



The South Carolina Teacher Loan Program

Annual Review

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Teacher Loan Program Report 2004-2005

The report on the Teacher Loan Program for 2004-2005 is divided into three parts. Part I, A Study of Participants in the South Carolina Teacher Loan Program Who Are Repaying Their Loans, was prepared on behalf of the Education Oversight Committee by the South Carolina Educational Policy at the University of South Carolina. Part II, prepared by the staff of the Education Oversight Committee, is an update of the statistical information presented in the three previous reports on the Teacher Loan Program prepared between 2000 and 2004. The previous reports can be viewed at <http://www.sceoc.com/reports.htm> under the topic "Teachers." Part III is a summary of findings and recommendations from Parts I and II.

A Study of Participants in the South Carolina Teacher Loan Program Who Are Repaying Their Loans

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Introduction

Policy makers have long recognized that the quality and supply of teachers are crucial to the national interest and have maintained that incentives can be a powerful tool in encouraging students to enter the teaching profession. The first federal initiative to provide an incentive to teachers through the mechanism of loan forgiveness or loan cancellation was the National Defense Student Loan Program, authorized by the National Defense Education Act of 1958. This program was targeted at public school teachers and reflected concern about the state of mathematics and science education in the United States following the launch of a space satellite by the Soviet Union.

In recent years, federal loan forgiveness for teachers has been available mainly through Stafford student loans funded by the Federal Family Education Loans (FFEL) and the William D. Ford Direct Loan Program (DL). FFEL loans are provided by private lenders such as banks, and the loans are guaranteed by the federal government. DL loans are provided directly to students and their parents by the federal government. Together, these programs have provided millions of dollars for loans to qualified teachers. Teachers can be forgiven \$5,000 after five consecutive years of full-time teaching in a low-income public or private school in a district eligible for Elementary and Secondary Education Act (ESEA) Title I-A funding. It is projected that between FY2005 and FY2014 over \$1.6 billion in teacher loans will be forgiven under these programs (McCallion, 2004).

Another source of federal loans for teachers under FFEL and DL is the Perkins Student Loan Program. Full-time teachers in schools serving low-income students or teaching in high need areas may recoup 15% for years one and two, 20% for years three and four, and 30% for the fifth and each successive year, with the maximum forgiven being up to 100% of the loan amounts. In the recent 108th Congress, over 40 bills were introduced “which would extend loan forgiveness or service payback programs to additional categories of individuals or would expand existing programs” (McCallion, 2004, p. 12).

States across the nation, including South Carolina, have sought ways to retain current teachers and to also increase the supply of teachers in high need areas. According to Cornett (2004), the research on teacher retention has demonstrated a need to focus on the first several years of teaching. In the first year of teaching, between 12% and 20% of teachers leave the classroom. Data from Tennessee indicate that for teachers with no previous experience, “36%

leave within the first four years and 42% leave within five years. Similar turnover occurs in other states. Georgia reports first year teachers leave at a rate of 15%; South Carolina 12%; North Carolina 13%; and Texas 19%.” (Cornett & Gaines, 2004, p. 4). States in the region have responded by offering a variety of incentive plans for teachers, including career ladders, advanced certification, and loan forgiveness.

The South Carolina Teacher Loan Program

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

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 of the legislation was to encourage prospective students to become teachers and to remain in the State teaching in areas of critical need by offering loans that could be cancelled (or forgiven) if the teacher taught in a critical needs area. The program was one of a number of incentive-related programs included in the 1984 legislation. While other incentive programs, like the School Incentive Reward Program, the Principal Incentive Program, and the Teacher Incentive Program were in place for varying lengths of time, only the Teacher Loan Program has continued to function to the present day. Beginning with an initial appropriation of \$1.5 million, the annual appropriation for the Teacher Loan Program has varied from \$1.2 to \$5.0 million over the two decades since the establishment of the program. Including budget transfers, funds available through repayment, and less administrative cost, the actual amount loaned has approached \$6.0 million within the past several years (Education Oversight Committee, 2004).

According to regulations from the Commission on Higher Education, 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;
- 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. For students currently enrolled as undergraduate students, have taken and passed the Praxis II;
- 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 term 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.

Participants in the state's Career Changers Program are also eligible to receive loans from the South Carolina Teacher Loan Program. This program was established by the General Assembly in 2001 and is funded at approximately two million dollars per year. The Career Changers Program was designed to recruit persons with undergraduate degrees in areas other than teaching who have been working for at least three years. Instructional assistants in the public schools of South Carolina employed for a minimum of three years are also targets of the program. Finally, participants in the South Carolina Program for Alternative Certification for Educators (PACE) have been eligible to receive loans since 2000 for courses required for certification.

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 maximum total loan amount for any individual student is currently \$20,000. PACE participants are limited to \$5,000 or \$1,000 per year. Individuals in the Career Changers Program are eligible to borrow up to \$60,000 or \$15,000 per year.

Under current guidelines, teacher loans may be cancelled at the rate of 20% 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, the loan may be cancelled at an annual rate of 33.33% or \$5,000, whichever amount is greater. Since the State Board of Education annually reviews potential need areas and makes appropriate designations, the areas of critical need may change from year to year. Generally, the subject areas deemed critical at the time of application are honored for cancellation when the individual begins teaching. The critical 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 an additional 2%. This variable rate has been capped at 10.25%.

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 EOC has conducted a series of studies of the program, the most recent in September 2004. One consistent finding has been that a large proportion of loan recipients have chosen to repay the loans rather than having them cancelled. The primary purpose of the present study was to determine the reasons why recipients have chosen to repay the loans. In addition, the characteristics of “repayers” (e.g., gender, level of education, and ethnicity), the motivation of recipients to initially consider a career in teaching, and the teaching status of those choosing to repay were examined.

Methodology

The target participants for this study were South Carolina Teacher Loan Program recipients who either had recently completed loan repayment (between January 1, 2004, and March 31, 2005) or who were currently repaying their loan. A questionnaire was developed by the South Carolina Educational Policy Center (SCEPC) in collaboration with the EOC, the South Carolina Department of Education, and the South Carolina Student Loan Corporation (see Appendix A). The questionnaire was mailed to 632 individuals identified by the South Carolina Student Loan Corporation (SCSLC) as the universe of persons currently repaying or recently completing repayment, as defined above. Participants were assured of confidentiality and urged to take the few minutes required to complete the questionnaire. They were asked to return the questionnaire in the self-addressed, postage-paid envelope provided. Two weeks following the initial mail-out, a follow-up letter and questionnaire were sent to participants who had not returned the initial questionnaire. This procedure produced a return of 302 questionnaires (48%) by the cutoff date to begin data analysis.

Results

Description of Respondents

Of the 302 respondents, 275 affirmed that they were either currently repaying or had recently completed repayment. For most items on the first part of the questionnaire, the number of responses averaged about 250. Most of the respondents held a baccalaureate degree

(51%), were white (88%), and female (80%). Figure 1 and Table 1 present a more complete picture of the respondents' demographic characteristics.

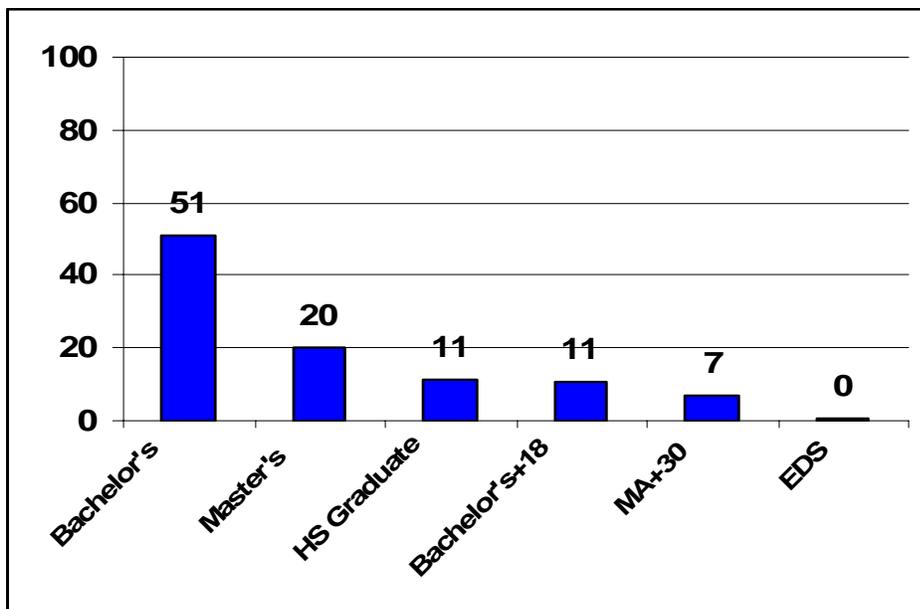


Figure 1. Percentages of respondents at various educational levels.

Table 1

Percentages of Respondents by Gender and Ethnicity

	American Indian/ Alaska Native	Asian	Black/African- American	Hispanic/ Latino	White European American	Total
Female	0.0	0.8	7.6	0.8	71.3	80.5
Male	0.4	0.0	1.6	0.4	17.1	19.5
Total	0.4	0.8	9.2	1.2	88.5	100.0

The questionnaire included a series of questions common to all respondents and asked additional questions of respondents who were currently teaching or had taught in the past. These additional items asked about the organizational level at which the respondents taught, years of experience as a teacher, the subject areas taught, etc. Almost 28% of all respondents had participated in the Teacher Cadet Program during high school. For those items limited to respondents either currently teaching (45%) or for those who had taught in the past (11%), the number of respondents was about 140. Almost half the sample (44%) had never (or not yet) taught (see Figure 2).

