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To: CSU Presidents

From: Jackie R. McClain 
Vice Chancellor
Human Resources

Subject: 2006/2007 CSU Chancellor's Doctoral Incentive Program/Forgivable Loan Doctoral Incentive Program

The California State University is seeking applicants for the 2006/2007 Chancellor's Doctoral Incentive/Forgivable Loan Program. Since its creation, this program has operated under the name Forgivable Loan/Doctoral Incentive Program. However, during the upcoming year, the Program will formally change its name to the *Chancellor's Doctoral Incentive Program*. This change is in response to advice from the program's policy advisory committee, and comments from program participants. These comments suggested that the current program name does not significantly distinguish it from other student loans. Participants have pointed out that they would not put "Stafford Loan" or "Perkins Loan" on their CV or resume, but would like to include the Forgivable Loan Program, since they competed for and were awarded participation in the program. Therefore, a major purpose of this change is to provide participants with a more valuable item to place on their curriculum vitae or resume when it is time for participants to enter the academic job market. **To ease the transition, the program will temporarily operate under the name *Chancellor's Doctoral Incentive/Forgivable Loan Program (CDI/FLP)*.**

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 Chancellor's Doctoral Incentive/Forgivable Loan Program is the largest program of its kind in the nation. The purpose of the program is to increase the number of individuals who show potential as doctoral students and who may be interested in potentially applying and competing for future CSU instructional faculty positions. The program seeks to accomplish this goal by providing financial aid in the form of loans to doctoral students with the motivation, skills, and experience needed to teach the diverse student body in the CSU. Through July 2005, it has loaned some \$35.8 million to 1,501 doctoral students who have attended nearly 200 universities throughout the United States. As of July 2005, 748 loan recipients have reported the completion of their degree programs, among whom 57% (430) currently hold or have held CSU instructional faculty positions subsequent to earning the doctoral degree. In 2005, an additional 89 applicants were admitted to the program. Funding for the program is contingent upon budget approval by the Board of Trustees from 2006/2007 Lottery Revenue funds.

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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. The program gives primary consideration to candidates in fields where CSU campuses anticipate the greatest difficulty in filling potential future instructional faculty positions.

Program Features

This program is open to applicants who will be new or continuing full-time students in doctoral programs at accredited universities anywhere in the United States. Individuals who are selected to participate in the program may borrow up to \$10,000 annually to a limit of \$30,000 over a five-year period while enrolled in full-time doctoral study. There is no means test for eligibility, and students may receive other income from fellowships, assistantships, grants, loans or employment.

Applicants are not required to have attended the CSU nor to be accepted in a doctoral program at the time of their application. Employment in California State University is also not required. 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.

In addition, all applicants to the program must have a CSU Faculty Advisor (formerly called a Faculty Sponsor). The purpose of this advisory relationship is to support the student in his/her doctoral program and to help the student understand the workings of higher education institutions and the faculty labor market specific to particular disciplines. It is recommended that the Faculty Advisor and student be in the same discipline, but it is not required. It is the applicant's responsibility to obtain a Faculty Advisor. As part of the application process, the applicant and Faculty Advisor jointly develop a Faculty Advisor's Statement with the applicant. This statement describes how they intend to maintain communication and what activities they will participate in to assist the student through his/her doctoral studies. Faculty Advisors are volunteers who receive no compensation or assigned time for their services. Advisement of a student and acceptance into the CDI/FLP program does not a guarantee future CSU employment for the student.

After completion of the doctoral degree or withdrawal from doctoral study, a participant is extended a 12-month grace period before loan repayment begins. The loan is payable over a period of 15 years, and interest rate for funds borrowed during the 2006/07 academic year is a 5%. The annual interest rate accrues only from the beginning of the repayment period.

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 full-time CSU faculty service, the entire loan amount can be forgiven. Recipients with the doctorate who teach half-time or more in the CSU may receive loan forgiveness at the rate of 10% per year of service. 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.

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 applications.
2. Solicit full-time, tenure-track faculty members to serve as advisors to qualified applicants.
3. Attempt to match potential applicants who do not yet have a Faculty Advisor 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 that 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 2005, the systemwide selection committee reviewed 131 applications forwarded by the campuses from which it made 89 selections. It is anticipated that approximately the same number of applicants may be selected for the 2006/2007 program year.

Two criteria are used to make selections to the program:

1. Potential as a doctoral student and interest in teaching a diverse student population.
Considerations include:
 - a. The applicant's academic record and professional qualifications.
 - b. The quality of the proposed doctoral program.
 - c. The applicant's relevant background, experience, skills, and motivation needed to educate the diverse student body in the CSU. These experiences and characteristics may include experience working with persons with a wide range of backgrounds and perspectives, research interests related to educating an increasingly diverse student body, and experience in a variety of cultural environments.
 - d. A Faculty Advisor's Statement by CSU Tenure-track Faculty member(s) that will enhance the student's academic experience and provide professional mentoring and networking opportunities. The Faculty Advisor's Statement may include academic support, joint professional development, networking activities, and other similar activities.

2. **Academic Discipline:** Primary consideration will be given to candidates whose proposed area of study falls where CSU campuses anticipate the greatest difficulty in filling potential future 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: www.calstate.edu/HR/apindex.shtml.

Program Calendar:

<i>November 2005</i>	Applications, brochures, posters to be shipped to campus Coordinators of the Chancellor's Doctoral Incentive/Forgivable Loan Program;
<i>March 17, 2006</i>	Campus nominations/applications due at the Chancellor's Office;
<i>April 7, 2006</i>	Tentative meeting date of Systemwide Selection Committee;
<i>Early May 2006</i>	Announcement of 2006/2007 CDI/FLP selections.

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