certification for Educators). The General Assembly originally appropriated \$1,622,662 for these programs in 2008-09; however, mid-year revenue reductions lowered the appropriation by \$162,266 or 10%. The Career Changers Program was designed to recruit individuals with undergraduate degrees in areas other than teaching who have been working for at least three years. Participants in the Career Changers Program must be at least half-time students and are eligible to borrow up to \$15,000 per year and up to an aggregate maximum of \$60,000. This program, established by the General Assembly in 2001, also this program recruits instructional assistants in the public schools of South Carolina who have been employed for a minimum of three years.

PACE, originally named the Critical Needs Certification Program, places qualified applicants in South Carolina classrooms as teachers; the participants possess an undergraduate degree or equivalent in the content area in which they are teaching, but lack the courses needed for certification. PACE participants teach full-time and take courses toward certification while employed. They are eligible for up to \$1,000 per year for up to four years as they work towards certification.

In 2000, the Teacher Quality Act directed the Education Oversight Committee (EOC) to conduct annual reviews of the South Carolina Teacher Loan Program and to report their findings to the South Carolina General Assembly. The reports can be found on the EOC website at www.eoc.sc.gov.

Funding of the Teacher Loan Program

With funds from the Education Improvement Act Trust Fund, the General Assembly has appropriated monies to support the loan program in the amounts shown in Table 1. Data in the table also include the administrative costs of the program and the amount of funds utilized from repayments.

In Fiscal Year 2008-09 the General Assembly appropriated \$5,054,521 in EIA revenues to the Teacher Loan Program. Due to the impact of the national recession on the state's economy, EIA revenue collections during the FY09 were approximately \$90 million less than the

appropriations. Because appropriations for teacher salary, fringe benefits, and National Board supplements are exempt from mid-year reductions, all other EIA line items including the Teacher Loan program were reduced by approximately 16%. Appropriations to the Teacher Loan Program were reduced by \$841,460. To supplement the number of loans available, approximately \$3,500,000 in the revolving funds was used to pay for loans in 2008-09. The Revolving Fund includes monies collected by the South Carolina Student Loan Corporation from individuals who do not qualify for cancellation. At the end of FY 08, the Revolving Fund had a total balance of \$9,889,932.32, and at the end of FY09, the balance was \$7,504,488.71. The total amount of monies loaned in 2008-09 was \$7.7 million, the largest one-year amount in the history of the program. The EIA appropriation to the program was further reduced to \$4,000,722 in FY10, and mid-year EIA revenue reductions may result in additional cuts in FY10. The Revolving Fund will likely be utilized in the current fiscal year, FY10, to provide money for new loans.

Table 1
SC Teacher Loan Program: Revenues and Loans Over Time

Year	Appropriation	Legislatively Mandated Transfers or Reductions	Revolving Funds from Repayments	Total Dollars Available	Administrative Costs	Percent of Total Dollars Spent on Administration	Amount Loaned
1984-85	1,500,000	0	0	1,500,000	124,033	8.3	300,000
1985-86	1,250,000	0	0	1,250,000	71,214	5.7	1,008,115
1986-87	1,943,059	75,000 ¹	0	1,943,059	84,376	4.3	1,776,234
1987-88	2,225,000	75,000 ¹	100,000	2,325,000	98,976	4.3	2,277,402
1988-89	2,925,000	75,000 ¹	350,000	3,275,000	126,941	3.9	2,889,955
1989-90	3,300,000	0	300,000	3,600,000	154,927	4.3	3,284,632
1990-91	4,600,000	1,000,000 ²	300,000	4,900,000	210,741	4.3	3,978,476
1991-92	4,600,000	1,000,000 ²	900,000	5,500,000	217,981	4.0	4,350,908
1992-93	4,775,000	1,175,000 ²	1,350,000	6,125,000	248,703	4.1	4,628,259
1993-94	4,775,000	1,175,000 ²	1,350,000	6,125,000	254,398	4.2	4,805,391
1994-95	5,016,250	1,233,750 ²	1,135,000	6,151,250	272,260	4.4	4,761,397
1995-96	3,016,250	0	1,885,000	4,901,000	219,058	4.5	3,999,053
1996-97	3,016,250	0	1,108,500	4,124,500	222,557	5.4	3,936,538
1997-98	3,016,250	0	2,067,000	5,083,000	248,704	4.9	4,393,679
1998-99	3,016,250	1,000,000 ³	2,565,000	4,581,250	295,790	6.5	4,423,446
1999-2000	3,016,250	1,000,000 ³	2,550,000	4,566,250	272,115	5.0	4,240,693
2000-2001	3,916,250	0	3,000,000	6,916,250	279,800	4.1	5,556,854
2001-2002	3,016,250	145,216*	3,265,000	6,136,034	321,058	5.2	5,815,382
2002-2003	2,863,826	144,471*	2,950,000	5,669,355	346,601	6.1	5,332,946
2003-2004	3,016,250	129,980*	2,953,266	5,863,826	362,600	6.2	5,476,936
2004-2005	3,209,270	0	1,821,610	5,030,880	392,375	7.8	4,638,505
2005-2006	5,367,044	0	354,175	5,721,219	402,300	7.0	5,318,915
2006-2007	5,367,044	0	939,900	6,306,944	437,885	6.9	5,869,059
2007-2008	5,367,044	81,325*	1,801,962	7,087,681	415,216	5.9	6,672,465
2008-2009	5,054,521	841,460*	3,500,000	7,713,061	413,739	5.4	7,299,322
2009-2010	4,000,722						