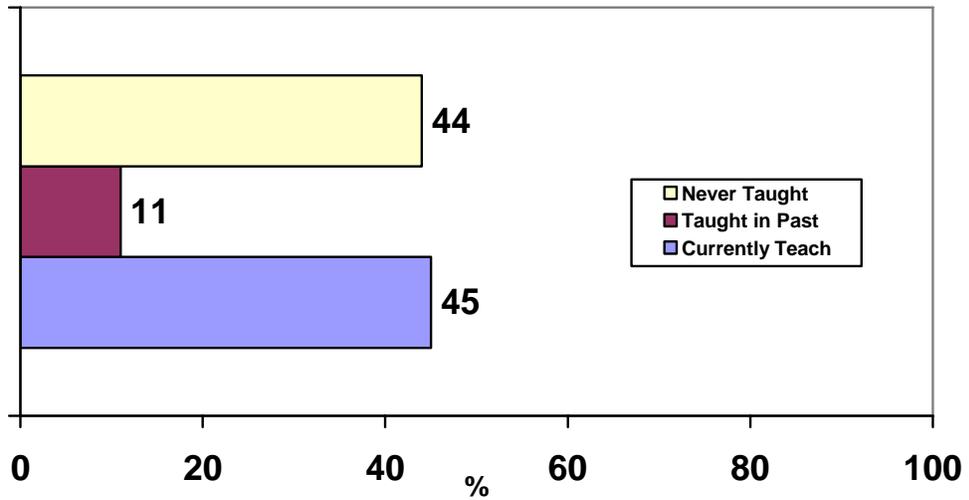


Figure 2. Percentages of respondents by teaching status.

As Figure 3 reveals, most respondents received their loans as college juniors (44%) or seniors (39%). A total of 17 persons (7%) reported receiving loans as career changers. It should be noted that since respondents could mark as many categories as applied, the percentages in Figure 3 will not total to 100%.

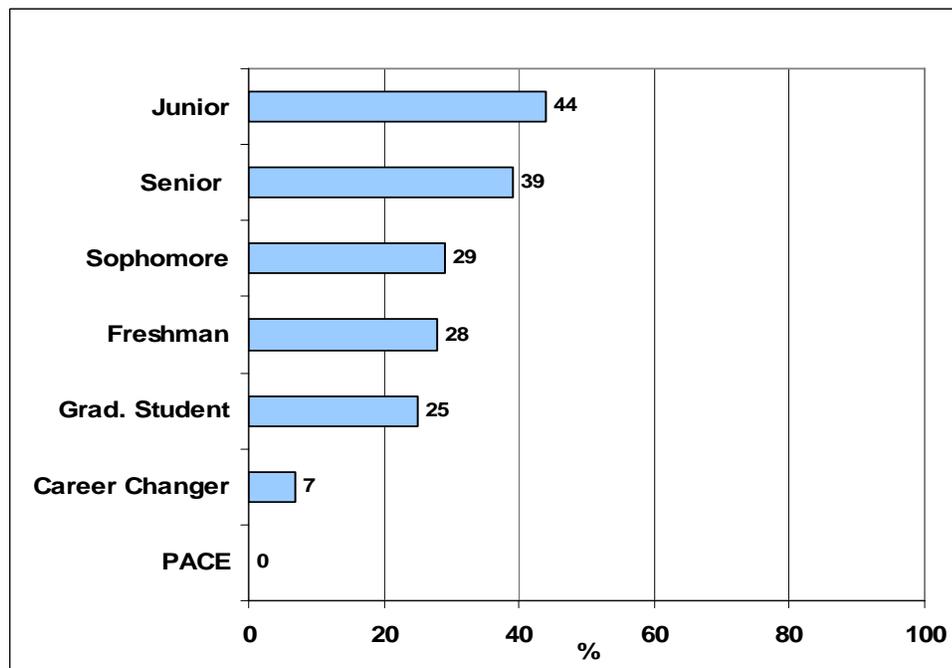


Figure 3. Percentages of respondents receiving loans at each level of education.

As Table 2 indicates, the most frequently reported job held was teacher, followed by business/retail:

Table 2
Percentages of Respondents in Various Job Categories

Position	% of Respondents
Teacher	41
Business/retail	16
Stay-at-home parent/homemaker	9
Work with children in another capacity	7
Other	7
Student	5
Substitute teacher	4
Health-related	2
Higher education	2
Administrative	2
Speech/language pathologist	2
Private day care	2
Guidance/counselor/psychologist	1

Reasons for Not Teaching and Repaying the Loan

When asked to select the reason(s) that they were not teaching, 25% of the respondents marked “I pursued vocational options other than teaching.” These data are presented in Table 3.

Table 3
Responses of All Respondents to the Item: Why are you not currently teaching?

Reason for Not Teaching	% of Respondents ^a
I pursued vocational options other than teaching.	25
Other	22
I concluded that teacher salaries were too low.	13
I had personal issues (for example, health issues or got married).	11
I did not like teaching.	10
I did not graduate.	9
I concluded that opportunities for advancement in teaching were lacking.	6
I did not meet teacher certification requirements.	6
I could not find a qualifying job or school close to my community.	2

^a Respondents could select more than one reason so the percentage will not total 100%.

Participants were asked to mark all responses that applied, and many did mark more than one response option. While the most frequently marked response (25%) was “I pursued options other than teaching,” an additional 22% cited “other” reasons for not currently teaching. These “other” responses were categorized as follows:

- Pursuing other vocational options 26%
"I am teaching in a pre-school/daycare non-state supported."
- Staying at home with children 17%
"Staying home with my kids was more important."
- Failed to qualify or finish/did not pass PRAXIS 16%
"Failed internship."
- Obstacles arose/lack of support 10%
"Too many students in small classrooms. Too much paperwork (unnecessary paperwork). Too many after school hours were required. Too much restriction on creativity in teaching."
- Personal difficulty/illness/lack of funds 10%
- Position not available or still looking 9%
- Currently in graduate school or planning to go to graduate school 9%
- Moved out of state 3%
"My husband is in law school in Michigan."

Item 6 posed the following key question to respondents: "Why are you repaying your teacher loan rather than having it cancelled by teaching in a critical need subject area or a critical need geographic location?" The percentages of respondents choosing each option are shown in Table 4.

Table 4

Responses of All Respondents to the Item: Why are you repaying your teacher loan rather than having it cancelled by teaching in a critical need subject area or a critical need geographic location?

Reason for Not Canceling Loan	% of Respondents ^a
I am not currently teaching.	51
Other reason.	17
I am teaching in a state other than South Carolina.	15
I am teaching in a school that is not defined as critical need.	15
I knew that the loan could be cancelled, but I did not know how to go about seeking cancellation.	11
I am teaching in a subject not defined as critical.	10
I knew that the loan could be cancelled, but I did not think that I qualified for cancellation.	9
I am teaching in a private school.	8
I did not know that the loan could be cancelled.	6
I benefited financially by taking a job in a not qualifying content area or school.	4
I knew that the loan could be cancelled, but I decided not to pursue cancellation for other reasons.	4
I decided that I did not want to teach in a critical need school.	3
I knew that the loan could be cancelled, but I did not think that the amount cancelled justified pursuing.	0

^a Respondents could select more than one reason so the percentage will not total 100%.

A majority of respondents (51%) indicated that they were repaying their teacher loans because they were not currently teaching. Fifteen percent of the respondents were teaching in a state other than South Carolina or reported teaching in a school not qualifying for cancellation. Seventeen percent of respondents noted that they had “other reasons” for repaying their loans. These “Other reason” responses ($n=41$) were reviewed and categorized, and the categories are presented in the examples that follow:

- School or subject not on list (ESOL, early childhood, speech pathology, long-term substitute) 24%
“The content area I am teaching in was on the list prior to me signing. Then it was taken off.”
- Can’t find a teaching job that qualifies 22%
“I was unable to get a job in a critical needs school or subject area. I was however offered jobs from 2 non-critical needs schools (one of which I accepted.)”
- Pursuing other vocational options 17%
“Teaching at a SC technical college.”
- Teaching in another state/country/college 15%
“Teaching in Guadalajara, Mexico for TESOL experience.”
- Moved to another state 7%
“Will be moving to a critical needs state-TN.”
- Did not know about cancellation 7%
- Failed to qualify or finish/didn’t pass PRAXIS 5%
“Not finished with school yet. Not passed Praxis I.”
- Stay-at-home parent 2%

The selection of specific reasons for loan repayment and reasons described by respondents in the “other” category often reflected confusion or puzzlement about various aspects of loan cancellation. The following examples illustrate this confusion:

- *“For some reason, even though I have qualified in the past, the state won’t cancel it.”*
- *“I teach [organizational level and federal facility] but is considered to be a school system that does not qualify. Wish my loans could be cancelled. Wouldn’t have gotten them otherwise.”*
- *“The content area I am teaching in was on the list prior to me signing. Then it was taken off.”*
- *“Some of my loan was a Stafford loan which couldn’t be cancelled, to my knowledge anyway.”*
- *“There were no critical need schools in my area that I’m aware of.”*

Analyses of Responses from Current Teachers

When the analysis of responses to item 6 was limited to only those persons currently teaching ($n=114$), the most frequent response selected (32%) was “Repaying, because I am teaching in a school that is not defined as critical need.” Next, 28% of the teachers selected

“Repaying because I am teaching in a state other than South Carolina.” Twenty-five percent of the current teachers marked “Repaying-Other reasons,” and 22% marked “Repaying because I am teaching in a subject not defined as critical.” Respondents could select more than one reason so the percentages do not total 100%.

The 114 current teachers were asked to indicate the name of the state, school district, and school where they were teaching. They also reported the grade level(s) taught and/or subject areas taught. Seventy-nine of the 114 current teachers were working in South Carolina schools, and their schools and subject areas were compared with the FY05 list of critical needs subject areas and geographical areas qualifying for loan cancellation. Although currently repaying their teacher loans, 44 of the 79 teachers or 55.7% were actually working in South Carolina schools or in subject areas that in fact did qualify them for loan cancellation. Table 5 presents the reasons selected by this group regarding their decision to repay. Almost half of the respondents (45%) indicated that they were aware of loan cancellation, but did not know how to seek cancellation. Approximately one-third of the South Carolina teachers did not believe that they qualified for cancellation.

