

At a Glance

Teacher Loan Program

March 2008

Background

- The Teacher Loan Program (TLP) was created in 1984 as part of the Education Improvement Act to recruit individuals into teaching in critical needs subject areas and critical needs schools.
- Beginning with an initial appropriation of \$1.5 million, the annual appropriation for the Teacher Loan Program has varied from \$1.2 million to \$5.3 million since the inaugural year. Funds come from the Education Improvement Act Trust Fund.
- The Student Loan Corporation (SLC) administers the program for the state of South Carolina.
- Since the inception of the program, over 14,000 individuals have received a loan for at least one year.
- In 2000, the SC General Assembly directed the Education Oversight Committee (EOC) to conduct an annual review of the program and to report their findings to the General Assembly. Reports have been issued annually since 2002.

Critical Need Identification

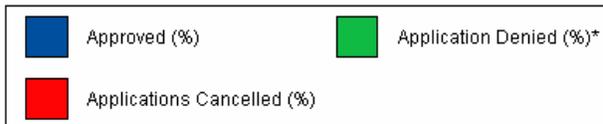
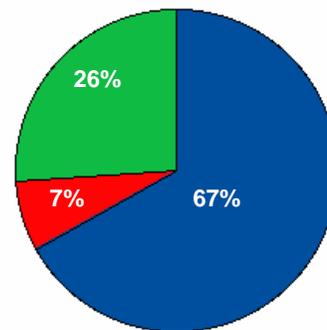
The designation of critical geographic area changes over time.

- At the beginning of the 2000-01 school year, the State Board of Education adopted the criteria established for the federally funded Perkins Loan Program as the criteria for determining critical need schools. As a result, 89 percent of SC public schools qualified for critical geographic need.
- During the 2004 legislative changes, changes were made to the definition through Proviso 1A. 50, to include criteria based on absolute ratings, teacher turnover rates, and a school's poverty index. For 2007-08, 59.1 percent of schools qualified for critical geographic need. The change in the definition may affect how quickly some teachers are able to cancel their loans; recipients under the Perkins Loan criteria are able to cancel their loans through a grandfather proviso.

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. Specific demographic information is not available on these recipients.
- Since 1994-95, the SLC has received 24,270 applications for the program.
- The data presented in the chart at the right show the application status of applicants 1994-95 through 2006-07.
- Applicants for the program remain overwhelmingly white and/or female.
- The percentage of male applicants increased to 16 percent in 2006-07 but still remains at just over 14 percent of the applicants overall.
- Overall, 15 percent of the applications have been submitted by African American students.
- Following an analysis of data files from the SLC and the State Dept. of Education, 5,271 loan recipients between the years 1994-95 and 2006-07 were identified as serving in the SC public school system in Spring 2007.

Application Status of Teacher Loan Program Applicants, 1994-95 through 2006-07



Reasons for Denial: Credit Problem, 2%; Academic Reason, 44%; No EEE Praxis, 18%; Inadequate loan funds, 24%; Other, 12%

Findings

Findings from previous reports were reconfirmed in 2007 including:

- The Teacher Loan Program continues to fulfill the statutory mission to attract individuals into the teaching profession and into areas of critical need.
- Both African Americans and males remain underrepresented in applications and receipt of loans compared to the percentage of each group in the teaching force.
- The sharing of information among the various agencies involved with the program continues to improve.
- The scholarship programs established by the General Assembly have not negatively impacted on the TLP.
- There has been a significant increase in the average SAT score of TLP recipients between 1998-99 and 2006-07.
- There is a significant decrease in the number of sophomores participating in the program compared to freshman participation.
- The Career Changers Program is contributing to the number of teachers in the workforce. This program, established by the General Assembly in 2001, is designed to recruit persons with undergraduate degrees in areas other than teaching who have been working at least three years.
- There is no program governance and administrative organization.
- Students participating in the Teaching Fellows Program are not receiving additional state assistance from the Teacher Loan Program.
- There have been no major changes in the patterns in the statistical data regarding the gender and ethnicity of the applicant pool or 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 2006-07 report include:

- There has been a 15.2 percent increase in the number of individuals applying for a Teacher Loan over the past two academic years.
- There has been a steady increase in the number of schools qualifying as critical geographic area schools over the last two years.

Recommendations

1. 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, facilitate communication among the cooperating agencies, advocate for the loan participants and effectively market the Teacher Loan Program. (At the end of the 2007 session of the General Assembly, H3162, a bill to create a Policy Board for the TLP, had passed the House and awaits consideration by the Senate Education Committee).
2. The goals and objectives established by the multi-agency advisory committee should be adopted by the Education Oversight Committee as the evaluation standards and objectives for the program:
 - The percentage of African American applicants and recipients of the TLP should mirror the percentage of African Americans in the South Carolina teaching force (presently 17 percent.)
 - The percentage of male applicants and recipients of the TLP should mirror the percentage of males in the South Carolina teaching force (presently 17 percent.)
 - Eighty percent of the individuals receiving loans each year under the TLP should enter the South Carolina teaching force (presently 78 percent).
3. The impact of the increase of qualifying schools on the definition of critical geographic need should be studied over time.

For additional information, contact the EOC at (803) 734-6148.

A complete copy of “2007-08 South Carolina Teacher Loan Program Annual Review” can currently be found online at www.eoc.sc.gov, under Reports and Publications. Click on “Teachers.”