SC Education Oversight EIA & Improvement Mechanisms Subcommittee

September 21, 2026

SC EDUCATION OVERSIGHT COMMITTEE
Reporting facts. Measuring change. Promoting progress.

Welcome & Approval of EIA Subcommittee Minutes

December 1, 2025

April Allen, Chair

SC EDUCATION OVERSIGHT COMMITTEE

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Action Item:
Annual Report of the SC Teacher Loan Program


SC TEACHER LOAN PROGRAM

Annual Report 2024-25

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PRESENTATION TO:
EIA AND IMPROVEMENT MECHANISMS SUBCOMMITTEE

SEPTEMBER 21, 2026

SC EDUCATION OVERSIGHT COMMITTEE

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Dana Yow, EOC Executive Director

Legislative Authority

- The Teacher Quality Act of 2000 directs the EOC to conduct an annual review of the South Carolina Teacher Loan Program (TLP) and to report its findings and recommendations to the South Carolina General Assembly.
- Pursuant to 59-26-20(j) of the South Carolina Code of Laws, this year's annual report documents the program in Fiscal Year 2024-25.

TLP Governance

State Board of Education (SBE) and SC Department of Education (SCDE): SBE, in conjunction with SCDE, determines the TLP's Areas of Critical Needs (subject and geographic) pursuant to statutory requirements annually

SC Student Loan Corporation (SLC): The SLC, a private entity which also has other loan administrative functions, is directed by statute to administer the SC Teacher Loan Program, which includes the process for applications, loans, and loan forgiveness/cancellation or repayment.

Education Oversight Committee: The Teacher Quality Act of 2000 directs the EOC to perform a review of the program annually and report to the General Assembly (Appendix A-1). The EOC is also to receive and review budget requests from the SLC before making recommendations for EIA funding to the General Assembly

SC Commission on Higher Education (CHE): The governing statute provides for CHE's role in the program: "Appropriations for loans and administrative costs incurred by the corporation are to be provided in annual amounts, recommended by the CHE, to the State Treasurer for use by the corporation."

Center for Educator Recruitment, Retention, and Advancement (CERRA:πSince Fiscal Year 2013-14, budget provisos have directed CERRA to "appoint and maintain the South Carolina Teacher Loan Advisory Committee" (TLAC).

Teacher Loan Program (TLP) Overview

Origin

The South Carolina Teacher Loan Program (TLP) was authorized by the South Carolina General Assembly as part of the Education Improvement Act (EIA) of 1984

Purpose

The TLP is a **financial incentive program offering <u>three types of forgivable loans</u> for the express purpose of encouraging talented and qualified state residents to enter the teaching profession in <u>academic</u> (subject) and/or <u>geographic areas of critical need</u>**, which are defined annually by the State Board of Education

<u>Critical Need Subject Areas:</u> the percentage of positions in a given subject area (i.e., certification field) that are unfilled, filled by educators in an alternative route program, or filled by educators holding an out-of-field permit.

<u>Critical Need Geographic Areas:</u> Areas are designated based upon schools with a report card rating of Below Average or Unsatisfactory, teacher turnover rate of 20% or higher for the last three years, or a school poverty index of 70% or higher.

**Over 60% of SC schools qualified as Critical Need for TLP in 2024-25*

Notable changes/progress since previous report

- Based on EOC recommendations (Dec. 2025), Governance and accountability of TLP were strengthened through changes in 2026-27 Appropriation Act budget provisos
  - Two new uses of TLP revolving funds created:
    1. Teacher loan refinancing
    2. Additional loan forgiveness for teachers in rural districts

- Proviso 1A.72 in the 2026-27 Appropriations Act redirects up to $10 million from the TLP revolving fund toward refinancing existing student loan debt for teachers in SC public schools.

- Proviso 1A.6 in the 2026-27 Appropriations Act implements more active governance, monitoring, advocacy, evaluation, and program-improvement role, while also requiring modernization of the TLP application process.

- The TLAC has continued to provide updates on streamlining the TLP application process as well as developing and promoting a TLP marketing toolkit.

