

Tuition Reimbursement Program

for Qualifying Graduates of the Rice Education Entrepreneurship Program Class of 2010

The tuition reimbursement program (TRP) provides financial assistance to graduates of the MBA track (MBA-EE) of the Rice Education Entrepreneurship Program (REEP) beginning immediately after graduation if they undertake employment in high-need Houston-area public schools. The TRP was created to encourage MBA-EE graduates to pursue leadership roles in Houston-area Independent School Districts and charter schools that serve a majority of economically disadvantaged students.

Loans for Tuition Payment

The TRP provides for tuition reimbursement, not tuition waiver. Upon admission to the MBA-EE program, students must prepare to pay the Rice MBA for Professionals tuition rate. Students may seek advice and apply for a loan through Rice University Student Financial Services (<http://financialaid.rice.edu/>).

Tuition Reimbursement Eligibility

MBA-EE graduates can apply for TRP disbursements immediately upon graduation. To be approved, a graduate must be employed full-time by a Houston-area public school system in either a school-level position at an economically disadvantaged elementary, middle or high school or in a district-level leadership position at an economically disadvantaged school district. Economically disadvantaged is defined as a school or school district in which 50% or more of the students have a family income that qualifies them for free or reduced-price meals at school. The Houston area is defined as Harris and contiguous counties (Brazoria, Chambers, Fort Bend, Galveston, Liberty, Montgomery and Waller).

Tuition Reimbursement Methodology

TPR disbursements will be made twice a year, in January and July. Over time, these disbursements may cover up to the full two-year cost of the graduate's MBA-EE tuition plus interest, depending on the type and length of eligible employment. Living expenses are not covered. Any scholarships or grants applied toward a graduate's tuition will be deducted to determine the net tuition cost.

Graduates who maintain eligible employment will receive bi-annual disbursements over a five-year period after graduation. Graduates employed in leadership positions qualify for greater disbursements. Graduates employed as a Principal or in a district-level position that relates to instructional leadership qualify for 100% reimbursement; those employed

in other senior administrative positions such as Associate or Assistant Principal, Dean of Instruction, Dean of Students, At-risk Coordinator, or Department Chair qualify for 90% reimbursement; and those employed as a teacher or in any other type of instructional position qualify for 80% reimbursement.

The amount of each bi-annual disbursement will be computed by amortizing a graduate's net tuition cost over five years at an interest rate of 6%. The disbursement amount will equal the sum of six monthly payments in the amortization schedule, multiplied by the applicable reimbursement percentage based on the graduate's employment. For example, for a graduate employed as a Principal whose net tuition cost is \$81,500, the amount of each bi-annual disbursement will be \$10,117.51. (See Attachment for an amortization and disbursement schedule.) If the graduate were employed as an Assistant Principal, the amount of each bi-annual disbursement would be 90% of the full amount, or \$9,105.76. If the graduate were employed as a teacher, the amount of each bi-annual disbursement would be \$8,094.01. A graduate who begins the program receiving less than 100% reimbursement can later qualify for a larger reimbursement percentage when they take on a greater leadership position. In no event will the reimbursement period last for more than five years following graduation as described in further detail below.

TRP disbursements will be reported to the IRS as "other income" for the tax year in which the payments are received and a Form 1099-MISC will be issued to recipients. Rice University is not in a position to offer tax advice. We encourage recipients to consult with a tax advisor regarding the tax deductibility of interest paid on educational loans and the taxability of TRP disbursements received.

Period of Eligibility

MBA-EE graduates are eligible to receive TRP disbursements during the five-year period following their graduation. Graduates who do not begin receiving disbursements immediately after graduation can apply at a later date within this five-year period if they subsequently undertake eligible employment. Graduates who begin receiving disbursements can leave the program if their eligible employment terminates and then later re-apply based on new eligible employment during this five-year period.

Graduates who do not maintain eligible employment during the five-year period following their graduation and/or who qualify for less than 100% reimbursement for some period during these five years will receive disbursement payments that cover less than their full net tuition cost plus interest.

Leaves of Absence

TRP participants may continue to receive bi-annual disbursements during a leave of absence from their eligible employment if the leave is temporary and approved by their employer. Qualifying leaves include but are not limited to maternity leave, illness leave and family sick leave.

Tuition Reimbursement Procedures

A qualifying graduate must apply for TRP disbursement by completing an application form provided by the Director of REEP. The application requires the graduate to provide his or her name, eligibility information, taxpayer identification number, and mailing address. The application is due no later than June 1st for the July disbursement date and no later than December 1st for the January disbursement date. The Director of REEP will certify the graduate's eligibility information, compute the amount of the TRP disbursement, complete the necessary Rice University accounting information, and send the information to Payment Solutions for processing. Payment Solutions will send a check and (annually) any required federal tax documents to the graduate.

Disqualification

If it is discovered that a graduate has knowingly provided misinformation or excluded relevant information on the application, the graduate forfeits the right to receive TRP disbursements. The Director of REEP retains the right to inquire into any observed irregularities and to ask for documentation and/or explanation of particular claims regarding TRP disbursements.

Program Oversight

The Dean of the Jones Graduate School of Management (or his or her designee) has day-to-day authority to administer the TRP, including the authority to interpret to the terms of the policy to insure that it is implemented as originally intended.