*Source: SC Student Loan Corporation, 1995-2008. *Mid-year budget cuts. ¹Transferred to SC State for minority recruitment. ²Transferred to Governor's Teaching Scholarship Program. ³Transferred to SDE for technology and GT identification;*

Critical Need Identification

In the Education Improvement Act, the General Assembly assigned the duty of defining the critical need areas to the State Board of Education (SBE): "Areas of critical need shall include both rural areas and areas of teacher certification and shall be defined annually for that purpose by the State Board of Education." Beginning in the fall of 1984, the SBE has defined the

certification and geographic areas considered critical and subsequently those teaching assignments eligible for cancellation. Only two subject areas – mathematics and science - were designated critical during the early years of the programs, but recent teacher shortages have expanded the number of certification areas.

To determine the subject areas, the South Carolina Center for Educator Recruitment, Retention and Advancement (CERRA) conducts a Supply and Demand Survey of all 85 South Carolina school districts, the Department of Juvenile Justice and the South Carolina School for the Deaf and the Blind. For 2008-09, the areas of Agriculture and Industrial Technology were added to the list due to teacher shortages. The complete list for 2008-09 was:

- All Middle Level Areas
- Agriculture
- Art
- Business Education
- Dance
- Early Childhood Education
- English/Language Arts
- Family and Consumer Science
- Foreign Languages (Spanish, French, German, and Latin)
- Industrial Technology
- Mathematics
- Media Specialist
- Music
- Physical Education
- Science (Biology, Chemistry, Physics and Science)
- Special Education (all areas)
- Speech and Drama, Theater
- Speech Language Therapist

The list of critical subject areas was amended by the State Board of Education for 2009-10. The subject eliminated from the list was Early Childhood Education; added to the list was Health.

The SBE had considered multiple factors in designating critical geographic areas over the last twenty years, including degree of wealth, distance from shopping and entertainment centers, and faculty turnover. For the 2000-01 school year, the SBE adopted the criteria established for the federally funded Perkins Loan Program as the criteria for determining critical need schools. The Perkins Loan Program uses free and reduced lunch figures to determine schools eligible for loan forgiveness. Today, three factors impact the determination of critical geographic area: (1) schools with an absolute rating of Below Average or At-Risk; (2) schools with an average teacher turnover rate for the past three years of 20 percent or higher; and (3) schools with a poverty index of 70 percent or higher. For 2008-09, 754 of 1204 school units (62.6 percent) qualified for critical geographic need (Table 2).

Table 2
Critical Geographic Need Schools

Year	Total Schools*	Type of School					Qualification		
		Career Centers	Primary Schools	Elementary Schools	Middle Schools	High Schools	Absolute Rating	Teacher Turnover	Poverty Index
2009–10	785	3	29	420	209	106	476	286	669
2008–09	754	3	26	402	200	111	470	266	629

Source: South Carolina Department of Education

Historical Analysis of Applicant Pool

During the first ten years of the Teacher Loan Program, 11,387 individuals received a loan through the Teacher Loan Program (duplicated count, SLC). Specific demographic information is not available for these recipients, but information on applicants since 1994-95 is available. Those records were reviewed to gain an understanding of who applied for and who received the teacher loans. Since 1994-95, the SLC received 29,432 applications for the Teacher Loan Program (Table 3). The number of applicants is a duplicated count as one applicant could have applied for loans in multiple years. Of the 26,756 applications, 68 percent were approved; 26 percent were denied and 7 percent were cancelled by the applicant. Applications generally were denied for failure to meet the academic grade point criteria (11%) or for having not passed the EEE or Praxis I (5%). Other reasons for denial include inadequate funds available.

