

EIA Program Report for Fiscal Year 2011-12

Coversheet

EIA-Funded Program Name: SC Teacher Loan Program

Current Fiscal Year: 2011-12

Current EIA Appropriation: \$4,000,722

Name of Person Completing Survey and to whom EOC members may request additional information:

Linda Wargel

Telephone Number:

803-612-5010

E-mail:

lwargel@scstudentloan.org

Question 1: History of the program: Please mark the appropriate response (choose one):

This program:

- was an original initiative of the Education Improvement Act of 1984
- was created or implemented as part of the Education Accountability Act of 1998
- has been operational for less than five years
- was funded last fiscal year by general or other funds
- is a new program implemented for the first time in the current fiscal year
- Other

Question 2: What SC laws, including provisos in the current year's general appropriation act, govern the implementation of this program? Please complete citations from the SC Code of Laws including, Title, Chapter, and Section numbers.

Code of Laws:

Title 59, Section 26-20(j) establishes the SC Teacher Loan Program

Proviso(s): (If applicable. Please make references to the 2011-12 General Appropriation Act as ratified. www.XXXXX)

Regulation(s):

SC Code of Regulations: Chapter 62, Article II

Do guidelines that have been approved by the State Board of Education, the Commission on Higher Education or other governor board exist that govern the implementation of this program?

- Yes
- No

Question 3: What are the primary objective(s) or goals of this program? Please distinguish between the long-term mission of the program and the current annual objectives of the program. (The goals or objectives should be in terms that can be quantified, evaluated, and assessed.)

The primary objective of the SC Teachers Loan Program has always been to encourage prospective talented and qualified students from South Carolina to become teachers and to remain in the State teaching in areas of critical need. The general goal of the program is to assist as many eligible students as possible based on the amount of state funding each year for the program. These types of loans are attractive for prospective students because of cancellation (forgiveness) opportunities. These loans are forgiven at the rate of 20% or \$3,000, whichever is greater, for each year of full-time teaching in a critical subject or critical geographic area within South Carolina. Teaching in both a critical subject and geographic area simultaneously, increases the rate of forgiveness to 33 1/3% or \$5,000, whichever is greater, for each year of full-time teaching. Failure to teach in a critical area will require repayment of the full amount borrowed plus accrued interest. The interest rate shall be the maximum interest rate on the Federal Stafford Loan plus 2%. The loan amounts are as follows: (1) Freshmen and sophomores may borrow up to \$2,500 per year; and (2) all other students may borrow up to \$5,000 per year up to a cumulative maximum amount of \$20,000.

Question 4: In the prior fiscal year, 2010-11, what primary program activities or processes were conducted to facilitate the program's performance in reaching the objective(s) as provided in Question 3? What, if any, change in processes or activities are planned for the current year?

Examples of program processes would be: training provided, recruiting efforts made, technical assistance services, monitoring services, etc.

Answers should be specific to the process undertaken at the state level to support the objectives of the program and should be quantifiable. Please include any professional development services provided.

IF the funds are allocated directly to school districts, please indicate any data collected at the state level to monitor how the funds are expended at the local level?

Although there is no "governance board" with the responsibility to market the program and to establish policy decisions, the SC Student Loan Corporation produces the Teacher Loan Application each year and ensures that applications are distributed statewide and made available on our Web site. These applications are mailed to both colleges in South Carolina as well as previous borrowers of the loan. SC Student Loan also discusses the program when presenting at high school financial aid nights and at college/university school visits. In addition, interested students can learn more about the program via our Web site, college financial aid offices, SC Department of Education, and the SC Commission on Higher Education.

Any noted changes or updates for the SC Teacher Loan program are communicated to South Carolina's higher education institutions by the SC Student Loan Corporation, SC Commission on Higher Education and the SC Department of Education.

For the 2010-11 academic year, we received 1,689 Teacher Loan applications. Of the 1,689 applications received, 1,113 were approved and funded. It should be noted that in many cases, students are applying for both SC Teacher Loan funds and the Career Changers Loan program.

Question 5: In the prior fiscal year, 2010-11, and using the most recent data available, what were the direct products and services (outputs) delivered by this Program?

Examples of program outputs would be: number of teachers attending professional development seminars, number of and passage rates on AP exams, number of students served in the program, improvements in student achievement, retention and graduation.

For the 2010-11 academic year, we approved 1,113 Teacher Loans of the 1689 applications received.