Table 5

Responses of Current South Carolina Teachers Qualifying for Loan Cancellation (n=44) to the Item: Why are you repaying your teacher loan rather than having it cancelled by teaching in a critical need subject area or a critical need geographic location?

Reason for Not Canceling Loan	% of Teachers ^a
I knew that the loan could be cancelled, but I did not know how to go about seeking cancellation.	45
I knew that the loan could be cancelled, but I did not think that I qualified for cancellation.	34
Other reason.	30
I am teaching in a school that is not defined as critical need.	25
I am teaching in a subject not defined as critical.	16
I did not know that the loan could be cancelled.	14
I decided that I did not want to teach in a critical need school.	5
I benefited financially by taking a job in a not qualifying content area or school.	2
I am teaching in a private school.	2
I knew that the loan could be cancelled, but I decided not to pursue cancellation for other reasons.	2
I knew that the loan could be cancelled, but I did not think that the amount cancelled justified pursuing.	0
I am not currently teaching.	0
I am teaching in a state other than South Carolina.	0

^a Respondents could select more than one reason so the percentage will not total 100%.

The following comments were representative of the 30% of teachers marking “Other reason:”

- “There were no critical need schools in my area that I’m aware of.”
- “I know that the loan could be cancelled, but I was told that I did not qualify.”
- “I have a family and I needed a job close to my home. It just so happened that the schools near me are not critical needs schools.”
- “Did not receive paperwork for school signature to have canceled.”
- “Early childhood was taken off the list.”

Factors that Led to a Career in Teaching

In rating the importance of factors leading to initial consideration of a career in teaching (see Table 6 for ratings from all 253 respondents), altruistic motives were most often cited. More than nine in ten respondents rated “helping students become successful,” “imparting knowledge to children,” “working with children,” and “making a contribution to society” as either “extremely important” or “quite important.” Respondents rated working conditions (summers off, flexible schedules) intermediate in importance and financial incentives (like teacher loans) lower in importance. Only 17% of the respondents rated teacher loans as extremely or quite important.

Table 6

Percentage of Total Respondents (n=253) Marking Each Factor as “Extremely Important” or “Quite Important” When Initially Considering a Career in Teaching

Factor Leading to Consideration of Teaching As a Career	% of Respondents ^a
Helping students become successful	95
Imparting knowledge to children	94
Working with children	92
Making a contribution to society	89
Job security in teaching	56
Other	53
Good holidays/summers off	50
Encouragement by a teacher	46
Flexible working hours	44
The status of being a teacher	29
Teacher loans	17
Carrying on with a family tradition	12
Financial incentives other than teacher loans	9

^a Respondents could select more than one factor so the percentage will not total 100%.

Table 7 presents the responses to this same item given by subgroups of respondents. Respondents were divided into those who had never taught ($n=110$), taught in the past ($n=28$), or were currently teaching ($n=114$). Inspection of Table 7 reveals that current teachers tended

to rate altruistic factors “extremely important” or “quite important” more often than those respondents who had never taught. For example, “Working with children” was rated as extremely or quite important by 97% of current teachers but by only 88% of respondents who had never taught. Similarly, for “Making a contribution to society,” the values were 93% and 86%, for current teachers and respondents who had never taught, respectively. The lowest value for this factor (82%) was from respondents who had taught in the past. Teachers tended to rate working conditions (summers off, flexible schedules) as less important than respondents who had never taught or taught in the past. Table 7 indicates that there was little difference in how current teachers and respondents who had never taught viewed teacher loans: only 17% of those who had never taught and 19% of current teachers rated teacher loans as either “extremely important” or “quite important.” Eleven percent of former teachers responded that teacher loans were “extremely important” or “quite important” to them. The largest differences in percentages between the groups of current teachers and respondents who had never taught were for “Job security” (13 percentage points) and “The status of being a teacher” (14 percentage points). Current teachers rated both of these factors higher than respondents who had never taught.

Table 7

Percentage of Respondents Who Have Never Taught, Taught in the Past, or Are Currently Teaching Who Marked Each Factor as “Extremely Important” or “Quite Important” When Considering a Career in Teaching

Factor Leading to Consideration of Teaching	Never Taught		Taught In Past		Current Teacher	
	N	% ^a	N	% ^a	N	% ^a
Working with children	110	88	28	93	113	97
Good holidays/summers off	108	52	28	57	113	46
Making a contribution to society	108	86	28	82	112	93
The status of being a teacher	107	22	28	21	111	36
Imparting knowledge to children	108	94	28	86	114	96
Flexible working hours	107	48	28	43	113	40
Job security in teaching	110	49	28	61	113	62
Carrying on with a family tradition	107	8	28	7	114	18
Helping students become successful	109	95	28	93	114	96
Encouragement by a teacher	109	45	28	39	114	48
Teacher loans	109	17	28	11	113	19
Financial incentives other than teacher loans	103	8	27	4	109	11
Other	7	43	1	100	9	56

^a Respondents could select more than one factor so the percentage will not total 100%.

Discussion and Recommendations

Policy makers are increasingly finding loan cancellation programs to be an attractive approach to entice individuals to choose an occupation, a field of specialization, or a work location. One of these programs, the South Carolina Teacher Loan Program, is now in its 21st year of operation and has provided over 12,000 loans to support the education of aspiring teachers in South Carolina. Teachers are eligible to have their loans cancelled or forgiven by teaching in designated critical needs areas. Recent reviews of the South Carolina Teacher Loan Program by the EOC have noted that a large proportion of teacher loan recipients are repaying their loans rather than having them cancelled by teaching in a critical needs area. The current study collected data from program participants who are repaying their loans to examine the characteristics of these participants and their reasons for repayment. The results of the study are discussed and recommendations presented in the areas of program governance, program communication, and program mission.

Program Governance

The Education Improvement Act of 1984 stated that “the Commission on Higher Education, in consultation with the State Department of Education and the staff of the South Carolina Student Loan Corporation (SCSLC), 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.” It defined critical need to include “both geographic areas and areas of teacher certification” as defined by the State Board of Education (South Carolina Code of Laws, Title 59, Section 26j).

While the Commission on Higher Education (CHE) is designated as the lead agency in program development, the SCSLC has clearly assumed the lead role in actual program operation with support from the State Board of Education (SBE), the State Department of Education (SDE), and the CHE. The Center for Educator Recruitment, Retention, and Advancement (CERRA) at Winthrop University has conducted annual teacher supply and demand surveys of school districts in order to inform decision making at the SDE and the SBE about critical needs teaching areas. In addition, oversight to the program has been provided by the EOC since 2000, ably guided by periodic reviews of program operation by EOC staff. The strong, positive leadership provided by agency heads, the talents of individual staff members, and the amicable relationships developed among them have enabled the program to avoid organizational fragmentation and to operate smoothly. However, there could come a time when

positive informal collegial relationships cannot effectively cope with complex organizational issues. Honest differences of interpretation of statute, regulation, or procedure can arise, and there should be a formal structure in place to guide policy development.

Recommendation:

Establish a formal Policy Board of Governance for the South Carolina Teacher Loan Program with the responsibility to:

- Review inter-relationships among agencies and make recommendations to the legislature for needed structural changes including the designation of a single agency to provide programmatic authority.
- Develop annual goals and objectives, monitor progress, and recommend needed operational modifications.
- Commission research to study salient issues and concerns.
- Consider reports relative to the effective operation of the South Carolina Teacher Loan Program.
- Advise on issues related to the administration of regulations and procedures.

The Policy Board of Governance might consist of agency heads, or their designees, from the SDE, the SCSLC, the CHE, the EOC, and CERRA. In addition, the Board should include one or more current or recent recipients of teacher loans through the SCSLC, a local school district personnel officer, and a university administrator working in the area of student financial aid. The Board should meet several times during the year at points most appropriate to provide timely advice on program policy and/or procedures.

Program Communication

The State forgives, or cancels, the loan, or a portion thereof, for each year of service performed in a designated location or area of specialization. Locations and specialization areas are determined annually and approved by the South Carolina State Board of Education. More specifically, loan recipients who become certified and who teach in a critical geographic or critical subject area may have their loan payments postponed while they are teaching after submitting the appropriate paperwork to the SCSLC. At the end of the year, the loan will be eligible for cancellation provided that the recipient and the school district personnel officer (or the district superintendent) confirms that the teacher was employed for the entire year in a critical needs school or subject.

Depending on teacher supply, designations of critical need by the State Board of Education can change from year to year. If, for instance, the need for science teachers, as

measured by the CERRA data abates and there is an adequate supply of science teachers, the State Board of Education may take science off the critical needs list. Similarly, should a school improve its test performance, it may no longer be designated as a critical needs school. While these changes in eligibility are completely rational – based upon current needs – keeping track of who qualifies for loan cancellation can be a challenge. It is quite conceivable, for example, that if two third grade math teachers in the same school applied for loan postponement/cancellation in different years, one may be eligible for cancellation while the second may not. School and/or subject area designations might also have been different for the two teachers.