Type 1 Loans

Type 1 loans are for qualified state residents enrolled in traditional education preparation programs at public or private colleges and universities for the sole purpose of becoming certified teachers in SC areas of critical academic or geographic need.

- Freshmen and sophomores may borrow up to $2,500 per year;
- Juniors, seniors, 5th year undergraduates, and graduate students may borrow up to $7,500 per year, with an aggregate maximum of $27,500.

TLP Type 1 participation continues to decline, while approval rates improve

Three key takeaways:

1. Applications (919) and recipients (819) reached their lowest levels since 2010–11.
2. The approval rate increased to 89%, despite fewer applications.
3. Teacher Cadets remain nearly half of all applicants, but participation has steadily declined.

Over time

23,000 total Type 1 borrowers

↓

7,855 loans fully cancelled

↓

34% fulfilled the teaching requirement

TLP Type 2 Loan (Career Changers)

Act 393 of 2000 added loan forgiveness provisions to assist Career Changers (Type 2/TLC) with becoming certified teachers employed in SC areas of critical need.

- Participants may borrow up to $15,000 per year and up to an aggregate maximum of $60,000

TLP Type 2 participation has declined modestly, while loan completion outcomes continue to grow

Three key takeaways:

1. TLC Type 2 recipients declined overall, from 43 in 2021-22 to 37 in 2024-25, a reduction of 6 recipients (about 14%).
2. In 2024-25, 26 of 37 recipients (70%) were graduate students, compared with 11 undergraduates (30%).
3. 69 TLP 2 loan recipients currently teaching in critical-needs areas

Over time

1,124 total Type 2 borrowers

↓

516 loans fully cancelled

↓

46% fulfilled the teaching requirement

TLP Type 3 Loan (PACE)

- Act 393 of 2000 added loan forgiveness for participants in the state's Program of Alternative Certification for Educators (PACE) for critical needs subject area certification.
- PACE is the only alternative certification program eligible for Type 3 loans although there are currently 16 approved alternative certification programs in SC.
- The PACE loan forgiveness application states that participants may borrow up to $750 per year, not to exceed a total maximum of $5,000.

TLP Type 3 participation has decreased slightly

Two key takeaways:

1. For 2024-25, there were 251 PACE recipients, a decrease of 31 from the previous year.
2. Loan recipients may have their annual reimbursement loan cancelled 100% by teaching at least 152 days.

Over time

1,026 total Type 3 borrowers

Report Findings: Administration of TLP

- The TLP Revolving Loan Fund balance is currently at $25.9 million.

SC Teacher Loan Program: EIA Revenues and TLP Type 1 Loans Over Time

Year	EIA Appropriation	Revolving Funds from Repayments	Total Dollars Available	Administrative Costs	% of Total Dollars Spent on Administration	Amount Loaned	Revolving Loan Balance*
2010-11	$4,000,722	$1,000,000	$5,000,722	$345,757	6.9	$4,654,965	
2011-12	$4,000,722	$1,000,000	$5,000,722	$359,201	7.2	$4,641,521	
2012-13	$4,000,722	$1,000,000	$5,000,722	$351,958	7.0	$5,648,764	
2013-14	$5,089,881	$0	$5,089,881	$329,971	6.2	$4,517,984	
2014-15	$5,089,881	$0	$5,089,881	$317,145	6.2	$4,594,799	
2015-16	$5,089,881	$0	$5,089,881	$319,450	6.2	$4,460,184	
2016-17	$5,089,881	$0	$5,089,881	$326,460	6.4	$4,540,310	
2017-18	$5,089,881	$0	$5,089,881	$720,420	14.2	$4,369,461	
2018-19	$5,089,881	$0	$5,089,881	$325,000	6.4	$4,764,461	
2019-20	$5,089,881	$0	$5,089,881	$512,000	10.0	$4,679,409	
2020-21	$5,089,881	$1,061,135	$6,151,016	$540,000	8.8	$5,573,559	
2021-22	$5,089,881	$1,000,000	$6,089,881	$503,080	8.3	$4,979,310	
2022-23	$5,089,881	$500,000	$5,589,881	$506,951	9.1	$4,827,723	$20,079,370**
2023-24	$5,089,881	$0	$5,089,881	$520,726	10.2	$4,548,046	$23,032,269**
2024-25	**$5,089,881**	**$260,000**	**$5,349,881**	**$526,134**	**9.8**	**$4,690,646**	**$25,932,061********