Table 3
Application Status of Applicants 1994-95 through 2007-08
Teacher Loan Program

Year	Total Applied*	Approved #	Application Cancelled	Denied #	Reason for Denial			
					Credit Problem	Academic Reason	No EEE Praxis	Other**
1994-95	2,242	1,416	176	650	48	241	69	52
1995-96	2,024	986	176	862	8	229	115	20
1996-97	1,446	982	118	346	5	262	51	28
1997-98	1,545	1,117	119	309	3	201	63	42
1998-99	1,569	1,138	128	303	10	182	54	57
1999-00	1,532	1,121	85	326	6	206	69	45
2000-01	2,028	1,495	112	421	16	244	86	74
2001-02	2,297	1,536	106	655	8	312	122	56
2002-03	2,004	1,332	110	562	3	219	139	73
2003-04	1,948	1,345	118	485	1	189	125	66
2004-05	1,735	1,101	93	541	1	148	65	57
2005-06	1,902	1,299	154	449	2	145	102	86
2006-07	2,033	1,466	150	417	3	206	78	93
2007-08	2,451	1,711	169	571	10	249	122	76
2008-09	2,676	1,888	126	662	10	263	118	78
TOTAL	29,432	19,933	1,940	7,559	134	3,296	1,378	903
%		68%	7%	26%				

*This is a duplicated count of individuals because the same individuals may apply for loans in multiple years.

**"Other" reasons include (1) not a SC resident, (2) enrollment less than half time, (3) ineligible critical area, (4) not seeking initial certification, (5) received the maximum annual and/or cumulative loan and (6) application in process.

Source: SC Student Loan Corporation, 1995-2009

Between 2007-08 and 2008-09, the number of applications increased by 9 percent. In the prior year the number of applications had increased by 20 percent. However, over the previous four years, the average annual increase in applications was 6.5%. Applicants for the program remain overwhelmingly white and/or female (see Tables 4 and 5). The percentage of applicants failing to report their gender decreased by more than half from 8.3 percent in 2007-08 to 3.4 percent in 2008-09. The percentage of male applicants increased to 18 percent in 2008-09, the highest percentage since the program's inception. In school year 2007-08 males comprised 18 percent of the overall teaching force according to the South Carolina Department of Education. It should be noted that students must reapply every year to the program with priority given to

borrowers who are renewing their loans. There is no expedited process for existing loan recipients.

Table 4
Distribution of Applicants to the Teacher Loan Program by Gender

Year	# Applications	Male		Female		Unknown	
1994-95	2,242	246	11.0%	1,476	65.8%	520	23.2%
1995-96	2,024	305	15.1%	1,692	83.6%	27	1.3%
1996-97	1,446	195	13.5%	1,189	82.2%	62	4.3%
1997-98	1,545	247	16.0%	1,241	80.3%	57	3.7%
1998-99	1,569	261	16.6%	1,267	80.8%	41	2.6%
1999-00	1,532	263	17.2%	1,212	79.1%	57	3.7%
2000-01	2,028	299	14.7%	1,628	80.3%	101	5.0%
2001-02	2,297	288	12.5%	1,769	77.0%	240	10.4%
2002-03	2,004	246	12.3%	1,599	79.8%	159	7.9%
2003-04	1,948	253	13.0%	1,480	76.0%	215	11.0%
2004-05	1,735	261	15.0%	1,413	81.4%	61	3.5%
2005-06	1,902	282	14.8%	1,305	68.6%	315	16.6%
2006-07	2,033	328	16.1%	1,482	72.9%	223	11.0%
2007-08	2,451	410	16.7%	1,845	75.3%	196	8.0%
2008-09	2,676	483	18.0%	2,102	78.6%	91	3.4%
TOTAL:	29,432	4,367	14.8%	22,700	77.1%	2,365	8.0%

Source: SC Student Loan Corporation, 1995- 2009

Approximately 17 percent of all applicants were African American and two percent from other minorities in 2008-09. Neither the legislation nor related regulations establishes a program objective addressing different demographic groups. In the 2007-08 school year, 15.6 percent of all teachers in South Carolina were African American.

Table 5
Distribution of Applicants to the Teacher Loan Program by Race/Ethnicity, 1994-95 through 2008-09

Year	Number Applied	Ethnicity							
		African-American		Other		White		Unknown	
		#	%	#	%	#	%	#	%
1994-95	2,242	210	9	20	1	1,580	70	432	19
1995-96	2,024	271	13	31	2	1,664	82	58	3
1996-97	1,446	236	16	14	1	1,115	77	81	6
1997-98	1,545	258	17	12	1	1,195	77	80	5
1998-99	1,569	301	19	9	1	1,193	76	66	4
1999-00	1,532	278	18	14	1	1,164	76	76	5
2000-01	2,028	310	15	25	1	1,555	77	138	7
2001-02	2,297	361	16	15	1	1,630	71	291	13
2002-03	2,004	280	14	14	1	1,506	75	204	10
2003-04	1,948	252	13	13	<1	1,426	73	257	13
2004-05	1,735	263	15	17	1	1,357	78	98	6
2005-06	1,902	267	14	28	1	1,416	74	191	10
2006-07	2,033	356	17	20	1	1,495	74	162	8

Year	Number Applied	Ethnicity							
		African-American		Other		White		Unknown	
		#	%	#	%	#	%	#	%
2007-08	2,451	401	16	37	1	1,823	74	190	8
2008-09	2,676	453	17	54	2	2,059	77	110	4
TOTAL	29,432	4,497	15	323	1	22,178	75	2,434	8%

Source: SC Student Loan Corporation, 1995-2009.