It is apparent from a number of comments made by respondents in this study that there is confusion about which subject areas and schools are designated as critical need and how applicants navigate the cancellation qualification criteria. The comment of one respondent in the present study typifies the attitude of many others: *“The content area I am teaching in was on the list prior to me signing. Then it was taken off.”*

An important finding of this research is that of 79 current South Carolina teachers repaying their loans, 44 (54%) were working in schools or in subject areas that actually **did** qualify them for loan cancellation, based upon the FY05 criteria. Anecdotal evidence of the communications challenge was offered by respondents:

- *“The majority of my loans were not Teacher Loans because the financial aid person at my college told me that it was difficult to find an elementary school that was critical needs w/out moving, so if I wasn't willing to move or teach a critical needs subject area in secondary that it was better to get a regular loan. She said that repaying a teacher loan would be higher in interest than a regular loan, so if I wouldn't be able to cancel my loan and had to repay, I would end up paying more. She convinced me that a Teacher loan wasn't the best way to go, and now I'm stuck w/loans that could possibly be cancelled.”*
- *“Nobody ever gave me information about repaying my loans or having them cancelled. I can't even tell by reading the paper from the student loan corp. which loan is which. So I'm not sure how much I actually owe for the Teacher's Loans. I am very interested in more information about loan cancellation though! Thanks.”*
- *“If I do get a job in a critical needs school—what are the steps I should take with my student loan (i.e., to get cancelled)?”*

The anecdotal accounts of communications issues were reinforced by analyses showing that 41 respondents in the sample of 253 (or one in six) indicated that they were repaying their loans because either a) they did not know that the loan could be cancelled, and/or b) they did not know how to go about seeking loan cancellation. Thirty-four of the 41 respondents were

current teachers, 4 had taught in the past, and 3 had never taught. The fact that 34 of the 41 were current teachers means that about three in ten teachers (34 of 114, or 30%) professed a lack of understanding of loan cancellation. One respondent in the present study asked this question: *“How can I start cancellation of my loan? I have an Initial Certificate [certificate number omitted] in Early Childhood. I graduated (or completed my classes) in Dec. 2003 and began working as a teacher in [school district name omitted] in January 2004. Please let me know what I need to do. I have contacted the SCSLC, but have not received the paperwork for the school Principal to fill out. I have gone through ECERS last year and this year also!!) Thank you for your help.”*

Another source of confusion can be attributed to the very nature of borrowing money. Loans for any purpose involve obligations assumed by the client and by the lender summarized in a loan agreement written in language that is not always easily understood by all clients. Deciphering these agreements can be daunting. As one respondent in the study commented to the senior author, “This loan cannot be *cancelled*. I owe the money.” The term “loan cancellation” means different things to different people and is at odds with the more common term “loan forgiveness” used with most federal loan programs.

A third communications challenge involves the number of persons who must understand the loan cancellation process:

- the loan recipient
- the local school district personnel officer/and or district superintendent
- university staff members and others who are involved in teacher training
- the principal at the local school where the recipients are employed

Respondents are given information about possible loan cancellation by many individuals including fellow teachers, principals, district staff, and staff from the various agencies associated with the teacher loan program. The complexity of the cancellation requirements and yearly changes in eligibility for cancellation make the provision of accurate information very challenging. Complicating the situation are provisions in the law that allow teachers’ loans to continue being cancelled if their eligible schools are removed from the critical needs list and they remain in teaching positions at the same school. In addition, teachers whose subject areas are removed from the critical needs list before the teachers begin their first teaching job are still eligible for cancellation. It is apparent from many of the respondents’ comments that some of these provisions are not uniformly understood.

Recommendations:

- Wherever possible, simplify the language and the procedures within the current program structure related to loan cancellation.
- Increase program communications efforts.
 - Establish and publicize a helpline and allocate sufficient staff members to adequately respond to questions from students, teachers, school administrators, university staff, and district administrators.
 - Review the SCSLC website and make revisions using customer feedback. Provide ready access to loan calculators on the website. Create a website tool to enable a current loan recipient to easily determine his/her eligibility for loan postponement/cancellation.
 - Encourage agencies, schools, school districts, and universities to establish links to the SCSLC website.
 - Issue a newsletter periodically to current loan holders and to agencies, schools, school districts, and universities updating readers and simplifying the more complex issues.
 - Routinely collect customer satisfaction data and periodically report the results to the Policy Board.

Program Mission

The original mandate in the EIA legislation was to establish 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” (South Carolina Code of Laws, Title 59, Section 26j). Although the language of the statute specifically called for loans, the primary intent was to increase the supply of teachers in critical subjects and localities.

During the two decades since the Act was passed, the need for teachers has only become more acute. A recent national survey, conducted by the National Center for Education Information (Feistritzer & Haar, 2005) indicates that 40% of the public school teaching force nationwide expects not to be teaching five years from now. While 22% expect to be retired, 12% expect to be in an education job other than K-12 teaching, and another 4% expect to be employed in a non-education-related job.

The aging of the teaching force is only part of the teacher supply problem. Richard Ingersoll (2002, p. 2), an expert in this area, has concluded that “recruiting more teachers will

not solve the teacher crisis if large numbers of such teachers then leave. The image that comes to mind is a bucket rapidly losing water because of holes in the bottom. Pouring more water into the bucket will not be the answer if the holes are not first patched.” He maintains that retaining teachers should be the primary focus and that this can be accomplished by providing increased support for teachers, increased salaries, improvements in student behavior, and a greater teacher voice in school decision making. “This, in turn, would diminish school staffing problems and ultimately contribute to better school performance” (Ingersoll, 2002, p. 2).

Maplethorpe (2001) draws a distinction between “loan forgiveness” programs and “loan repayment” programs. Loan forgiveness programs entice local (state) residents to enter a field by providing loan funds and offering forgiveness of the loan based upon years of service in targeted schools or critical need subject areas. If the service is not completed, the “unforgiven” portion of the loan amount must be repaid, sometimes at a high rate. According to Maplethorpe, the main advantage of these types of programs is that students may be encouraged to major in a subject or field that they may not have previously considered. These programs can also make a college education more accessible to students by providing financial aid while the student is in school (McCallion, 2004). Maplethorpe points out a number of disadvantages of loan forgiveness programs, including the following:

- It takes several years to produce qualified workers.
- As the labor market changes, graduates may find that they may not be able to find jobs consistent with state requirements.
- Program administration costs are incurred because administrators must keep track of borrower status for several years to ensure that all participant commitments are fulfilled. Also, there are potential costs to collect and/or litigate defaulted loans.

Maplethorpe (2001) believes that loan repayment programs offer a number of advantages over loan forgiveness programs. These types of programs do not provide loans to students while they are in school. Instead, loan repayment programs repay the interest and the principal that a former student has incurred when that former student works in designated fields or schools. Payments are made to the lender when service is completed or discontinued, or when the benefits maximum has been reached. Among the advantages are the following:

- Students are not enticed into a field or major simply because they need help paying for college. The repayment incentive is provided to individuals who selected their careers based on interest and aptitude.

- By delivering the loan repayment incentive at the point of service (i.e. when teaching begins), teachers might be educated in another state or country or through on-the-job training.
- Since the incentive is at the point of service, states are not bound to continue to repay loans for fields and areas no longer applicable. Targeting of funds can be quickly modified to deal with fields and areas not known at the time students were still enrolled in college.
- Administrative burden and costs are reduced. There is no need to maintain contact with borrowers for many years as they progress through college and careers (p. 41-43).

A recent study, funded by the Lumina Foundation for Education, found that 43 states had one or more loan forgiveness or service payback programs (Kirshstein, Berger, Benetar, & Rhodes, 2004). These authors refer to such programs as workforce-contingent financial aid (WFCA) programs. They are designed to “assist recipients with their educational expenses in exchange for work in either a specified field or specified locations” (Kirshstein et al., p. 3). The study found that despite the growing popularity of WFCA programs, very few studies have examined their effectiveness. The authors (Kirshstein, et al., 2004, p. 4) state that the following questions need to be addressed to determine whether WCFA should continue to proliferate:

- *Do students who are asked early in the education to declare majors and work intent remain in their initial major and field?*
- *Are WCFA programs attracting individuals who otherwise may not have entered that occupation or specialty?*
- *Are WCFA programs attracting the “best and brightest” individuals to the occupational areas supported?*
- *What are the implications of limiting participation to state residents?*
- *Are WCFA programs excluding individuals?*
- *What are the administrative costs associated with WCFA programs?*
- *How effective are WCFA programs relative to other types of financial aid?*

This study did not address the issue of program effectiveness or the viability of the various strategies and criteria employed. Several respondents did offer comments that touched on these issues:

- *“Repaying a loan while making a beginning teacher’s salary is a challenge. I hope the state will remove the stipulations for teaching only in critical needs areas and subjects will be removed. All schools need good teachers. Teacher loans could be a real incentive for the future with some changes.”*

- *“I wish there were other criteria for loan cancellations. I run a leadership development program for kids after school. The students in this program attend a very low income school and this program is a critical part of their education. This is a non-profit program and I do not make a lot of money. I would like to see the criteria for loan cancellations broadened.”*

Recommendations:

- The Policy Board should review the mission of the South Carolina Teacher Loan Program in the light of findings from the current study and other research studies on student loan programs, and recommend any needed structural changes in the program to the General Assembly.
- The Policy Board should commission research studies to inform decision making regarding the effectiveness of the teacher loan program. The research should address, at a minimum, the questions raised by the authors in the 2004 Lumina study.

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TEACHER LOAN QUESTIONNAIRE

DIRECTIONS: The South Carolina Educational Policy Center at USC-Columbia is conducting a study of participants in the South Carolina Teacher Loan Program who are currently repaying or who have recently finished repaying their teacher loans. While your participation in this study is completely voluntary, it is also very important for program improvement. The average time to complete this questionnaire is less than five minutes. Your candid response will help identify key program issues. Because a high return rate is essential to the validity of the study, a temporary identification number, which appears at the top of the page, has been assigned to this form in order to follow-up on non-returned forms. Do not put your name on the form. We guarantee your confidentiality. When you have completed the questionnaire, please place it in the self-addressed, postage-paid envelope and mail it. Thank you very much for helping us to gather information for this important study.

