Date: December 4, 1997

To: Presidents

From: Samuel A. Strafaci
Interim Senior Director
Human Resources

Subject: 1998/99 CSU Forgivable Loan/Doctoral Incentive Program

The California State University is seeking applicants for the 1998/99 Forgivable Loan/Doctoral Incentive Program (FLP). Funding for the program is contingent upon budget approval by the Board of Trustees from 1998/99 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 which is designed to increase the diversity of the pool of qualified faculty candidates. Through 1996/97, it has loaned some $20 million to 937 doctoral students who have attended nearly 100 universities throughout the United States and in several other nations. To date, 304 recipients have reported the completion of their degree programs, among whom 176 (58%) currently hold or have held CSU instructional faculty positions subsequent to earning the doctoral degree. In 1996/97, an additional 100 applicants were admitted to the program. The current annual budget is $3.5 million.
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 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
Beginning with the 1993/94 academic year, 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 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 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 which will be composed of CSU faculty, campus administrators and Chancellor’s Office administrators. In spring 1997, the systemwide selection committee reviewed 187 applications forward by the campuses from which it made 116 selections. It is anticipated that approximately the same number of applicants will be selected for the 1998/99 program year.
There are three categories of selection criteria for the Forgivable Loan Program, each of which is listed below:

1. The applicant's potential for success. 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 teach in the CSU; also actual acceptance into a specific doctorate program, the quality of the proposed doctoral program and the probable need for faculty in the candidate's field. This selection criterion is given greatest weight among the three.

2. The faculty sponsor's plan of support. The quality and appropriateness of the proposed plan of support.

3. Degree of underrepresentation. Consideration will be given to candidates with proposed fields of study with a projected shortfall in supply -- the hard to hire disciplines, as well as the degree of underrepresentation in the area of study proposed by the applicant.

**Program Calendar**

December 4, 1997  Applications, brochures, posters to be shipped to campuses
March 13, 1998  Campus nominations (with applications) due at the Chancellor's Office
April 9, 1998  Tentative meeting date of Systemwide Selection Committee
Early May 1998  Announcement of 1998/99 FLP selections

Any concerns or questions about the Forgivable Loan Program should be directed to Ms. Maria Medina Santos at (562) 985-2665.

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