Attachment

Amortization and TRP Disbursement Schedule For a Graduate who Receives No Scholarships or Grants and Maintains a Principal Position for Five Years

Input variables for the Class of 2010		Input variables for this Graduate	
MBA Tuition	81,500	Scholarships & Grants	0
First Tuition Due Date	8/1/2008	Net Amount Financed	81,500
Interest Rate	6.0%	Reimbursement Percentage	100%
Repayment Period (years)	5		

Date Borrowed	Loan Amount	Repayment Start Date	Loan Principal plus Accrued Interest
8/1/2008	20,375.00	6/1/2010	22,737.93
1/1/2009	20,375.00	6/1/2010	22,177.91
8/1/2009	20,375.00	6/1/2010	21,416.98
1/1/2010	20,375.00	6/1/2010	20,889.49

total debt = 87,222.32

Payment Date	Principal	Interest	Payment	Balance	Payments from Rice
7/1/2010	87,222.32	436.11	(1,686.25)	85,972.18	
8/1/2010	85,972.18	429.86	(1,686.25)	84,715.79	10,117.51
9/1/2010	84,715.79	423.58	(1,686.25)	83,453.12	
10/1/2010	83,453.12	417.27	(1,686.25)	82,184.13	
11/1/2010	82,184.13	410.92	(1,686.25)	80,908.80	
12/1/2010	80,908.80	404.54	(1,686.25)	79,627.09	
1/1/2011	79,627.09	398.14	(1,686.25)	78,338.97	
2/1/2011	78,338.97	391.69	(1,686.25)	77,044.42	10,117.51
3/1/2011	77,044.42	385.22	(1,686.25)	75,743.39	
4/1/2011	75,743.39	378.72	(1,686.25)	74,435.85	
5/1/2011	74,435.85	372.18	(1,686.25)	73,121.78	
6/1/2011	73,121.78	365.61	(1,686.25)	71,801.14	
7/1/2011	71,801.14	359.01	(1,686.25)	70,473.89	
8/1/2011	70,473.89	352.37	(1,686.25)	69,140.01	10,117.51
9/1/2011	69,140.01	345.70	(1,686.25)	67,799.46	
10/1/2011	67,799.46	339.00	(1,686.25)	66,452.20	
11/1/2011	66,452.20	332.26	(1,686.25)	65,098.21	
12/1/2011	65,098.21	325.49	(1,686.25)	63,737.45	
1/1/2012	63,737.45	318.69	(1,686.25)	62,369.89	
2/1/2012	62,369.89	311.85	(1,686.25)	60,995.48	10,117.51
3/1/2012	60,995.48	304.98	(1,686.25)	59,614.21	
4/1/2012	59,614.21	298.07	(1,686.25)	58,226.03	
5/1/2012	58,226.03	291.13	(1,686.25)	56,830.91	

Payment Date	Principal	Interest	Payment	Balance	Payments from Rice
6/1/2012	56,830.91	284.15	(1,686.25)	55,428.81	
7/1/2012	55,428.81	277.14	(1,686.25)	54,019.70	
8/1/2012	54,019.70	270.10	(1,686.25)	52,603.55	10,117.51
9/1/2012	52,603.55	263.02	(1,686.25)	51,180.32	
10/1/2012	51,180.32	255.90	(1,686.25)	49,749.96	
11/1/2012	49,749.96	248.75	(1,686.25)	48,312.46	
12/1/2012	48,312.46	241.56	(1,686.25)	46,867.77	
1/1/2013	46,867.77	234.34	(1,686.25)	45,415.86	
2/1/2013	45,415.86	227.08	(1,686.25)	43,956.69	10,117.51
3/1/2013	43,956.69	219.78	(1,686.25)	42,490.22	
4/1/2013	42,490.22	212.45	(1,686.25)	41,016.42	
5/1/2013	41,016.42	205.08	(1,686.25)	39,535.25	
6/1/2013	39,535.25	197.68	(1,686.25)	38,046.67	
7/1/2013	38,046.67	190.23	(1,686.25)	36,550.66	
8/1/2013	36,550.66	182.75	(1,686.25)	35,047.16	10,117.51
9/1/2013	35,047.16	175.24	(1,686.25)	33,536.14	
10/1/2013	33,536.14	167.68	(1,686.25)	32,017.57	
11/1/2013	32,017.57	160.09	(1,686.25)	30,491.41	
12/1/2013	30,491.41	152.46	(1,686.25)	28,957.61	
1/1/2014	28,957.61	144.79	(1,686.25)	27,416.15	
2/1/2014	27,416.15	137.08	(1,686.25)	25,866.98	10,117.51
3/1/2014	25,866.98	129.33	(1,686.25)	24,310.06	
4/1/2014	24,310.06	121.55	(1,686.25)	22,745.36	
5/1/2014	22,745.36	113.73	(1,686.25)	21,172.83	
6/1/2014	21,172.83	105.86	(1,686.25)	19,592.45	
7/1/2014	19,592.45	97.96	(1,686.25)	18,004.16	
8/1/2014	18,004.16	90.02	(1,686.25)	16,407.92	10,117.51
9/1/2014	16,407.92	82.04	(1,686.25)	14,803.71	
10/1/2014	14,803.71	74.02	(1,686.25)	13,191.48	
11/1/2014	13,191.48	65.96	(1,686.25)	11,571.18	
12/1/2014	11,571.18	57.86	(1,686.25)	9,942.79	
1/1/2015	9,942.79	49.71	(1,686.25)	8,306.25	
2/1/2015	8,306.25	41.53	(1,686.25)	6,661.53	10,117.51
3/1/2015	6,661.53	33.31	(1,686.25)	5,008.59	
4/1/2015	5,008.59	25.04	(1,686.25)	3,347.38	
5/1/2015	3,347.38	16.74	(1,686.25)	1,677.86	
6/1/2015	1,677.86	8.39	(1,686.25)	0.00	
			101,175.11		101,175.11