1. Are you currently repaying a teacher loan from the South Carolina Teacher Loan Program administered by the SC Student Loan Corporation? (Circle ONE.) a) Yes b) No
If yes, go on to question 3. If no, go to question 2.
2. Did you finish repaying a teacher loan from the South Carolina Teacher Loan Program between January 1, 2004, and March 31, 2005? (Circle ONE.) a) Yes b) No
If yes, go on to question 3.
If no, thank you for participating. Please return this form in the self-addressed envelope.
3. When did you receive loan funds from the South Carolina Teacher Loan Program? (Circle ALL that apply.)

a) As a freshman	e) As a graduate student
b) As a sophomore	f) As a PACE participant
c) As a junior	g) As a career changers participant
d) As a senior	
4. Which of the following best describes your teaching status? (Circle ONE.)
 - a) I have never taught. (If you circled this alternative, go to question 5.)
 - b) I have taught in the past, but I am not currently teaching. (If you circled this alternative, go to question 5.)
 - c) I am currently teaching. (If you circled this alternative, skip to question 6.)
5. Why are you not teaching currently? (Circle ALL that apply.)
 - a) I pursued vocational options other than teaching.
 - b) I did not graduate.
 - c) I concluded that teacher salaries were too low.
 - d) I could not find a qualifying job or school close to my community.
 - e) I did not meet teacher certification requirements.
 - f) I did not like teaching.
 - g) I concluded that opportunities for advancement in teaching were lacking.
 - h) I had personal issues (for example, health issues or got married).
 - i) Other (Please specify.) _____
6. Why are you repaying your teacher loan rather than having it cancelled by teaching in a critical need subject area or a critical need geographic location? (Circle ALL that apply.)
 - a) I am not currently teaching.
 - b) I am teaching in a subject not defined as critical need.
 - c) I am teaching in a school that is not defined as critical need.
 - d) I decided that I did not want to teach in a critical need school.
 - e) I am teaching in a state other than South Carolina.
 - f) I am teaching in a private school.
 - g) I benefited financially by taking a job in a content area or school that did not qualify for loan cancellation.
 - h) I did not know that the loan could be cancelled.
 - i) I knew that the loan could be cancelled, but I did not think that I qualified for cancellation.
 - j) I knew that the loan could be cancelled, but I did not think that the amount cancelled was large enough to justify pursuing cancellation.
 - k) I knew that the loan could be cancelled, but I did not know how to go about seeking cancellation.
 - l) I knew that the loan could be cancelled, but I decided not to pursue cancellation for other reasons.
 - m) Other (Please specify.) _____

**A Statistical Update of the
Teacher Loan Program
2004-2005**

**A Statistical Update of the
Teacher Loan Program
2004-2005**

The Teacher Quality Act of 2000 provides that the South Carolina Education Oversight Committee "shall review the [SC Teacher] loan program annually and report to the General Assembly" (§59-26-20 (j), SC Code of Laws of 1976, as amended.)

The initial review of the program covering the years 1984-2001 was issued in May 2002 and covered four areas: (1) described the program historically; (2) described the applicant and recipient populations; (3) examined the repayment patterns; and (4) examined the degree to which teacher loan recipients are represented in SC's active teaching force.

Prior to the completion of the review for the 2001-2002 school year the study was expanded to include the 2002-2003 school year and move the report date from May to September in an effort to bring the review in line with the budget development process. The second report focused on: (1) a statistical comparison of the two fiscal years to previous years; (2) the connection between recipients of the TLP and the various scholarship programs sponsored by the State of South Carolina; and (3) an evaluation of how the TLP could contribute to the technical assistance programs that are part of the Accountability System?

The EIA and Improvement Mechanisms Subcommittee of the Education Oversight Committee (EOC), in response to the report released in 2003, requested the staff of the EOC to develop goals and objectives for the TLP for submission to the legislature for their consideration. The development of suggested goals and objectives were one aspect of the report released in 2004 for the 2003-04 academic year. Other topics addressed in the report included: (1) a statistical comparison of the fiscal year to previous years; (2) an analysis of the movement patterns of teachers that received loans during the period of cancellation and after the loan was cancelled; and (3) and an assessment of the issues and challenges for the TLP. One of the primary findings of the 2003-04 report was that research was needed on why individuals were repaying the loans instead of canceling the loans. The results from that research were presented in the previous portion of this annual report.

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.

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

Year	Appropriation	Legislatively Mandated Transfers	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	0	1,943,059	84,376	4.3	1,776,234
1987-88	2,225,000	75,000	100,000	2,325,000	98,976	4.3	2,277,402
1988-89	2,925,000	75,000	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	300,000	4,900,000	210,741	4.3	3,978,476
1991-92	4,600,000	1,000,000	900,000	5,500,000	217,981	4.0	4,350,908
1992-93	4,775,000	1,175,000	1,350,000	6,125,000	248,703	4.1	4,628,259
1993-94	4,775,000	1,175,000	1,350,000	6,125,000	254,398	4.2	4,805,391
1994-95	5,016,250	1,233,750	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	2,565,000	4,581,250	295,790	6.5	4,423,446
1999-2000	3,016,250	1,000,000	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	500,000**	5,867,044**	409,900	7.0**	5,457,144**

Source: SC Student Loan Corporation, 1995-2005. See Appendix B for explanation of transfers.

**mid-year budget cuts. **projected amounts*

The appropriation by the General Assembly increased from \$3.2 million in 2004-05 to almost \$5.37 million in response to recommendations made in the 2004 report to increase the total amount a student could borrow over time and to provide sufficient funds to cover the number of students who were unable to obtain loans the previous year. The recommendation to increase to total amount that can be loaned to a student resulted from data showing that tuition had increased an average of over 300 percent at the state's public institutions since 1984-85, but the amount a student could borrow had not increased. Tuition at private colleges had increased as well. The tuition figures did not include the cost of room and board, books or transportation for students; all had increased significantly over the twenty year period.

Critical Need Identification

The General Assembly assigned the duty of defining the critical need areas to the State Board of Education in the Education Improvement Act: "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 State Board of Education 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. Beginning in 2002-2003, subject areas with twenty percent or higher vacancy and/or are filled with candidates who are not fully certified in the subject area are designated critical need. The certification areas designated critical for 2005-2006 include:

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

The State Board of Education had considered multiple factors in designating rural critical geographic areas over the last twenty years, including degree of wealth, distance from shopping and entertainment centers, and faculty turnover. Over the life of the program, the designation of critical geographic area has changed. In 1984-1985, 69 of the 91 school districts qualified as critical geographic districts. In 1994, schools in urban districts that had one of the fifteen highest average teacher turnover rates over the previous three years were designated as critical geographic need schools. Then, at the beginning of the 2000-2001 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. The Perkins Loan Program uses free and reduced lunch figures to determine schools eligible for loan forgiveness. For the 2002-2003 and 2003-2004 school years, 984 of the 1106, or South Carolina public schools (89%) qualified for critical geographic need.

During the 2004 legislative session, changes were made to the definition of critical geographic area through H. 4740 and Proviso 1A. 50. Beginning July 1, 2004, schools had to meet one of three criteria to qualify for critical geographic area: 1) have an Absolute rating of Below Average or Unsatisfactory on the school report card; 2) have an average teacher turnover rate for the

past three years that is 20 percent or higher; or, 3) meets the poverty index criteria at the 70 percent level or higher. Loan recipients serving in schools identified as critical geographic need under the Perkins Loan criteria are able to continue to cancel their loans at those schools through a grandfather provision. The net effect of the change in the law is that for 2004-2005 only 534 of the 1106 public schools, 48.28 percent, qualify for critical geographic need designation. Over time this reduction may result in more recipients paying back the loan rather than canceling the loan by teaching at a qualifying geographic need school. The change in the critical geographic need designation, however, will not affect the number of teachers qualifying for cancellation based on the critical need subject area, but may affect how quickly some teachers will be able to cancel their loans.

Of utmost interest is whether the TLP is providing long term solutions to staffing in critical geographic need schools or whether teachers are staying in the schools just long enough to completely cancel their loan. If the teachers are moving at the end of the cancellation period or migrating from school to school on a frequent basis, then the TLP is not meeting one of the goals of the program: to help solve the staffing needs of critical geographic need schools on a stable basis. An analysis of the data from loan cancellation files found that 2,054 individuals have completed cancellation of their loans between the 1994-95 and 2004-04 academic years. Of those individuals, 77.5 percent (1,592 of 2,054) have taught in only one or two schools during their career. Only twenty-nine individuals have taught in five or more schools. Furthermore, for individuals teaching and still in the process of canceling their loans, 93 percent (1,888 of 2,030) have taught at only one or two schools; only five have taught in five or more schools. Overall, recipients of loans do not appear to change schools frequently or leave the qualifying school immediately after completing cancellation; thus, the program is helping provide some stability in school staffing. The pattern may change in the future, however, as a result of the reduction in the number of schools qualifying for critical geographic need. Changes in the pattern may not appear until the next two to three classes of graduates enter the work force.

Update on Applicant Populations

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 1994-1995 is available. Those records were reviewed to gain an understanding of who applied for and who received the teacher loans. Since 1994-1995, the SLC received 20,370 applications for the Teacher Loan

Program. The number of applicants is a duplicated count as one applicant could have applied for loans in multiple years. Of the 20,370 applications, 67 percent were approved; 26.8 percent were denied and 6.6 percent were cancelled by the applicant. Applications generally were denied for failure to meet the academic grade point criteria (44.6 percent) or for having not passed the EEE or Praxis I, (17.5 percent). The data presented in Table 2 indicates some applications in 1994-95, 1995-96, 2001-02, 2002-03 2003-04 and 2004-05 were denied because of inadequate funds available for the program (approximately 10 to 24 percent the first two years, less than seven percent the next three years, and over 15 percent last year).

