

1992 Report of the President
Rice University

Focus on Student Life

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Recent annual reports have celebrated the remarkable history of Rice, recounted the impressive achievements of our faculty, offered profiles of members of the university community ranging from incoming students to deans, and described our concerted efforts to enhance still further the high quality of teaching and learning, of instruction and investigation, that has characterized this institution from its inception. The recurrent theme of those reports has been the centrality of curriculum and scholarship. That theme expresses the conviction to which the history and ethos of this university testify: teaching and learning are the heart of the enterprise.

The priority of instruction and investigation is clear in the ways those of us who are students and faculty members invest our time and energy. It is also clear in the allocation of Rice's financial resources. Yet primary though curriculum and scholarship are, student life also depends on support services that are indispensable to the quality of the Rice experience.

In this report I will examine some of the varied forms of that support, giving special attention to the considerable improvements recently made to them. The reach of such services is noteworthy: it extends from well before students arrive on campus to long after they graduate. Over this entire range, and especially during the on-campus years, students benefit from the dedicated work of members of the university community whose efforts all too often go unacknowledged. In describing those efforts, I will help to rectify this too frequent omission and at the same time characterize crucial features of student life.

Qualifications of Students

A fundamental determinant of the quality of life both inside and outside the classroom is the ability and character of the students who matriculate here. Certainly many forces shape the myriad decisions that lead to each incoming class. In the case of graduate students, the distinction of the faculty is no doubt the most critical consideration. In the long run, the quality of the faculty is probably most crucial for attracting undergraduates as well. But there are many other variables, including such relatively intangible and unreliable comparisons as the standing of the institution among its peers—the extent to which it is known and how well it is regarded.

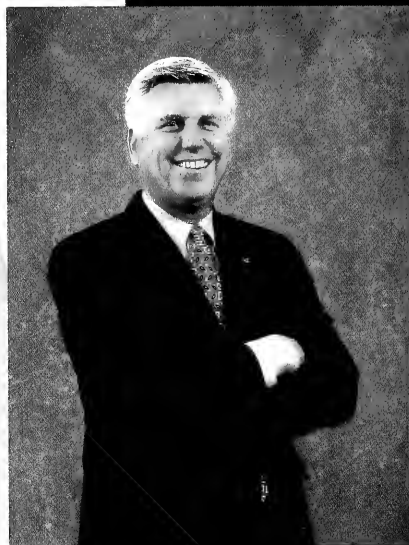
In recent years Rice has registered solid advances in recruiting outstanding faculty and in retaining the distinguished colleagues already here, in a significant number of instances despite concerted efforts on the part of other institutions to entice them away. To take one measure of quality, in the last five years the number of Rice faculty members who are members of the National Academy of Sciences and the National Academy of Engineering has more than doubled; and the amount of federal support secured by Rice for research in the sciences and engineering has also more than doubled. Similarly, in the arts, humanities, and social sciences, the number of competitively awarded grants and fellowships that Rice faculty receive has increased markedly. This strengthened faculty has in turn been more actively engaged in recruiting outstanding students, in particular at the graduate level. The strength of the faculty has of course contributed to the sense of forward momentum and enhanced standing that is reflected in various rankings of institu-

tions—rankings that prospective students and their parents take into consideration, probably more than is warranted.

Solid gains in faculty strength and in how well Rice is known and how highly regarded certainly affect the number and caliber of students who apply for admission. But also crucial to generating awareness of and interest in Rice, among prospective undergraduate students especially, is the work day in and day out of our admission officers and staff. In countless presentations to groups and in conversations with individuals, in conducting campus tours here and in traveling to schools across the land, in hosting programs at Rice and in preparing posters, letters, and publications about Rice, members of the admission team offer information and advice that lead to applications from exceptional students.

Beyond helping to generate awareness of and interest in Rice, admission officers and staff have also had the demanding assignment of coping with the rapidly increasing volume of applications from outstanding students. Together with our faculty-student-alumni/ae Committee on Admission, they have the responsibility of selecting an incoming class of about six hundred undergraduates each year. During the 1991-1992 academic year, this responsibility entailed considering 7,487 applications for undergraduate admission for the fall of 1992—almost triple the number of applications submitted for the same number of places ten years ago. The ratio of applications to places now is more than 12:1, which this year for the first time is higher than at any other college or university in this country and probably in the world.

