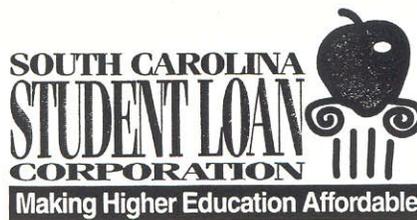
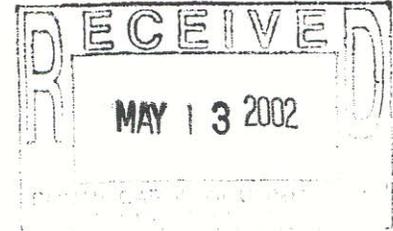


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Repayment: PO Box 21337
 Loan Programs: PO Box 21487
 Columbia, South Carolina 29221



May 9, 2002

Dr. Karen Woodfaulk
 Director
 Division of Student Services
 and Veterans Affairs
 S.C. Commission on Higher Education
 1333 Main Street, Suite 200
 Columbia, SC 29201

Dear Karen:

I am enclosing for your review, and for approval by the Commission on Higher Education at its next meeting, the proposed budget for 2002-03 for administration of the Teachers Loan Program. This budget has been reviewed and approved by the Board of Directors of the Corporation at its Annual Meeting on May 7, 2002.

In the first two columns below I have summarized the budgeted and estimated actual expenditures for the 2001-02 fiscal year. The third column, totaling \$359,275, is the amount proposed by the Corporation for 2002-03. For purposes of comparison, the regular administrative budget of the Corporation for the operation of the Federal Family Education Loan Program, not including operating costs associated with the Teacher Loan Program, is shown in the fourth column.

	OPERATING EXPENSES FOR TEACHERS LOAN PROGRAM			SCSLC OPERATING EXPENSE
	FY 01-02 Budgeted	Estimated Actual	FY 02-03 Proposed	FY 02-03 Approved
Personnel (salaries and fringes)	\$252,000	\$253,000	\$278,075	\$7,579,475
Contractual Services (computer support/ programming)	33,400	23,200	26,675	793,500
Other Operating (rent, utilities, etc.)	52,125	48,100	51,525	2,325,800
Equipment	3,000	3,000	3,000	341,500
TOTAL	\$340,525	\$327,300	\$359,275	\$11,040,275