Table 2
Application Status of Applicants 1994-95 through 2004-2005

Year	Total Applied*	Approved # (%)	Application Cancelled # (%)	Denied # (%)	Reason for Denial				
					Credit Problem	Academic Reason	No EEE Praxis	Other**	Inadequate loan funds
1994-95	2,242	1,416 (63.2)	176 (7.8)	650 (29)	48	241	69	52	240
1995-96	2,024	986 (48.7)	176 (8.7)	862 (42.6)	8	229	115	20	490
1996-97	1,446	982 (67.9)	118 (8.2)	346 (23.9)	5	262	51	28	
1997-98	1,545	1,117 (72.3)	119 (7.7)	309 (20)	3	201	63	42	
1998-99	1,569	1,138 (72.5)	128 (8.2)	303 (19.3)	10	182	54	57	
1999-00	1,532	1,121 (73.2)	85 (5.5)	326 (21.3)	6	206	69	45	
2000-01	2,028	1,495 (73.8)	112 (5.5)	420 (20.7)	16	244	86	74	
2001-02	2,297	1,536 (66.9)	106 (4.7)	655 (28.5)	8	312	122	56	157
2002-03	2,004	1,332 (66.5)	110 (5.5)	562 (28)	3	219	139	73	126
2003-04	1,948	1,345 (69)	118 (6.1)	485 (24.9)	1	189	125	66	104
2004-05	1,735	1,101 (63.5)	93 (5.4)	541 (31.6)	1	148	65	60	267
TOTAL 1995-2005	20,370	13,669 (67)	1,341 (6.6)	5,460 (26.8)	109 (2)	2,433 (44.6)	958(17.5)	573(10.5)	1,384 (25.4)

*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, 1995-2005.

Applicants for the program remain overwhelmingly white and/or female. The percentage of students failing to report their gender and/or race ranged from 8-13 percent between 2001-02 and 2003-04, but decreased to 4-6 percent in 2004-05. The percentage of male applicants increased this year to fifteen percent and still remains at fourteen percent of the applicants.

Table 3
Distribution of Applicants to the Teacher Loan Program by Gender
1994-95 through 2004-2005

Year	Number Applied	Gender					
		Male		Female		Unknown	
		#	%	#	%	#	%
1994-95	2,242	246	11	1,476	66	520	23
1995-96	2,024	305	15	1,692	84	27	1
1996-97	1,446	195	13	1,189	82	62	4
1997-98	1,545	247	16	1,241	80	57	4
1998-99	1,569	261	17	1,267	81	41	3
1999-00	1,532	263	17	1,212	79	57	4
2000-01	2,028	299	15	1,628	80	101	5
2001-02	2,297	288	13	1,769	77	240	10
2002-03	2,004	246	12	1,599	80	159	8
2003-04	1,948	253	13	1,480	76	215	11
2004-05	1,735	261	15	1,413	81	61	4
TOTAL	20,370	2,864	14	15,966	78	1,540	8

Source: SC Student Loan Corporation, 1995- 2005.

Table 4
Distribution of Applicants to the Teacher Loan Program by Race/Ethnicity
1994-95 through 2004-2005

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
TOTAL	20,370	3,020	15	184	<1	15,385	75	1,781	9

Source: SC Student Loan Corporation, 1995-2005.

Neither the program-enabling legislation nor related regulations establishes a program objective addressing different demographic groups. Twice, however, money from the program was earmarked for minority recruitment. From 1986-1987 through 1988-89, \$75,000 was earmarked for South Carolina State University to recruit minority students. And in 1995-96, a proviso set aside up to \$5,000 per district for qualified minority students. Neither recruitment program appears to have impacted the Teacher Loan Program. South Carolina State University still receives a separate allocation for minority student recruitment. The allocation was \$467,000 in 2003-2004. Loan recipients at the historically African-American institutions, however, remains

disturbingly low in 2004-05, with Claflin College having no recipients, Morris and Benedict Colleges only one, and South Carolina State University having ten of the 118 known African American recipients.

The TLP continues to appeal overwhelmingly to undergraduate applicants. Table 5 showcases applicant patterns by academic status. Although only 19 percent of program applicants are freshmen, consistently 59 percent are continuing undergraduates. This may reflect that students are more willing to commit to a professional program after their initial year of post-secondary education. Another factor could be that many freshmen do not commit to any major. Interviews with 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 (due to marriage or impending marriage).

Table 5
Distribution of Applicants to the Teacher Loan Program by Academic Level Status
1994-95 through 2004-2005

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
TOTAL	20,370	3,936	19	11,971	59	1,630	8	2,499	12	374	2

Source: SC Student Loan Corporation, 1995-2005

While freshmen have been nineteen percent of the applicants, they have received twenty-two percent of the loans during the period 1994-2005. Continuing undergraduates, including fifth year undergraduates, have received sixty-nine percent of the loans, while graduate students have received nine percent of the loans. Of interest is the fact that while freshmen received twenty-two percent of the loans, sophomores received only twelve percent of the loans. Why the drop in loans to sophomores? There are several possible explanations including individuals deciding that they do not want to become teachers, people leaving school after freshman year, and individuals no longer meeting 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. There are no data on how many of the applicants rejected for not having passed the Praxis I exam were rejected for actually failing the exam or simply had not taken the exam. Either way, the applicant would not qualify for additional TLP loans until the Praxis I was passed. A quick look at the loan applications for 2004-05 found that of the 168 freshmen that received a loan in 2003-04, only 104 applied for loans in 2004-05 by the time of this report. Of those 104 applicants, only fifty-two were approved for a loan, thirteen were rejected for having a GPA that was too low, twenty-two were rejected because they had not passed the Praxis, sixteen were denied because the program was out of money, and one application was withdrawn. For 2004-05, only thirty-one percent of the 2003-04 freshmen class will receive a TLP loan.

In contrast, in 2003-04 114 sophomores received a loan. For the 2004-05 academic year 111 reapplied for a loan by the time of this report, with 102 receiving a loan, four canceling the application, four denied for lack of funds, and one denied for not having passed the Praxis I (students receiving money for the first time during their sophomore year have one year to pass the Praxis I like freshmen). Almost 89.5 percent of the sophomores in 2003-04 received money in 2004-05, and 97.4 percent reapplied, compared to only 61.9 percent of the freshmen.

Based on these data, the recommendation was made in the 2004 report that freshmen not be granted loans in the future unless they had participated in the Teacher Cadet Program. The recommendation was adopted by the General Assembly as part of the 2005-06 Appropriations Bill. A deeper analysis of 286 of the 291 freshmen that received loans during the 2000-01 academic year found that there was little difference in the long term participation rates of freshmen who had participated in the Teacher Cadet Program and those that had not. Of the 157 freshmen who had participated in the Teacher Cadet Program, 38 percent received a loan only during the freshmen year, while 44 percent of the freshmen who did not participate in the Teacher Cadet Program received only one loan. As seniors, 42 percent of both groups received a Teacher Loan. Thirteen percent of the participants in the Teacher Cadet Program did not receive a loan as sophomores, but received a loan in a subsequent year, compared to 16 percent of the non Teacher Cadet participants. Additional feedback from teachers, guidance counselors and parents indicated that freshmen that did not have access or participate in the Teacher Cadet Program count on the Teacher Loan Program to help them attend school and pursue a degree in education.

Table 6
Distribution of Recipients of the Teacher Loan Program by Academic Level Status
1994-95 through 2004-2005

	94-95	95-96	96-97	97-98	98-99	99-00	00-01	01-02	02-03	03-04	04-05
Freshmen	268	8	137	173	292	225	291	318	183	168	121
Sophomores	143	108	71	105	107	93	145	166	143	114	69
Juniors	290	246	228	225	228	205	278	306	274	317	248
Seniors	381	395	359	338	330	324	376	400	396	386	392
5 th Yr Undergraduates	37	34	31	37	34	36	48	35	31	55	50
1 st Yr Graduates	64	91	70	165	168	143	231	208	218	187	118
2 nd Yr Graduates	41	45	67	45	67	88	104	82	72	86	82
3+ Yr Graduates	12	3	18	22	8	7	19	8	13	26	20

Source: SC Student Loan Corporation, 1995-2005

As shown in Table 6 and Figure 1, between 1994-95 and 2004-05, the sophomore class usually has been much smaller than the freshmen class except in years that the program ran out of money (1996-97).

Teacher Loans by Class Level, 94-05

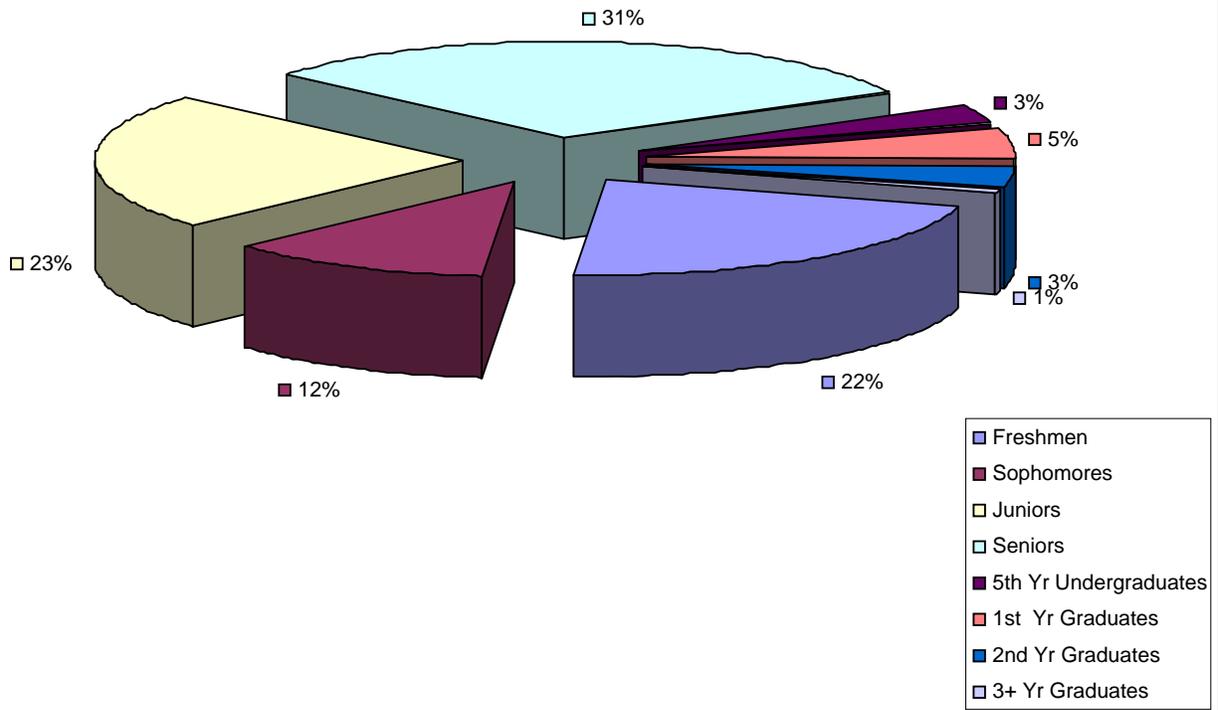


Figure 1: Percentage of Teacher Loans by Grade Level for 1994-2005.