Another startling statistic indicates how difficult the job of selecting an incoming class is. Among the students who applied for admission this year were 575 who were finalists in the Merit



Richard Stabell
Dean of Admission and Records

"This is my twenty-first year. First year I was here we had 1,600 applicants for a class of 600. That was in 1972. This year, we had somewhere in the range of 7,400 to 7,500 applicants...The increase this year was considerable, something like a 24 percent increase in applications over the year before.

"If you were to talk to a student who entered Rice ten years ago, who looked at the statistics of the class this year, that person might say, 'I don't think I could get in this year.' I personally think they would get in again, but I often hear that from people who hear about the numbers. They say, 'I'm glad I got in when I did.' Just in terms of the ratio obviously it was better, fewer applicants.

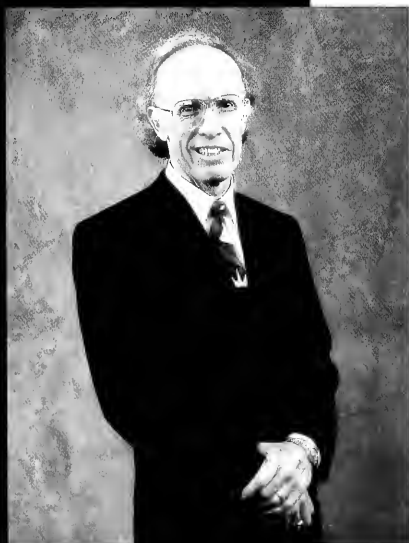
"We are becoming known. I think that Rice has been a well-kept secret nationally, not in the Southwest. It's been well known in this area for a long time. But nationally we are just emerging...people are finding out about a university in Texas that is comparable to any university in the country, and when they investigate a little further and find out the cost is quite reasonable it results in an application. Now, when they're accepted to Harvard and MIT and Rice and Stanford and Princeton, they have to make a decision."

Dennis Huston
Professor of English
Master of Hanszen College

"The single most important thing about the job of mastering is that we care about the students as people, that we know who they are, that we know what kinds of things they're interested in, that we know what kinds of things they do well, that we know what kind of courses they're taking, that we know what they have plans for in the future—so that when they have problems they can come and talk to us about those problems and feel as if we know who they are and feel as if we will listen sympathetically. The principal job of the master is to be there, literally and figuratively, for the students.

"I think both the master and the spouse ought to be called masters. They're doing it together. The spouses are doing at least half the work most of the time, and they're certainly doing more than half of some of the hardest work of all.

"The secretaries of the colleges are just infinitely valuable...That's the other reason why it seems to me that the college is so healthy—that there's a secretary who's at the center of the college every day, five days a week, who is just a terrific person. She's just absolutely crucial to the health of the college. As crucial as the master. [The secretaries] do a lot of the busywork, they do a huge amount of counseling, they have their finger on the pulse of what's going on in the college."



Scholarship competition and had officially informed the National Merit Scholarship Corporation that their first-choice college or university was Rice. Thus we could conceivably have filled the entire class with Merit Scholar finalists!

Instead of relying exclusively on test scores, grade point averages, and class rank or even on such combined statistical scores as those used in the Merit Scholarship competition, our Committee on Admission and our admission officers consider a broad range of variables captured in a challenging application form, letters of recommendation, and an optional interview. Test scores, grades, and course selections recorded on high school transcripts also count heavily. But the challenge of the admission process is to identify from among a large number of extremely able applicants those prospective students who would especially benefit from a Rice education and who would in turn contribute most significantly to the institutions and communities in which they would participate over the years.