Loan recipients at the historically African-American institutions remain low. According to the South Carolina Student Loan Corporation, in 2008-09 there were a total of 35 teacher loans to students attending the following historically African-American institutions:

Table 6
Teacher Loans to Historically African-American Institutions

Institution	2008-09	2007-08
Benedict College	6	14
Clafin	7	2
Morris	0	2
S.C. State University	22	24
TOTAL:	35	42

Over time, the Teacher Cadet Program has also impacted the applicant pool. The Center for Educator Recruitment, Retention, and Advancement of South Carolina (CERRA) coordinates the Teacher Cadet Program. As reported by CERRA, the mission of the Teacher Cadet Program "is to encourage academically talented or capable students who possess exemplary interpersonal and leadership skills to consider teaching as a career. An important secondary goal of the program is to provide these talented future community leaders with insights about teaching and school so that they will be civic advocates of education." Teacher Cadets must have at least a 3.0 average in a college preparatory curriculum, be recommended in writing by five teachers, and submit an essay on why they want to participate in the class. In 2008-09 31 percent of all applicants to the Teacher Loan Program were participants in the Teacher Cadet Program (Table 7). Since 1994-95, approximately 34 percent of all applicants have participated in the Teacher Cadet Program.

Table 7
Distribution of Applicants to the Teacher Loan Program by Teacher Cadet Program

Year	Number Applied	Teacher Cadets	%	Not Teacher Cadets	%	UNKNOWN	%
1994-95	2,242	761	34	1,348	60	133	6
1995-96	2,024	751	37	1,203	59	70	3
1996-97	1,446	537	37	864	60	45	3
1997-98	1,545	545	35	946	61	54	4
1998-99	1,569	577	37	939	60	53	3
1999-00	1,532	560	37	896	58	76	5
2000-01	2,028	685	34	1,245	61	98	5
2001-02	2,297	773	34	1,269	60	155	7
2002-03	2,004	727	36	1,209	60	68	3
2003-04	1,948	669	34	1,186	61	93	5
2004-05	1,735	567	33	1,051	60	117	7
2005-06	1,902	580	31	1,006	53	316	17
2006-07	2,033	695	34	1,269	62	69	3
2007-08	2,451	792	32	1,523	62	136	6
2008-09	2,676	819	31	1,670	62	187	7
TOTAL	29,432	10,038	34	16,054	60	1,483	6

Source: SC Student Loan Corporation, 1995-2009

The TLP appeals overwhelmingly to undergraduate applicants. Table 8 showcases applicant patterns by academic status. Although only 19 percent of program applicants are freshmen, consistently 58 percent are continuing undergraduates. Students may be more willing to commit to a professional program after their initial year of post-secondary education. Anecdotal information provided by financial aid counselors about potential graduate student loan applicants identified a hesitancy to participate in the program because they were uncertain about where they might be living after completing their degrees.

Table 8
Distribution of Applicants to the Teacher Loan Program by Academic Level Status
1994-95 through 2008-09

Year	Number Applied	Academic Level Status									
		Freshman		Continuing Undergrad		1 st Semester Graduate		Continuing Graduate		Unknown	
		#	%	#	%	#	%	#	%	#	%
1994-95	2,242	491	22	1,403	60	76	3	171	8	101	5
1995-96	2,024	435	21	1,280	60	92	4	155	8	62	3
1996-97	1,446	261	18	897	60	73	10	164	11	51	4
1997-98	1,545	272	18	876	60	138	10	202	13	57	4
1998-99	1,569	295	19	856	60	146	10	224	14	48	3
1999-00	1,532	331	22	863	60	135	10	196	13	7	<1
2000-01	2,028	440	22	1,087	50	194	10	300	15	7	1
2001-02	2,297	545	24	1,241	54	215	9	291	13	5	<1
2002-03	2,004	336	17	1,183	59	205	10	277	14	3	<1
2003-04	1,948	298	15	1,177	60	194	10	263	14	16	<1
2004-05	1,735	232	13	1,068	62	162	9	256	15	17	1
2005-06	1,902	281	15	1,083	57	231	12	248	13	59	3
2006-07	2,033	363	18	1,157	57	209	10	251	12	53	3
2007-08	2,451	445	18	1,471	60	186	8	233	9	116	5
2008-09	2,676	428	16	1,534	57	265	10	278	10	171	6
TOTAL	29,432	5,453	19	17,176	58	2,521	9	3,509	12	773	3

Source: SC Student Loan Corporation, 1995-2009.