Teacher Cadets usually know that they want to be teachers when they enter college, and as Table 7 shows, an average of thirty-five percent of TLP applicants have been Teacher Cadets. 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 he/she wants to participate in the class. In 2002-2003 the program was in 140 South Carolina high schools and enrolled 2,302 academically talented high school juniors and seniors. In 2003-2004, 2,219 students were enrolled in Teacher Cadet in 134 schools. CERRA reported that for the 2004-2005 school year they were able to recruit five new schools to the program, revive the program at six additional schools, but lost the program at four schools due to staffing issues connected to budget constraints, leading to a total of 160 classes in 145 schools. For the 2005-06 school year, 160 schools are participating. Overall, the Teacher Cadet program has been in over 160 high schools over the last four years, or about seventy-five percent of South Carolina public schools (CERRA, 2005).

Table 7
Distribution of Applicants to the Teacher Loan Program by Teacher Cadet Program Participation
1994-95 through 2004-2005

Year	Number Applied	Teacher Cadets	%	Not Teacher Cadets	%	UNKN	%
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
TOTAL	20,370	7,152	35	12,256	60	962	5

Source: SC Student Loan Corporation, 1995-2005

Other factors continue to influence who applies for a Teacher Loan. Additional interviews with staff members of the Commission on Higher Education, former education majors and people familiar with college admissions and financial aid procedures, confirmed previous data that financial aid officers focus on finding students grant opportunities before pursuing loans. Obviously a grant of money is better for a student than taking out a loan, but by steering students away from the Teacher Loan Program, financial aid officers may be affecting the number of students who become teachers. Another factor affecting applications from enrolling freshmen is that many high school guidance counselors do not know about and/or do not tell graduating seniors about the Teacher Loan Program. More often than not, students learn about the Teacher Loan Program through the schools of education at their institutions of higher learning after they have started taking education classes.

One important factor with the potential to influence the application pool for the TLP is the economy and the budget situation of the institutions of higher learning. Applications increased thirteen percent from 2000-01 to 2001-2002. The spring of 2001 saw a five percent budget cut by the state and the state supported institutions of higher learning raised their tuition. The increase came late in the financial planning process for many students and therefore, more students may have applied for the loans. The budget expectations and impending tuition increases were expected by students for the 2002-03 school year and the rate of applications returned to the same virtual rate as 2000-01. The number of applications in 2003-04 remained consistent with the previous year. However, there was a drop in applicants in 2004-05. The reasons for the drop are unknown, but one theory is the impact of the Teaching Fellows program. The Teaching Fellows Program was created in 1999 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 \$6000 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. Research on the impact of the Teaching Fellows Program on the TLP will need to be conducted over the next few years.

An issue raised in the Initial Annual Review in May 2002 was whether the other newly created scholarship programs for colleges and universities in the state were adversely affecting 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 both award students scholarships based on academic achievement, but neither has any direct connection to teacher recruitment. Palmetto Fellows meet rigorous selection criteria to receive an award of up to \$6,700 per year, depending on available funding. Students keep their awards as long as they maintain minimum requirements. Recipients of Life Scholarships, a program created in 1998, receive up to \$5,000 per year, depending on available funding and tuition at the receiving institution. The \$5,000 award includes \$300 for books and \$4,700 towards tuition. Students are eligible to receive a Life Scholarship if they meet two of three criteria: 1,100 or better on the SAT, a 3.00 grade point average, and/or rank in the top 30% of their graduating class. Students may not receive both a Palmetto Fellows and Life Scholarship at the same time, but they may receive a Teaching Fellows award simultaneously. Hope Scholarships, created by the legislature in 2001, are presented to students who do not qualify for the Life Scholarships and are good for the freshman year only. The three scholarship programs have no direct connection to teacher recruitment.

Concern was raised in the 2002 report about whether these scholarship programs directed students away from the teaching profession. 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 were interacting with the TLP and affecting the teaching pool. Table 8 shows the number of teachers in South Carolina over the last five years who have participated in either the Hope, Life or Palmetto Fellows programs. The first class of graduates from the Teaching Fellows Program was in the spring of 2004. There have not been any graduates of the Hope Scholarship program. The merged data found 898 recipients of the Life Scholarship teaching in South Carolina public schools in 2004-2005 and 27 Palmetto Fellows recipients. Considering the short time the Life Scholarship program has been in place the number is impressive and encouraging. The Life Scholarships are awarded only to South Carolina residents and are awarded to high achieving students, thus the state is keeping some

of its brightest students in state and they are entering the field of education. The Palmetto Fellows numbers are not as encouraging but perhaps the number will increase in the future.

Table 8

Loan Recipients serving in South Carolina schools in 2004-05 matched with the Scholarship file

	ACAD_YR						
DATA_TYPE	1998-99	1999-2000	2000-01	2001-02	2002-03	2003-04	2004-05
LIFE Scholarships	11	93	227	370	533	701	898
Palmetto Fellows					2	10	27
	11	93	227	370	535	711	925

Another issue raised by the creation of the programs revolved around how many students in each program were majoring in education. Table 9 shows the number of scholarship recipients each year that declared as Education majors. It is a duplicated count and it should be remembered that students can lose and regain their scholarships based on academic performance.

Table 9

Students that received scholarships for each fall term and had declared an Education Major

Scholarship	1998	1999	2000	2001	2002	2003	2004	Grand Total
Hope					298	323	309	930
LIFE	1,051	1,255	1,225	2,145	2,658	3,077	3,272	14,683
Palmetto Fellows				154	179	234	231	798
Total	1,051	1,255	1,225	2,299	3,135	3,634	3,812	16,411

Table 10

Number of Scholarships Recipients

Scholarship	1998	1999	2000	2001	2002	2003	2004	Grand Total
Hope					2,085	2,325	2,343	6,753
LIFE	14,618	16,374	16,560	19,469	23,331	25,457	27,105	142,914
Palmetto Fellows				2,606	2,915	3,358	3,663	12,542
Total	14,618	16,374	16,560	22,075	28,331	31,140	33,111	162,209

Source: Commission on Higher Education, 2005.

In the first year of the Life Scholarships 7.2 percent of the recipients declared as education majors. The next year the percentage increased slightly, then fell again in 2000, but over the last four years has grown to over twelve percent. The percentage of the first recipients of the Hope Scholarships was even greater at 14.3 percent, though the percentage of the recipients of

the Palmetto Fellows has remained steady for the three years data was available at around 7.4 percent. Though the number of student scholarship recipients majoring in education is encouraging, the fact remains that the 3,812 scholarship candidates, even with the 1,101 TLP recipients will not provide enough new classroom teachers to meet the needs of South Carolina.

One positive trend about TLP loan applicants may be attributed to the various scholarship programs: a significant increase in the average SAT score for loan applicants. 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. Concern over many of South Carolina's brightest students to schools outside the state was one reason for the creation of the various scholarship programs; yet it was unknown whether the scholarships would adversely affect who applied and received loans through the TLP, specifically, would the SAT scores of TLP recipients increase, decrease or remain stagnant. As Table 11 shows, the average SAT score for TLP applicants has increased from slightly over 961 in 1998-1999 to 1056 in 2003-2004. This last average score is well above the national SAT average for 2003. Perhaps the loan program is benefiting from the scholarship programs by keeping the better students in state; keeping them in state to work will be a greater challenge.

Table 11
Average SAT Scores of Loan Recipients

ACAD_YR	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	Average
Aver SAT score	961.1	960.9	971.3	997.9	1024.1	1056.0	1063.4	1006.98

Repayment Patterns

The Teacher Loan Program allows recipients to have their loans cancelled by teaching or to repay the loan through monthly payments with interest. In the Initial Review of the TLP repayment data indicated that about half of the loan recipients repay their loan in monthly payments, more than 40 percent are canceling by fulfilling the teaching requirements, while about 10 percent of them are using a combination of teaching and monthly payments. These repayment patterns continued through the 2004-2005 fiscal year.

Loan Recipients Who Serve Currently in SC Public Schools

After merging of the data files from Student Loan Corporation (SLC) and State Department of Education (SDE), 4,572 loan recipients between the years of 1994-1995 and 2004-2005 were identified as serving in the South Carolina public school system in Fall 2004. Among the 4,572 individuals, 87.7 percent are female, 11.1 percent male and 1.2 percent are unknown. About 83 percent of them are Caucasians, 13 percent African Americans, and five percent Asian, Hispanic, American Indian or unknown. More than one third of them were in the process of paying back the loan by teaching, about 31 percent of them already had their loans cancelled by fulfilling the teaching requirements.

Table 12
Loan Recipients in South Carolina Schools by Gender and Ethnicity

Gender	Number	Percent
Male	509	11.1
Female	4,008	87.7
Unknown	55	1.2
Ethnicity		
African American	579	12.7
Caucasian	3,806	83.6
Asian	12	0.26
Hispanic	22	0.48
American Indian	4	0.09
Unknown	149	3.26
Total	4,572	100.0

Over 1000 loan recipients who received loans prior to 1994-1995 were still teaching in South Carolina public schools.

The following table presents areas of certification for the 4,572 loan recipients since 1994-1995 who were serving in SC public schools as of 2004-2005 school year. Just under 48 percent (1,959) are certified in elementary education, 7 percent (280) in mathematics, 5 percent (188) in English, 11 percent (450) in early childhood education, 2.5 percent (101) in science, and about 10 percent (419) in special education. Nearly 95 percent (3,624 of 3,826) of the individuals' primary certification is as classroom teachers, child development or kindergarten teachers or special education teachers.