That is a daunting challenge. The profile of the class of '96 sketches the outcome of the admission process in 1991-1992. The comments of Richard Stabell (page 3), who is now Dean of Admission and Records and who for more than twenty years has provided leadership in the areas of academic records and admission at Rice, help to humanize the dry statistics in the profile. But even the statistics and commentary together offer only a glimpse of the tremendous efforts that the Committee on Admission and our admission officers and staff invest in their crucial work.

Despite the enormous increase in the volume of applications, we have added only slightly to the resources of the Admission Office. As in all administrative areas at Rice, the staffing is lean. Admission officers and staff work hard and put in very long hours, including evenings and weekends, for sustained periods at peak times. In executing their responsibilities, they work with the equally effective staff of the offices of Financial Aid and the Registrar. The university is immeasurably indebted to these colleagues for their devoted work, because the ability and the character of each incoming class so fundamentally shape the Rice experience for all of us.

A dark rectangular graphic with white text titled "Class of 1996 Profile". It lists various statistics for the class of 1996, including the number of applicants, acceptances, and graduates, as well as high school class rank and SAT scores.

Class of 1996 Profile	
Applied	7,457
Accepted	1,412 (19%)
Entered	609
High school class rank*	
Ranked in top 5%...	360
Valedictorians...	134
Salutationians...	45
*126 students were not ranked	
National Merit Scholars...	228
SATs	
Percentage of entering class scoring above 1,441 out of a possible 1,600 composite score...	25%
The middle 50% of entering class scored between 1,230 and 1,441	

Quality of Student Life

As I talk with current students and recent graduates, I am struck again and again with the prominence of our residential colleges in the Rice experience. Active participation in a college provides undergraduates with a sense of membership in a supportive community comprising some 350 fellow students, plus twenty or so resident and nonresident faculty and staff associates. This feeling of community permeates all aspects of life at Rice. The university as a whole is deliberately human in scale. Here, regular faculty do almost all the teaching, including the teaching of undergraduates. And the teaching is done in small classes, with an average size of just under twenty and hundreds of courses each semester with

enrollments under ten. At the same time, Rice is a leading university with distinguished faculty who are committed to their own research, scholarship, and artistic performance and to the advanced work of their graduate students. Accordingly, life in our residential colleges is all the more important to our attaining the goal of offering an unsurpassed undergraduate education.

The residential colleges are to a very significant degree self-governing communities. Elected officers and other student leaders oversee substantial budgets and orchestrate social and cultural occasions ranging from informal parties to elaborate theatrical performances. Individual colleges have special events to which all students are invited—for example, Baker College's Shakespeare production, Wiess College's Night of Decadence, and Hanszen College's fall musical. There are also all-university events in which the colleges compete with each other. The most hotly contested event is the annual beer-bike race, in which the Graduate Student Association joins. But there are many other instances, in particular in athletics, where intramural competitions enlist the participation of the vast majority of undergraduates.

The energy of students and their elected officers and other leaders imbues the colleges with vitality. All of us who share meals in one or another college commons cannot but be aware of this intensity of spirit. It is a fervor that convinces virtually all college members that their college is the best—even though they know that all eight colleges receive incoming classes as similar as we can make them in terms of primary academic interests, geographical origin, gender, ethnicity, athletic interests and abilities, and so on. This intensity of spirit, this fervor, is a wonderful testimony to the power of tradition. Within a matter of weeks or even days, the cross sections of students that enter each college affirm

characteristics that typify the distinctive identities of their particular colleges.

Valuable as this vitality is, high spirits and intense fervor frame only one dimension of life in the residential colleges. What distinguishes our residential colleges from other forms of college social organization—sororities and fraternities, to note the most conspicuous example—is that they are centers for interaction among students, faculty, and other associates from the larger community. Each college has as its final authority a college master—a full-time senior faculty member who lives in or contiguous to the college in a university house. Usually the responsibilities of the master are shared with his or her spouse, who is the co-master. Not infrequently the family of the master includes children, who also contribute to and benefit from life in a residential college. In addition to the master and his or her family, one or two resident associates live in apartments in the colleges. Beyond those resident associates, each college has some twenty further faculty and staff associates and another dozen or so community associates who do not live on campus but nonetheless participate in college life as academic advisors and, less formally, through their presence at meals and at social and cultural occasions.