The breakdown of 2010-11 Teachers Loans by grade level was as follows: 126 Freshmen; 116 Sophomores; 258 Juniors; 378 Seniors; 43 Fifth Year Undergraduates; 107 First Year Graduates; 62 Second Year Graduates; 15 Third Year Graduates; and 8 Fourth Year Graduates.

The breakdown of 2010-11 Teacher Loans by critical area was as follows: 2 Agriculture; 68 All Middle Levels; 27 Art; 6 Business Education; 1 Dance; 21 Early Childhood Education; 83 English; 7 French; 1 German; 1 Latin; 1 Industrial Technology; 121 Math; 24 Media Specialist; 51 Music; 30 Physical Education; 42 Science; 11 Spanish; 151 Special Education; 5 Speech/Drama; 460 Geographic Area Only

The breakdown of 2010-11 Teachers Loans by ethnicity was as follows: 91 African-Americans; 3 American Indians; 3 Asians; 14 Hispanics; 969 Caucasians; and 33 Not Answered.

The breakdown of 2010-11 Teacher Loans by gender was as follows: 192 Males; 888 Females; and 33 Not Answered.

The breakdown by colleges and universities is as follows: 68 Anderson University; 9 Charleston Southern University; 12 The Citadel; 119 Clemson University; 30 Coastal Carolina University; 22 Coker College; 31 Columbia College; 91 College of Charleston; 55 Converse College; 5 Erskine College; 46 Francis Marion University; 20 Furman University; 47 Lander University; 10 Limestone University; 12 N. Greenville College; 31 Newberry College; 12 Presbyterian College; 9 S.C. State University; 28 Southern Wesleyan University; 1 Spartanburg Community College; 30 USC-Aiken; 1 USC-Beaufort; 220 USC-Columbia; 62 USC-Upstate; 136 Winthrop University; 7 Out-Of-State

Question 6: What are the outcomes or results of this program?

Outcome can be both quantitative and qualitative and should address the program's objectives. Please use the most recent data available:

Examples of outcomes would be: results of surveys, student achievement results, increases in participation, reduction in achievement gaps, loans awarded, textbooks purchased, etc.

As of June 30, 2011, 15,593 borrowers were in a repayment or cancellation status. Of these, 2,399 borrowers have never been eligible for cancellation and are repaying their loans. Three hundred ninety-two (392) previously taught but are not currently teaching and 1,407 are presently teaching and having their loans cancelled. Please see below for breakdown by critical area for these 1,407 borrowers.

There have been 11,395 borrowers to have their loans paid out. Of these, 6,131 paid through regular monthly payments, loan consolidation or partial cancellation (for example, teacher would have taught less than 5 years). In addition, the loans for 37 borrowers were discharged due to death, 5 through bankruptcy, 59 through disability, and 82 borrowers defaulted. The remaining 5,081 had their loans fully cancelled by fulfilling their teaching requirement.

The following is a breakdown by "Critical Area" of those who taught for the 2010-11 academic year and had a portion of their loans cancelled: 19 Art; 25 Art and Geographic Area; 7 Business Education; 4 Business Education and Geographic Area; 86 Early Childhood; 209 Early Childhood and Geographic Area; 6 Elementary Education; 6 Elementary Education and Geographic Area; 67 English; 73 English and Geographic Area; 3 French; 223 Geographic Area Only; 10 Guidance; 2 Guidance and Geographic Area; 2 Health; 1 Home Economics; 1 Home Economics and Geographic Area; 2 Industrial Technology; 1 Industrial Technology and Geographic Area; 24 Library Science; 34 Library Science and Geographic Area; 108 Math; 83 Math and Geographic Area; 11 Music; 17 Music and Geographic Area; 38 Science; 32 Science and Geographic Area; 15 Spanish; 6 Spanish and Geographic Area; 97 Special Education; 90 Special Education and Geographic Area; 2 Speech Language Therapist; 3 Speech Language Therapist and Geographic Area; 4 Speech/Drama; 2 Speech/Drama and Geographic Area; 1 Dance and Geographic Area; 32 Middle School; 37 Middle School and Geographic Area; 8 Physical Education; 15 Physical Education and Geographic Area; 1 Agriculture and Geographic Area; for a total of 1,407 borrowers.

Question 7: Program Evaluations

What was the date of the last external or internal evaluation of this program?

February 17, 2010

See below.

Has an evaluation ever been conducted?

Yes

No

If an evaluation was conducted, what were the results and primary recommendations of the most recent evaluation?