In analyzing loan recipients by academic level status, Table 9 documents that in 2008-09 there were 1,888 TLP loans awarded, an increase of 10 percent over the prior year. For comparison purposes, there was a 17 percent increase in the number of loans awarded in 2007-08 over the 2006-07 year. Of all TLP recipients in 2008-09, 47 percent were juniors or seniors. Only 17 percent were freshman, and 12 percent were sophomores. There are three possible explanations for the decline in loan recipients between freshman and sophomore years: (1) individuals may decide that they do not want to become teachers; (2) some students may leave college after freshman year; and (3) some individuals may no longer meet the qualifications to receive the loans. There are two primary reasons sophomores may no longer qualify for the loan: their GPA is below a 2.5 and/or they have not passed the Praxis I test required for entrance into an education program. No data exist on how many of the applicants were rejected for not having passed or how many had simply not taken the exam. Either way, the applicant would not qualify for additional TLP loans until the Praxis I was passed. In 2008-09 there was also a significant increase in the overall number of first year graduate and third year graduates receiving a teacher loan.

Table 9
Distribution of Recipients of the Teacher Loan Program by Academic Level Status
1994-95 through 2008-09

	94-95	95-96	96-97	97-98	98-99	99-00	00-01	01-02	02-03	03-04	04-05	05-06	06-07	07-08	08-09
Freshmen	268	8	137	173	292	225	291	318	183	168	121	185	221	344	328
Sophomores	143	108	71	105	107	93	145	166	143	114	69	89	148	195	225
Juniors	290	246	228	225	228	205	278	306	274	317	248	230	267	345	426
Seniors	381	395	359	338	330	324	376	400	396	386	392	419	441	469	459
5 th Yr Undergrads	37	34	31	37	34	36	48	35	31	55	50	67	61	61	59
1 st Yr Graduates	64	91	70	165	168	143	231	208	218	187	118	203	212	207	284
2 nd Yr Graduates	41	45	67	45	67	88	104	82	72	86	82	85	92	80	85
3+ Yr Graduates	12	3	18	22	8	7	19	8	13	26	20	21	15	8	22
TOTAL	1236	930	981	1110	1234	1121	1492	1523	1330	1339	1100	1299	1457	1709	1888

Source: SC Student Loan Corporation, 1995-2009

Interactions with State Scholarship Programs

Numerous scholarship programs have been developed by the General Assembly to assist students in attending institutions of higher learning in South Carolina. In 1999 the General Assembly created the Teaching Fellows Program to recruit up to 200 high achieving high school seniors each year into teaching. Students who receive a Teaching Fellows award go through a rigorous selection process and are awarded up to \$6,000 per year as long as they continue to meet minimum criteria. Recipients agree to teach in South Carolina at least one year for each year they receive an award and they sign a promissory note that requires repayment of the scholarship should they not teach. In addition to being an award instead of a loan, the Teaching Fellows Program differs from the Teacher Loan Program in that recipients do not have to commit to teaching in a critical need subject or geographic area to receive the award.

Policymakers have asked if the other scholarship programs for colleges and universities in the state have affected application levels of the TLP. The other scholarship programs in question include the Palmetto Fellows Program, the Life Scholarships, and the Hope Scholarships. The Palmetto Fellows Program and the Life Scholarships award scholarships to students based on academic achievement, but neither is directed to teacher recruitment.

Working with the Commission on Higher Education, the Student Loan Corporation and the South Carolina Department of Education, specific data files from the three organizations were merged and cross-referenced to determine how the scholarship programs interact with the TLP. Table 10 shows over the last eleven years the number of teacher loan recipients who also participated in the Hope, Life, or Palmetto Fellows programs. The merged data found 1,775 recipients of the Life Scholarship teaching in South Carolina public schools in 2008-09, 93 Palmetto Fellows recipients teaching, and 49 Hope recipients teaching. The data show consistent annual increases, evidence that more high achieving students are choosing to enter the field of education and teach in public schools in South Carolina (Table 10).

Table 10**Loan Recipients serving in South Carolina schools in 2008-09 matched with the Scholarship file**

Scholarship Type	YEAR										
	98-99	99-00	00-01	01-02	02-03	03-04	04-05	05-06	06-07	07-08	08-09
LIFE	11	93	227	370	533	701	898	1,069	1,306	1,552	1,775
Palmetto Fellows					2	10	27	39	59	72	93
Hope									5	26	49
Total	11	93	227	370	535	711	925	1,108	1,370	1,650	1,917

Source: Commission on Higher Education, 2009.