This presence of faculty and other associates enriches the colleges as living and learning communities. It is, therefore, imperative to the overall effectiveness of the college system that masters, co-masters, and resident and nonresident associates find life in this setting stimulating and attractive. That imperative is not, however, always easily satisfied. Difficult as it may be for some undergraduates to accept, living with—even eating and socializing on a regular basis with—hundreds of students is not



Marion Hicks
Director of Food and Housing

"Our intent is to give students a nutritious meal but also give them some choice. We have a food committee that works with us and tries to keep us in touch with the colleges. The food committee consists of a representative from each college that we meet with every other week, and they tell us what students like, what they dislike, what they'd like to see on the menu, what they'd like to see taken off the menu, and we listen to them. We try to serve what they think their colleagues would like to have. The committee is our avenue to get feedback other than what we get from being out in the units. We also have a student survey annually, and we utilize those comments to take back to our workers in the kitchen and show them what students are saying about the food. On the housing side we have a student maintenance representative in each college. They are our eyes and ears in the colleges by providing us with information about things that break down, students' wishes, student complaints, and various damages.

"I think Rice listens to students more than the average college. We're a smaller group. We're more of a family. We live in smaller communities. We're not just a number. Our business, as I see it, is to take care of the students while they're away from home. Our job is to satisfy as best we can our customers, who are the students, and still provide a service to the university."





Sarah Burnett
Dean of Students

"The primary purpose, in my view, of Student Affairs is to educate. If you think about it, students spend a lot more time out of class than they do in class. And during the college years what they do out of class can be educational or not. It can contribute to their growth, their intellectual growth, their social growth, and so I think through the activities that students participate in they have an opportunity to learn how to be leaders, how to make decisions, how to accept responsibility. With the student courts they have responsibility for making serious judgments about other students' behavior, upholding the values of the university, they head up committees, they put on programs. All these sorts of things are really very positive learning opportunities for students, and that's one of the things Student Affairs, the whole division, tries to promote.

"The most rewarding thing to me [as Dean of Students] has been working with the students, especially I would say the Honor Council and the University Court members. I single them out because I do work with them a lot. I think they have been outstanding. They are conscientious and dedicated and really want to do the right thing, and oftentimes what they have to do is difficult for them, and they get pressure from other students when they have to make serious decisions that affect other students' lives. They have really been wonderful to work with, and I'm so impressed with them."



an obviously compelling proposition to many accomplished professionals.

Until relatively recently, even the esteemed position of college master attracted few candidates. Fortunately, there were fine masters and co-masters in place—though several of them were demoralized by the heavy demands on their time and emotional energy and the seeming insensitivity of some students’ behavior. We have over a period of years taken steps to address those

problems and to provide more support as well as more recognition for masters and co-masters. Happily, students have also accepted responsibility for their role both in attracting distinguished faculty to the position of master and in contributing to making service in this capacity a positive experience. The result is that in the 1991-1992 aca-

demical year, we had seventeen very strong faculty members and spouses definitely interested in appointment as masters and co-masters—a dramatic improvement over the situation only a few years ago. The masters and co-masters for 1992-1993 are listed above. Four of the masters, including the Master of the Graduate House—a newly created position—were selected this year and began their five-year terms in the fall of 1992. Dennis Huston, Master of Hansen College, is interviewed on page 4. Dennis returned this year for a second stint, having also served from 1978-1982.

Though the presence of outstanding masters and associates and effective student leaders is crucial, the colleges also

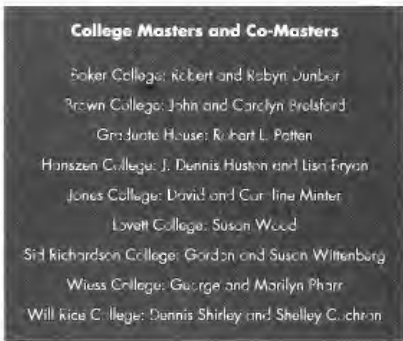
depend on the sustained efforts of the many members of the Rice family responsible for the operation of the colleges as residences. The administrative unit with this responsibility is named with refreshing simplicity and directness: Food and Housing. As is evident from the interview on page 7, longtime Director of Food and Housing Marion Hicks and his colleagues work hard to provide good quality meals and accommodations at a reasonable cost.