Source: South Carolina Student Loan Corporation

TLP Applicant Demographics

- TLP Applicants have historically been predominantly white and/or female.
- The number of African American applicants decreased for the first time since 2021-22; in 2025, only 188 (15% of applicants) were African-American.
- The number of white applicants to the TLP program has continued to decrease, falling to 863 in 2025.
- The number of male applicants decreased for the third year in a row (from 246 to 241), to its lowest level since at least 2010-11.
- The number of female applicants increased by 33.
- Asian and Hispanic Applications are not disaggregated due to small numbers.
- HBCU participation in the TLP declined substantially, from a high of 13 recipients in 2016-17 to just two in 2024-25, an 85% decrease.

Report Findings: SC Teacher Pipeline

- SC reported 336.6 fewer vacant positions in School Year 2025-26 than in School Year 2024-25.
  - These data include both teaching positions and service positions like school librarians, counselors, and psychologists.

- There were 824 Teaching Fellows in SC colleges and universities in 2024-25, an increase of 54 from the previous year.

- Data indicate a gradual reduction in hires from traditional in-state teacher-preparation programs, in-state transfers, and more recently, out-of-state recruitment.

- Alternative certification and international recruitment have become increasingly important sources of teachers, suggesting that districts have expanded their reliance on nontraditional pathways to fill vacancies.

Report Findings: SC Teacher Pipeline *(continued)*

Decline in Enrollment

- Bachelor's-level, in-state enrollment in teacher preparation programs has declined substantially since 2016.
- Master's-level, in-state enrollment fell 19.1%, from 2,678 students in 2016 to 2,167 in 2025.
- Public institutions remained the primary providers, although their enrollment declined 8.8%, from 1,883 to 1,717 students.

Decline in education program scholarships

- State scholarships are reaching more SC students overall, but education majors represent a shrinking portion of recipients.
- Across the three major state scholarships, the percentage of recipients enrolled in education programs fell from 8.8% in 2016 to 6.6% in 2025, a decline of 2.2 percentage points.

Recommendations

- Modernize and strengthen the Teacher Loan Program:
  - Reevaluate the definitions and methodology used to identify critical subject areas and geographic areas eligible for loan forgiveness.
  - Review and compare TLP, Teaching Fellows, and LIFE/Palmetto Fellows promissory notes to identify best practices for common terms, conditions, service obligations, repayment requirements, and recipient responsibilities. Implement best practices.

- Through the Teacher Loan Advisory Committee (TLAC), develop and adopt a new set of strategic, measurable, and targeted program goals for the TLP and for participating educator preparation programs (EPPs).

- Expand the capacity of the Teaching Fellows program.

- Consider amending the law to expand eligibility for career-changer loans to participants in alternative teacher certification programs beyond PACE

Questions?

Information Item:
Update on the 2026-27 EIA Budget Process

Dr. Rainey Knight, Director of Strategic Innovation

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Timeline

Event or Task	Date to be completed
EIA Reports due to EOC	September 25
EIA summary sheets emailed and snail mail to EIA Subcommittee and other relevant stakeholders; Notebooks available for subcommittee members at November 9 EIA meeting	Week of October 26
EIA Subcommittee Meeting (Testimony only)	November 9 at 10:30
EIA Subcommittee Meeting (Testimony; discussion of recommendations, if time available; draft of EOC staff recommendations)	November 16 at 10:30
EIA Subcommittee Meeting (Draft of EOC staff recommendations; discussion of EIA programs to develop consensus and vote to approve EIA program recommendations to full EOC on Dec 11)	Nov 30 at 10:30
EOC Full Committee	**December 14**

Adjournment