Another issue raised by the creation of the programs revolved around how many students in each scholarship program are currently enrolled and majoring in education. Table 11 shows the number of scholarship recipients each year. It is a duplicated count.

Table 11
Number of Scholarship Recipients for the Fall Terms

Year	Hope	Life	Palmetto Fellows
1998		14,618	**
1999		16,374	**
2000		16,560	**
2001		19,469	2,606
2002	2,085 *	23,330	2,915
2003	2,324	25,450	3,358
2004	2,343	27,105	3,663
2005	2,449	27,832	4,316
2006	2,408	28,362	4,755
2007	2,615	29,140	5,148
2008	2,590	29,943	5,516

Source: Commission on Higher Education, 2009.

* Program started in the 2002-03 academic year.

** Program was in existence but data were not available.

In the first year of the Life Scholarships 7.2 percent of the recipients declared as education majors (Table 12). Over the last five years the percentage of Life scholarship recipients declaring an education major has been slightly declining. The percentage of the recipients of the Hope Scholarships is also declining from a high of 15.1 percent in 2005 down to 13.1 percent in 2008. The percentage of Palmetto Fellows recipients has been consistent over time. Still, approximately one-tenth of South Carolina's brightest students declared an education major.

Table 12
Percent of Students that Received Scholarships for each Fall Term and had Declared an Education Major

Scholarship	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Hope	0	0	0	0	14.3	13.9	13.2	15.1	14.7	14.6	13.1
LIFE	7.2	7.7	7.4	11	11.4	12.1	12.1	12.2	11.7	11.3	11.0
Palmetto Fellows	0	0	0	5.9	6.1	7.0	6.3	7.1	7.1	6.8	6.4
Total	7.2	7.7	7.4	10.4	11.1	11.7	11.5	11.7	11.3	10.9	10.4

Source: Commission on Higher Education, 2009.

TLP Recipients and College Admission Scores

There is a significant increase in the average SAT score for loan recipients. Between 2007-08 and 2008-09 the average SAT score for loan recipients increased from 1081 to 1096, well above the national SAT average of 1016 for 2008-09 (Table 13). The average SAT includes scores for the critical reading and mathematics sections only and excludes the writing scores. As stated above, applicants for the TLP are required to have an SAT or ACT score equal to or greater than the SC average for the year of graduation from high school or the most recent year for which data are available.

Table 13
Average SAT Scores of Loan Recipients

ACADEMIC YEAR	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
Aver SAT score	961.1	960.9	971.3	997.9	1024.1	1056.9	1069.6	1076.7	1076.8	1081.2	1095.6

Source: Commission on Higher Education, 2009.

TLP Recipients and Repayment or Cancellation Status

According to the annual report of the South Carolina Student Loan Corporation, as of June 30, 2009 there were 13,875 borrowers in a repayment or cancellation status. The data suggest that 15 percent of these borrowers never taught or were eligible for loan cancellation. Approximately 46 percent are teaching or have taught.

- 1,860 (13%) never eligible for cancellation and are repaying loan
- 349 (3%) previously taught but not currently teaching
- 1,601 (12%) teaching and having loans cancelled
- 5,561 (40%) are repaying the loan or a portion of the loan;
- 93 (1%) were discharged due death, bankruptcy or disability
- 77 (1%) were in default
- 4,334 (31%) had loans cancelled by fulfilling teaching requirement
- 13,875

The SLC also reports that as of June 30, 2009 there were 13,875 borrowers who owed \$32,954,145.28 to the program. The current interest on these loans is \$2,202,929.70.

After merging of the data files from Student Loan Corporation (SLC) and South Carolina Department of Education (SCDE), 5,995 loan recipients were identified as presently serving in the South Carolina public school system in the spring of the 2008-09 school year. Table 14 documents the gender and ethnicity of the 5,995 recipients.

Table 14
Loan Recipients in South Carolina Schools by Gender and Ethnicity, 2008-09

Gender	Number	Percent
Male	721	12.0
Female	5,224	87.1
Unknown	50	0.8
Ethnicity		
African American	797	13.3
Caucasian	4,991	83.3
Asian	13	0.2
Hispanic	33	0.6
American Indian	7	0.1
Unknown	154	2.6
Total	5,995	100.0

Table 15 documents the areas of certification for these 5,995 loan recipients as well as other loan recipients since 1994-95. Approximately 46 percent (2,767) are certified in elementary education, 6 percent (381) in mathematic and 12 percent (696) in early childhood education.

