Date: December 16, 1998

To: CSU Presidents

From: Samuel A. Strickland
       Interim Senior Director
       Human Resources

Subject: 1999/2000 CSU Forgivable Loan/Doctoral Incentive Program

The California State University is seeking applicants for the 1999/2000 Forgivable Loan/Doctoral Incentive Program (FLP). Funding for the program is contingent upon budget approval by the Board of Trustees from 1999/2000 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. Please note that the selection criteria (p. 4) have been modified in response to concerns of the Office of the General Counsel on the legal risk of using race/gender conscious criteria after the passage of Proposition 209.

The CSU Forgivable Loan/Doctoral Incentive Program is the largest program in the nation that is designed to increase the diversity of the pool of qualified faculty candidates. Through 1997/98, it has loaned some $23 million to 1,019 doctoral students who have attended nearly 100 universities throughout the United States and in several other nations. To date, 370 recipients have reported the completion of their degree programs, among whom 216 (58%) currently hold or have held CSU instructional faculty positions subsequent to earning the doctoral degree. In 1997/98, an additional 75 applicants were admitted to the program. The current annual budget is $3.5 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, all applicants in fields where under representation occurs have been eligible for admission to the program.

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 full-time 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 8% 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, in past, the CSU has agreed with the California Faculty Association that at least 25% of the 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 the persons who served last year as the campus Program Coordinator.

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 that will be composed of CSU faculty, campus administrators and Chancellor’s Office administrators. In spring 1998, the systemwide selection committee reviewed 148 applications forward by the campuses from which it made 75 selections. It is anticipated that approximately the same number of applicants will be selected for the 1999/2000 program year.
There are three categories of **selection criteria** for the Forgivable Loan Program; the criteria have been modified from those used in prior years. They are:

1. The applicant's potential for success in a CSU instructional faculty position. The applicant is evaluated on potential to complete an approved doctoral program and compete successfully for a CSU tenure-track faculty position. Considerations include the applicant's academic record, professional qualifications, and motivation to educate a diverse student body in the CSU; elements considered include actual acceptance into a specific doctorate 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. This selection criterion is given greatest weight.

2. The plan of support by a CSU tenure-track faculty/academic department. The plan of support 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.

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.

**Program Calendar**

- **December 16, 1998** Applications, brochures, posters to be shipped to campuses
- **March 16, 1999** Campus nominations (with applications) due at the Chancellor's Office
- **April 9, 1999** Tentative meeting date of Systemwide Selection Committee
- **May 1999** Announcement of 1999/2000 FLP selections

Any concerns or questions about the Forgivable Loan Program should be directed to Ms. Laurie Faure at 562/985-2667.