

At a Glance

Teacher Loan Program

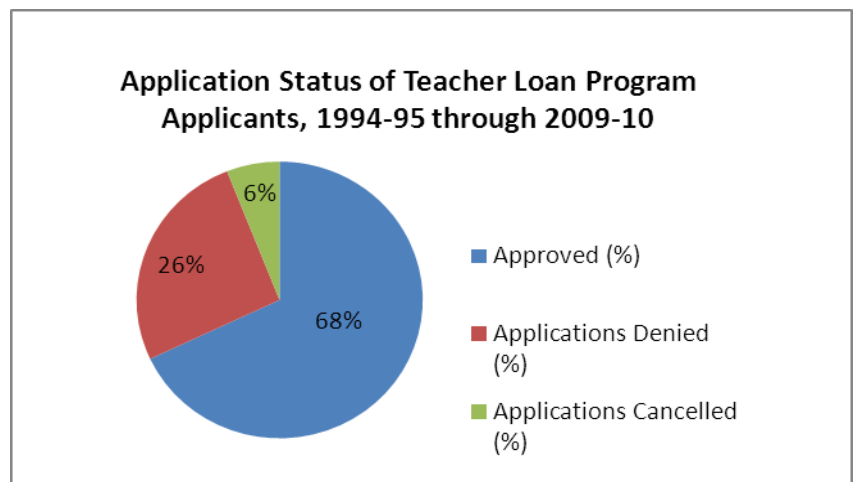
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Background

- The Teacher Loan Program (TLP) was created in 1984 as part of the Education Improvement Act (EIA) to recruit individuals into teaching in subject areas and schools with critical shortages.
- Undergraduate and graduate students seeking to become teachers apply for the loan. In return the loan may be cancelled at the rate of 20 percent annually or \$3,000, for each full year of teaching in a critical subject or a critical geographic area. Should both criteria be met, teaching in a critical subject and critical geographic area simultaneously, the loan may be cancelled at an annual rate of 33 1/3 percent or \$5,000. If students do not teach in public schools, then the loan must be repaid.
- Beginning with an initial appropriation of \$1.5 million, the annual appropriation for the Teacher Loan Program has ranged from \$1.2 million to \$5.4 million. 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 21,000 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.

Findings from Previous Reports Confirmed

- The TLP 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 SC.
- Since 1994-95, the SLC has received 31,660 applications for the program.
- The data presented in the chart to the right show the application status of applicants 1994-95 through 2009-10.
- There has been a strong increase in the average SAT score of Teacher Loan recipients over time. While the mean SAT score of for South Carolina has increased by 3 percent from the 1998-99 academic year to the 2009-10 academic year, the mean SAT score for Teacher Loan recipients has increased by 13 percent over the same time period.
- One-third of all Teacher Loan recipients had previously participated in the Teacher Cadet program in high school.
- Over time, one-third of all Teacher Loan recipients had their loans cancelled by fulfilling the teaching requirement with another ten percent in the process of teaching and having their loans cancelled. The default rate has been consistently one percent of all loans made as compared to the federal default rate of 7 percent.



New Findings from 2009-10 Report

- The number of applicants to the TLP declined by 17 percent in 2009-10, the largest annual reduction in total applicants since 1996-97.
- Of the 2,228 applicants to the program in 2009-10, 1,555 loans were approved totaling \$6,640,103. The number of approved applications was an 18 percent reduction from the prior year. The average amount of a Teacher Loan in 2009-10 was \$4,270.
- In 2009-10 the TLP was funded with \$4,000,722 in EIA revenues and \$3,000,000 in Revolving Loan Funds.
- Approximately 300 applicants were denied due to inadequate funds. An additional \$1,281,000 was needed to fund all eligible applicants.
- The State Board of Education identified 18 critical need subject areas and 785 critical geographic need schools in 2009-10. Approximately two-thirds of all schools in South Carolina qualify as geographic need schools because 64 percent of schools had a poverty index of 70 percent or higher in 2009-10.
- While the percentage of male applicants and male recipients to the TLP continues to mirror the percentage of male teachers in the teaching force, the percentage of African American applicants in 2009-10 declined to 14 percent which is less than the percentage of African American teachers in the public schools, 15.1 percent.
- The number of TLP recipients at historically African American institutions remains low and in 2009-10 declined to a historic low. There were twelve Teacher Loans to students attending historically African American institutions, a two-thirds reduction from the prior year.
- In the 2009-10 school year there were 6,266 individuals employed by public schools in the state who had received a South Carolina Teacher Loan.

Observations and Questions for Discussion

- Should the statutory definition of critical geographic be amended to include schools with a poverty index of 80 percent or greater, rather than 70 percent or greater?
- Should the definition of critical subject area be reviewed and amended?
- Additional discussion with the South Carolina Student Loan Corporation, the South Carolina Department of Education, and the Commission on Higher Education is needed to determine how many teachers who were recent South Carolina graduates and who had received a South Carolina Teacher Loan were hired by school districts annually. To clarify how the South Carolina Teacher Loan program assists in increasing the number of individuals actually hired each year will require additional data collection and analysis.

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

A complete copy of “2009-10 South Carolina Teacher Loan Program Annual Review” can currently be found online at www.eoc.sc.gov, under Reports and Publications. Click on “Teachers.”