Table 13

Loan Recipients Serving in SC Public Schools as of 2003-2004
Primary Area of Certification

Certification Code	Certification Subject	Number certified	Certification Code	Certification Subject	Number certified
AU	DRAFTING	1	21	HISTORY	3
AV	ELECTRICITY	1	26	PSYCHOLOGY	2
1H	MIDDLE LEVEL SS	20	27	SOCIOLOGY	0
GT	GIFTED AND TALENTED	0	29	IND. TECH. EDUC.	4
01	ELEMENTARY	2226	30	AGRICULTURE	2
02	GENERIC SPEC. EDUC.	147	32	DISTRIBUTIVE ED.	2
03	SPEECH CORRECTIONIST	124	35	HOME ECONOMICS	6
04	ENGLISH	218	36	INDUSTRIAL ARTS	0
05	FRENCH	28	40	OFFICE OCCUPATIONS	1
06	LATIN	1	46	DATA INFO. PROCESS	1
07	SPANISH	53	46	BUSINESS EDUCATION	42
08	GERMAN	3	4B	BUS/MARK/COMP. TECH	1
1E	MID. LEVEL LANG. ARTS	5	50	ART	69
1C	MID. SCHOOL SCIENCE	1	51	MUSIC ED. CHORAL	35
1D	MID. SCH. SOC. STU.	5	53	MUSIC ED. VOICE	0
1F	MID. LEVEL MATH.	1	54	MUSIC ED. INSTRUMENT	25
10	MATHEMATICS	299	57	SPEECH & DRAMA	2
11	GENERAL MATHEMATICS	5	58	DANCE	1
12	SCIENCE	116	60	MEDIA SPECIALIST	52
13	GENERAL SCIENCE	12	63	DRIVER TRAINING	4
14	BIOLOGY	43	64	HEALTH	1
15	CHEMISTRY	5	67	PHYSICAL EDUCATION	34
2A	SP/ED ED. MEN. RET	119	71	PRINCIPAL – ELEM.	8
2B	SP/ED VIS. HAND.	2	72	PRINCIPAL - HIGH.	0
2C	SP/ED. TR.MEN. RET	2	80	READING TEACHER	1
2D	SP/ED. HEARING HAND.	2	81	READING CONSULTANT	0
2E	SP/ED. EMOT. HAND.	63	84	SCHOOL PSYCH. II	1
2G	LEARNING DISABIL.	112	85	EARLY CHILDHOOD ED	503
2H	SP/ED. MENT DISABIL.	2	86	GUID. COUN. – ELEM.	24
2I	SP/ED. MUL. CAT.	2	89	GUIDANCE - SECOND	9
2J	SP/ED. SEV. DISABIL.	1	20	SOCIAL STUDIES	113
TOTAL				4,572	

Table 14
Loan Recipients Serving in SC Public Schools as of 2004-2005
Positions

Position Code	Position	Number
1	PRINCIPAL	29
2	ASST. PRIN., CO-PRIN., CURR. COORD.	63
3	SPECIAL EDUC. (ITINERANT)	23
4	CHILD DEVELOPMENT	63
5	KINDERGARTEN	196
6	SPECIAL EDUC. (SELF-CONTAINED)	323
7	SPECIAL EDUC. (RESOURCE)	332
8	CLASSROOM TEACHER	3,088
10	LIBRARIAN/MEDIA SPECIALIST	152
11	GUIDANCE COUNSELOR	77
12	OTHER PROFESSIONAL INSTRUCTIONAL-ORIENTED STAFF	41
16	DIRECTOR, ADULT EDUCATION	1
17	SPEECH THERAPIST	122
19	TEMPORARY INSTRUCTIONAL-ORIENTED PERSONNEL	1
27	TECHNOLOGY/IT PERSONNEL	3
28	PERSONNEL DIRECTOR	1
29	OTHER PERSONNEL POSITIONS	1
33	DIRECTOR, TECHNOLOGY	1
35	COORDINATOR, FEDERAL PROJECTS	1
41	DIRECTOR, STUDENT SERVICES	2
43	OTHER PROFESSIONAL NON-INSTR. STAFF	10
44	TEACHER SPECIALIST	10
46	CONTRACT TEACHER	1
54	SUPERVISOR, ELEMENTARY EDUCATION	1
65	ENGLISH COORDINATOR	1
75	EDUCATIONAL EVALUATOR	2
78	SPECIAL EDUCATION COORDINATOR	3
82	EARLY CHILDHOOD COORDINATOR	2
85	PSYCHOLOGIST	6
89	TITLE I, INSTRUCTIONAL PARAPROFESSIONALS	3
93	SPECIAL EDUCATION AIDES	1
94	GENERAL TEACHER AIDES	1
97	LITERACY COACH	24
99	OTHER COUNTY OFFICE/DISTRICT OFFICE STAFF	4
TOTAL		4,572

Table 14 indicates the actual position the 4,572 individuals who received loans between 1994-1995 and 2004-2005 were serving in the public schools. Over 88 percent of the recipients were involved in direct classroom instruction (4,026 of 4,572), another ten individuals were serving as Teacher Specialists. About two percent of the individuals were building level administrators, and about five percent were media specialists or guidance counselors.

Career Changer Program

As stated earlier, the Career Changers program was established in 2000 to assist individuals who want to become teachers and already have a bachelor's degree and work experience. The program has not been reviewed until now because there was little data on which to review the program. Table 15 contains the recipient data by gender. In many respects both the applicant and recipient data are similar to the TLP data. The vast majority are white females though the ratios fluctuate more from year to year than the rates in the TLP.

**Table 15
Career Changer Recipients by Gender, 2000-2005**

Year	Recipient Number	Gender					
		Male		Female		Unknown	
		#	%	#	%	#	%
2000-01	37	4	11	33	89	0	0
2001-02	120	25	21	94	78	1	<1
2002-03	109	21	19	81	74	7	6
2003-04	111	16	14	87	78	8	7
2004-05	145	28	19	116	80	1	<1
TOTAL	522	94	18	411	79	17	3

Source: SC Student Loan Corporation, 2000- 2005.

**Table 16
Career Changer Recipients by Race, 2000-2005**

Year	Recipient Number	Race							
		White		A-A		Other		Unknown	
		#	%	#	%	#	%	#	%
2000-01	37	29	78	6	16	1	3	1	3
2001-02	120	89	74	23	19	2	2	6	5
2002-03	109	87	80	13	12	0	0	9	8
2003-04	111	73	66	26	23	2	2	10	9
2004-05	145	121	84	18	12	2	1	4	3
TOTAL	522	399	76	86	17	7	1	30	6

Source: SC Student Loan Corporation, 2000- 2005

An analysis of the data from the program reveals that 260 individuals have reached cancellation or repayment status. Of those individuals, 151 are presently teaching and having their loans cancelled, 29 have had their loans completely cancelled through teaching and five people have taught but are not presently teaching. Sixty-five individuals are in the process of repaying their loans and eight have completed repayment. Thus, 71 percent of the Career Changers receiving loans have entered teaching in a critical need area or school. It is unclear how many of the sixty-five individuals repaying the loans may be teaching but are not eligible for cancellation.

Goals and Objectives for the TLP

As part of the approval of the report on 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 Office of Teacher Quality at the State Department of Education, and the Commission on Higher Education. After review of the data, the committee recommended the following three goals and objectives for the Teacher Loan Program as a whole as part of the 2004 report. The goals and objectives presented below remain the recommendation of the advisory committee.

1. At a minimum, 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 seventeen percent).
 - 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.
2. At a minimum, the percentage of male applicants and recipients of the TLP should mirror the percentage of males in the South Carolina teaching force (presently seventeen percent).
 - 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.
3. At a minimum, eighty percent of the individuals receiving loans each year under the TLP should enter the South Carolina teaching force (presently seventy-eight percent).
 - By Fiscal Year 2009, the percentage of TLP recipients entering the South Carolina teaching force will be eighty percent.

These goals and objectives are reasonable and obtainable. 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. Data on the effects of the new critical geographic area definition is needed to establish a well-informed goal.

Findings and Recommendations

Findings and Recommendations

Findings

- 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 reception 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 1998-1999 and 2004-2005.
- 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.
- There is a need for improved program governance and administration.
- There is a need for improved communication in multiple areas associated with the program, including the meaning of cancellation and how to get the loan canceled.
- The mission of the program needs to be reviewed and possible structural changes recommended to the General Assembly.

Recommendations

1. A Policy Board of Governance should be established, or an existing state agency involved with the program, 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.
2. The goals and objectives presented earlier in this report should be adopted by the General Assembly as the official goals and objectives of the program.
3. Freshmen should be allowed to participate in the program whether they have participated in the Teacher Cadet Program or not.

4. The impact of the Teaching Fellows Program on the Teacher Loan Program should be studied.
5. The 42 loan forgiveness programs that exist in other states should be studied in depth in comparison to the South Carolina Teacher Loan Program.

Appendix

Explanation of Transfers

- 1986-87 \$75,000 transferred to South Carolina State University for minority recruitment.
- 1987-88 \$75,000 transferred to South Carolina State University for minority recruitment.
- 1988-89 \$75,000 transferred to South Carolina State University for minority recruitment.
- 1990-91 \$1,000,000 to the Governor's Teaching Scholarship Program.
- 1991-92 \$1,000,000 to the Governor's Teaching Scholarship Program.
- 1992-93 \$1,175,000 to the Governor's Teaching Scholarship Program.
- 1993-94 \$1,175,000 to the Governor's Teaching Scholarship Program.
- 1994-95 \$1,233,750 to the Governor's Teaching Scholarship Program.
- 1998-99 \$1,000,000 to the State Department of Education; \$650,000 for technology for school districts, \$350,000 for gifted and talented student identification.
- 1999-00 \$1,000,000 to the State Department of Education; \$650,000 for technology for school districts, \$350,000 for gifted and talented student identification.

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