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To: CSU Presidents

From: Jackie R. McClain   
Vice Chancellor  
Human Resources

Subject: **2004/2005 CSU Forgivable Loan/Doctoral Incentive Program**

The California State University is seeking applicants for the 2004/2005 Forgivable Loan/Doctoral Incentive Program (FLP). Funding for the program is contingent upon budget approval by the Board of Trustees from 2004/2005 Lottery Revenue funds. The following is an overview of the program followed by the procedure, timetable and criteria for selecting participants in this year's cycle.

The CSU Forgivable Loan/Doctoral Incentive Program is the largest program in the nation. The program is designed to increase the pool of qualified faculty candidates with the qualifications, motivation, and skill to teach the diverse student body in the CSU. Through October 2003, it has loaned some \$32.4 million to 1,385 doctoral students who have attended nearly 200 universities throughout the United States and several other nations. As of June 2003, 620 loan recipients have reported the completion of their degree programs, among whom 59% (367) currently hold or have held CSU instructional faculty positions subsequent to earning the doctoral degree. In 2003, an additional 78 applicants were admitted to the program. The current annual budget is \$3 million.

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The emphasis at the outset was to encourage doctoral study in fields in which women and minorities were most severely underrepresented, such as the natural sciences, mathematics, computer science, and engineering. However, applicants in all fields where CSU campuses employ faculty are eligible for admission to the program regardless of gender or ethnicity.

### **Program Features**

The FLP will lend participants who are full-time doctoral students up to \$10,000 annually to a limit of \$30,000 over a five-year period. The recipients may enroll in any approved doctoral program at an accredited university in the United States or abroad. There is no means test for eligibility, and students may receive other income from fellowships, assistantships, grants, loans or employment.

In addition to the loan provision, participants are formally sponsored by a full-time, tenure-track member of the CSU faculty. As part of the application process, a plan of support by the faculty sponsor and/or the sponsor's academic department is jointly developed with the applicant. The sponsor asserts that the candidate has the potential to compete successfully for a CSU faculty position after completion of the doctoral degree in an approved program of study. Sponsorship does not guarantee a faculty position to a program participant. Sponsors are volunteers who receive no compensation or assigned time for their services.

The relationship between the doctoral student and the faculty sponsor will vary significantly according to individual needs and preferences. The sponsor is available for academic and professional advice throughout a participant's doctoral program. The sponsor may participate in professional activities with a student or collaborate on research projects. The sponsor is also a link to CSU academic departments in the student's field of study and may serve as a valuable reference in the search for a CSU faculty position.

After completion of the doctoral degree, an FLP participant is extended a 12-month grace period before loan repayments begin. If the participant obtains a full-time instructional faculty position in the CSU, the loan principal and interest are "forgiven" at the rate of 20% for each year of service. After five years of fulltime faculty service, the entire loan amount can be forgiven. Amounts cancelled through this policy, as well as the foregone interest on the remaining loan balance, are reported as income accruing to the faculty member and federal income and social security taxes are withheld on that amount.

Recipients with the doctorate who teach half-time or more are "forgiven" at the rate of 10% per year of service. For recipients who do not hold a CSU instructional faculty appointment, the loan is payable over a period of 15 years. The annual interest rate of 5% accrues only from the beginning of the repayment period.

There is no requirement that a participant have had any prior connection with The California State University. However the CSU has agreed with the California Faculty Association that at least 25% of awards should be offered to qualified individuals who have served in bargaining Unit 3 positions within the two-year period prior to the award date.

### **Program Procedures**

Program applications, brochures, posters and other supporting materials are being sent to campus Program Coordinators.

Campus coordinators are asked to perform the following tasks:

1. Distribute materials and publicize the program to potential qualified applicants. Establish the campus deadline for acceptance of sponsored applications.
2. Solicit full-time, tenure-track faculty members to serve as sponsors to qualified applicants.
3. Attempt to match potential applicants who do not yet have a sponsor with faculty in the appropriate academic discipline.
4. Take the lead in organizing an appropriate campus committee to review applications and to recommend to the president the nominations which will be submitted to the Office of the Chancellor.

The applications of all campus nominees will be considered by a systemwide selection committee which will be composed of CSU faculty, campus administrators and Chancellor's Office administrators. In spring 2003, the systemwide selection committee reviewed 133 applications forwarded by the campuses from which it made 78 selections. It is anticipated that approximately the same number of applicants may be selected for the 2004/2005 program year.

There are three categories of selection criteria for the Forgivable Loan Program, each of which is listed below:

1. The applicant is evaluated on potential to complete an approved doctoral program and compete successfully for a CSU tenure-track instructional faculty position. Considerations include the applicant's academic record, professional qualifications, and relevant background, experience and motivation to educate a diverse student body in the CSU. Elements considered include unconditional admission into a doctoral program, the quality of the proposed doctoral program, other experiences or skills that enhance the potential of the candidate to educate a diverse student body. These experiences and characteristics may include experience working with persons with a wide range of backgrounds and perspectives, research interest related to educating an increasingly diverse student body, experience in a variety of cultural environments, and being a first generation college graduate.
2. The plan of support by a CSU tenure-track faculty member will be evaluated on the basis of how it will enhance the student's academic experience and prepare the student for a CSU academic career by forging ties between the student and the CSU through joint professional development activities.
3. Academic Discipline - Special consideration will be given to candidates whose proposed area of study falls where CSU campuses anticipate the greatest difficulty in filling instructional faculty positions. Information from a variety of sources may be considered when evaluating this criterion. One relevant source is the CSU Report on Faculty Recruitment Survey, which presents recent information on the number of tenure track searches and appointments in various disciplines throughout the CSU system. This report is available at the following web site: <http://www.calstate.edu/HR/apindex.shtml>.

**Program Calendar:**

<i>November 28, 2003</i>	Applications, brochures, posters to be shipped to campus Coordinators of the Forgivable Loan Program;
<i>March 19, 2004</i>	Campus nominations/applications due at the Chancellor's Office;
<i>April 2004</i>	Tentative meeting date of Systemwide Selection Committee;
<i>Early May 2004</i>	Announcement of 2004/2005 FLP selections.

Any concerns or questions about the Forgivable Loan Program should be directed to Ms. Maria Santos at (562) 951-4425.