Table 15
Loan Recipients Serving in SC Public Schools as of 2008-09
Primary Area of Certification

Code	Certification Subject	Number Certified	Code	Certification Subject	Number Certified
01	Elementary	2,767	2J	Sp/Ed - Severe Disabilities	3
02	Sp/Ed - Generic Special Ed	149	30	Agriculture	5
03	Speech Language Therapist	121	32	Distributive Education	2
04	English	324	35	Family & Consumer Science	9
05	French	29	40	Commerce	1
06	Latin	1	46	Data/Information Processing	1
07	Spanish	73	47	Business Education	43
08	German	3	49	Advanced Fine Arts	1
10	Mathematics	381	4B	Business & Marketing Technology	24
11	General Mathematics	4	50	Art	105
12	Science	131	51	Music Education – Choral	43
13	General Science	13	53	Music Education – Voice	2
14	Biology	42	54	Music Education – Instrumental	46
15	Chemistry	11	57	Speech & Drama	2
16	Physics	1	58	Dance	7
1A	Middle School Language Arts	2	5A	English for Speakers of Other Languages	2
1B	Middle School Mathematics	2	5C	Theater	6
1C	Middle School Science	1	60	Media Specialist	77
1D	Middle School Social Studies	5	63	Driver Training	6
1E	Middle Level Language Arts	37	64	Health	1
1F	Middle Level Mathematics	31	67	Physical Education	58
1G	Middle Level Science	8	70	Superintendent	1
1H	Middle Level Social Studies	43	71	Elementary Principal	17
20	Social Studies	132	72	Secondary Principal	3

Code	Certification Subject	Number Certified
21	History	8
26	Psychology	2
29	Industrial Technology Education	8
2A	Sp/Ed - Educable Mentally Disabled	103
2B	Sp/Ed - Visual Impairment	2
2C	Sp/Ed - Trainable Mentally Disabled	2
2D	Sp/Ed - Deaf & Hard of Hearing	2
2E	Sp/Ed - Emotional Disabilities	79
2G	Sp/Ed - Learning Disabilities	150
2H	Sp/Ed - Mental Disabilities	29
2I	Sp/Ed - Multicategorical	51

Code	Certification Subject	Number Certified
80	Reading Teacher	3
81	Reading Consultant	1
84	School Psychologist II	4
85	Early Childhood Education	696
86	Guidance - Elementary	53
89	Guidance - Secondary	12
AC	Health Science Technology	1
AV	Electricity	2
BF	Small Engine Repair	1
DB	Protective Services	1
	Unknown/Not Reported	9
	TOTAL	5,995

Analyzing the 5,995 loan recipients by their position in schools, Table 16 documents that 84 percent of these loan recipients were employed in typical classrooms as defined by Position Codes 4, 5, 6, 7 and 8 in school year 2008-09.

Table 16
Loan Recipients Serving in SC Public Schools as of 2008-09 Positions

Position Code	Description	Number	Position Code	Description	Number
1	Principal	56	47	Director, Athletics	2
2	Assistant Principal, Co-principal	132	48	Assistant Superintendent, Noninstruction	1
3	Special Education (Itinerant)	12	54	Supervisor, Elementary Education	3
4	Prekindergarten (Child Development)	103	55	Supervisor, Secondary Education	1
5	Kindergarten	216	56	Supervisor, Adult Education	1
6	Special Education (Self-Contained)	340	58	Director, Special Services	4
7	Special Education (Resource)	398	60	Coordinator, AP/G&T	1
8	Classroom Teacher	4,004	67	Coordinator, Foreign Language	1
10	Library Media Specialist	226	72	Coordinator, Mathematics	2
11	Guidance Counselor	150	74	Coordinator, Science	1
12	Other Professional Instruction-Oriented	69	75	Educational Evaluator	2
15	Coordinator, Job Placement	2	78	Coordinator, Special Education	10
16	Director, Adult Education	1	80	Supervisor, District Library Media Services	1
17	Speech Therapist	122	82	Coordinator, Early Childhood Education	1
19	Temporary Instruction-Oriented Personnel	6	83	Coordinator, Parenting/Family Literacy	1
23	Career Specialist	1	85	Psychologist	11
27	Technology/IT Personnel	5	89	Title I Instructional Paraprofessional	3
28	Director, Personnel	5	92	Kindergarten Aide	2
33	Director, Technology	2	93	Special Education Aide	3
34	Director, Transportation	1	94	Instructional Aide	2
35	Coordinator, Federal Projects	2	97	Instructional Coach	44
43	Other Professional Noninstructional Staff	25	98	Adult Education Teacher	2
44	Teacher Specialist	5	99	Other District Office Staff	13
				TOTAL	5,995