The EOC normally does an external evaluation each year. For results and primary recommendations of the evaluation, please see the EOC Report for details. Also, an internal review from a fiscal standpoint was completed February 17, 2010. This action was performed to review cancellation provisions of our previously approved loans and to clearly define procedures for cancellations due to teaching. A financial and compliance audit of South Carolina Student Loan, which includes the SC Teachers Loan Program, is conducted annually by an external audit firm.

Can you provide a URL link, electronic version, or hard copy of this evaluation to the EOC?

Yes

No

If yes, please provide URL link here.

If no, why not?

N/A

Question 8:

While EIA revenues increased in 2010-11 over the prior fiscal year and no mid-year cuts were made to any EIA programs, programs and agencies continue to implement conservative budget practices.

Please describe how the program and/or organization would absorb or offset potential EIA reductions totaling 5%, and 10% in the current fiscal year, Fiscal Year 2011-12?

Again, the nature of the TLP is such that roughly half of the total appropriations are disbursed to the borrowers' schools in the August-September time frame and again in the December-January time frame.

SCSL has approved \$4,640,518 fiscal year-to-date in order to provide loan funds for Fall and Spring semesters. SCSL has \$2,149,829.00 scheduled for disbursement throughout the remaining months of the fiscal year.

If notification regarding a 5% budget cut or a 10% budget cut were received before December 1, 2011, the second semester disbursements could be reduced pro-rata to all borrowers to accommodate the reduction in the appropriated amount, ensuring all borrowers would receive some funding rather than no additional funding for Spring semester. However, these students are relying upon these funds to pay for their second semester tuition and would be forced to find alternative sources which would place a hardship upon them.

If notification of a budget cut was received after December 1, 2011, then SCSL could not ensure a pro-rata reduction in loan funds. The Program would have no choice but to cut the funding of those borrowers whose disbursements were scheduled later in the academic year by a greater amount than those borrowers who had already received their second semester disbursement or to again request permission to access the EIA Revolving Fund to subsidize the appropriations cut.

Question 9:

If no additional EIA revenues were appropriated to this program in Fiscal Year 2012-13 above the current year's appropriation level, how would the objectives, activities and priorities of this program change?

Please be specific to address the impact to students, teachers or schools. Are there regulatory or statutory changes that you would recommend to the legislature that would assist this program/organization in meeting its objectives?

If appropriations remained level with the 2012-2013 fiscal year, SCSL would administer the TLP within the appropriated amount, with a first-come, first-approved basis for awarding the loan funds until the appropriated funds were exhausted.

Any changes in the objectives, activities, and priorities of the program would be at the direction of the Education Oversight Committee as governing body for the TLP.

If you want to provide supporting documents or evaluation reports, either reference a website below or email the report directly to

mbarton@eoc.sc.gov

Questions 10 and 11 Apply only to programs NOT administered by the South Carolina State Department of Education.

Question 10: Fiscal Year 2012-13

The total amount of EIA funds requested for this program for the next fiscal year will be:

- The same as appropriated in the current fiscal year's appropriation
- An increase over the current fiscal year's appropriation
- A decrease over the current fiscal year's appropriation

If you indicated an increase or decrease in funding for the next fiscal year, what is the total amount requested for this program for the next fiscal year?

\$6.5 million

If you indicated an increase or decrease, please describe the reasons for the increase or decrease. How will the increase or decrease impact the objective of the program?

The student demand for TLP loan funds historically has been in the \$6.5 million range, with this amount of funding always exhausted for that fiscal year. An increase over current year's appropriations would return the Program funds to previous years' level, hopefully ensuring that most of the demand would be met.

Question 11: Fiscal Years 2010-11 and 2011-12

Please fill in the attached charts to reflect the budget for this program in the prior fiscal year (2010-11) and the budget for this program in the current fiscal year (2011-12).

If the program was not funded in the prior fiscal year, please fill out information for the current fiscal year only.

Funding Source	Prior FY Actual	Current FY Estimated
EIA	4,000,722	4,000,722
General Fund	0	0
Lottery	0	0
Fees	0	0
Other Sources	0	0
Grant	0	0
Contributions, Foundation	0	0
Other (Specify)	0	0
Carry Forward from Prior Yr	0	0
TOTAL	4,000,722	4,000,722

Other: Please specify here.

Expenditures	Prior FY Actual	Current FY Estimated
Personal Service		
Contractual Services	26,479	27,000
Supplies and Materials		
Fixed Charges		
Travel		
Equipment		
Employer Contributions		
Allocations to Districts/Schools/Agencies/Entities	3,640,103	3,638,722
Other: Please explain	334,140	335,000
Balance Remaining		
TOTAL	4,000,722	4,000,722
#FTES		

Other: Please explain here.