Goals and Objectives for the TLP

In 2003, the EIA and Improvement Mechanisms Subcommittee of the Education Oversight Committee requested that staff develop goals and objectives for the TLP to be recommended to the General Assembly. An advisory committee on the TLP was formed with representatives from CERRA, the Student Loan Corporation, the Division of Educator Quality and Leadership at the State Department of Education, and the Commission on Higher Education. After review of the data, the advisory committee recommended the following three goals and objectives for the Teacher Loan Program in 2004. The goals and objectives presented below were confirmed in 2005 and 2006 and adopted by the Education Oversight Committee as evaluation goals in the fall of 2007. To measure progress toward these goals, teacher profile data from 2007-08 (Table 17 was used).

**Table 17
Teacher Profiles, 2007-08**

Characteristic	Number	Percent of Total
Gender		
Male	8,905	18.0%
Female	39,995	81.0%
Not Reported	466	0.9%
TOTAL	49,366	
Ethnicity		
African American	7,678	15.6%
American Indian	72	0.1%
Asian	536	1.1%
Hispanic	488	1.0%
White	38,015	77.0%
Not Reported	2,577	5.2%
TOTAL:	49,366	

Source: South Carolina Department of Education

1. The percentage of African-American applicants and recipients of the TLP should mirror the percentage of African-Americans in the South Carolina teaching force.
 - By Fiscal Year 2009, the percentage of African-American applicants and recipients of the TLP will mirror the percentage of African-Americans in the South Carolina teaching force. (In school year 2007-08, 15.6% of all teachers in South Carolina were African American.)

Measuring Progress Toward the Goal: In 2008-09 17.0 percent of all applicants were African American which exceeds the percentage of teachers in South Carolina who were African American; however, only 13.3 percent of all loan recipients were African American, which is less than the percentage of teachers in South Carolina who are African American.

2. The percentage of male applicants and recipients of the TLP should mirror the percentage of males in the South Carolina teaching force.
 - By Fiscal Year 2009, the percentage of male applicants and recipients of the TLP will mirror the percentage of males in the South Carolina teaching force. (In 2007-08 18.0% of all teachers in South Carolina were males.)

Measuring Progress Toward the Goal: In 2008-09 18.0% of all applicants were males, which reflects the percentage of males in the teaching force; however, only 12.0% of all loan recipients were males.

3. Eighty percent of the individuals receiving loans each year under the TLP should enter the South Carolina teaching force.
 - By Fiscal Year 2009, the percentage of TLP recipients entering the South Carolina teaching force will be 80 percent.

Measuring Progress Toward the Goal: Of the 13,875 outstanding loans, 31 percent had the loans by fulfilling the teaching requirement and another 12 percent are currently teaching and having the loan cancelled. Additional analysis is needed to determine what percentage of TLP recipients who are repaying the loan or a portion of the loan ever entered the South Carolina teaching force.

The Education Oversight Committee believed that these goals and objectives were reasonable and obtainable. Although there is a significant challenge to the achievement of the goals, there is no entity in charge of seeing that the goals are reached. At present no goal is set for the percentage of recipients who choose to cancel their loans by teaching in a critical need or critical geographic area.

Findings and Recommendations

Findings From Previous Reports Confirmed

- The Teacher Loan Program continues to fulfill the statutory mission to attract individuals into the teaching profession and into areas of critical need as measured by the annual increase in applications and in the number of TLP recipients teaching in public schools in South Carolina.
- There has been a significant increase in the average SAT score of TLP recipients between 1998-99 and 2008-09.
- There remains no official program governance and administrative organization.
- There have been no major changes in the patterns in the statistical data regarding the gender and ethnicity of the recipients of loans, percentage of loans going to Teacher Cadets, SAT scores, repayment patterns, or the primary certification area of loan recipients.

New Findings from the 2008-09 Report

- Regarding the goals established for the program by the Education Oversight Committee, the percentage of males and African American applicants reflects the percentage of males and the percentage of African Americans currently teaching in South Carolina's public schools. However, the percentage of males and African Americans receiving student loans is less than the percentage of males and the percentage of African Americans currently teaching in South Carolina's public schools.
- There was a 9 percent increase in the number of individuals applying to the Teacher Loan Program between 2007-08 and 2008-09.
- The total number (1,888) and amount (\$7.7 million) in TLP loans made in 2008-09 mark all-time highs for the program.
- The average SAT score of loan recipients increased from 1081 in 2007-08 to 1096 in 2008-09.

Recommendations

A policy board of governance should be established, or an existing state agency should be identified as the central authority of the program, with the responsibility to set goals, allocate available funding, facilitate communication among the cooperating agencies, and advocate for the loan participants and effectively market the Teacher Loan Program.

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