In the years that I have been at Rice, Food and Housing

has addressed a great many challenges across the spectrum of residential life. Providing increased attention to the requirements of security in the colleges is one example. Another is managing major structural renovations of aging buildings, such as Jones College, which was thoroughly renovated this summer. But no set of issues has provided as continuous a challenge as the ongoing

attempts to improve both the food served and the meal plans that allocate charges for what is prepared and consumed.

Students have worked closely and imaginatively with Food and Housing in devising a succession of plans. The plans have differed in how they deal with predictable though relatively intractable issues. How should the fixed costs of food preparation staff and facilities be allocated? Should there be common meals and therefore shared costs for them, or should charges be based directly on what and how much and how often each person eats? In the course of the past few years, some plans have allowed the maximum feasible individual tailoring, while others have focused on the value of common meals even if that meant charges were



less precisely allocated. Following the recommendation of Vice President for Finance and Administration Dean Currie, Food and Housing developed surveys that are both comprehensive and specific to identify student needs and preferences and guide this process of refinement.

We certainly have not yet developed the perfect meal plan, and we certainly will continue to hear constructive suggestions for further change. On the major issues of policy we have, however, achieved a broadly based consensus. While the meal plans in each of the colleges differ in some respects, all decline to go as far toward individualized eating as some earlier plans. There continue to be significant opportunities for selection among alternative menus and food quantity—and charges reflect those choices. At the same time, all colleges have once again affirmed the value of common meals and have decided on dinners that are served family style and thereby provide occasions for college members to gather each weekday evening.

The combination of substantial student autonomy and significant faculty and staff involvement that characterizes the college system at its best is also evident in another domain of student life in which we have registered significant gains in recent years: the student disciplinary system. This is not an area of campus life that invites attention in presidential reports because all of us would prefer that we had no need for a disciplinary system. But it nonetheless—or better: all the more—illustrates how effective student-faculty cooperation can be in improving campus life.

The challenge posed by the disciplinary system may be clearer through comparison with the operation of our honor code. Rice has a long and proud history of commitment to an honor

system in regard to academic integrity. Despite occasional criticism—including a disconcerting amount of it during the 1991-1992 academic year—the majority of students and faculty agree that this honor system is a tremendous asset to the university. Like all established institutions, the code and the procedures of the Honor Council that oversees it can always benefit from thoughtful scrutiny. But Rice clearly is a better educational institution because of the widely shared commitment to intellectual honesty that the honor code helps to engender.

In contrast to the honor code, which is respected by students and faculty alike, the disciplinary system has been all too readily circumvented and undermined. Our disciplinary system was especially vulnerable because of the interplay between individual college courts and the University Court and also between the entire student-administered court system and the faculty disciplinary officer, who from 1980 to 1988 carried the title of proctor.

By the mid-1980s it had become apparent to many of us that the student disciplinary system was not working well. In part because of a change in the legal age for consuming alcohol, which in turn required a far-reaching rethinking of our policies regarding drinking on campus, there was seemingly endless tension between students, often including justices of the student courts, and faculty in administrative positions, with a focus on the proctor. Our revised alcohol policy itself is a product of recommendations from a student-faculty committee chaired by longtime Rice Professor of Biology and Chemistry Ron Sass. It represents the outcome of careful deliberation aimed at monitoring alcohol consumption so that legal requirements could be observed without so constraining legal drinking that students



Patricia Martin
Associate Dean of Student Affairs
Director of Academic Advising and
International Programs

"Rice is one of the few remaining schools in which faculty take this level of interest in and responsibility for student affairs. What this means is that we aren't forced to separate academic and extracurricular. By having masters in the colleges and faculty advising on a number of different areas, the educational component extends to all the activities in which a student participates at Rice. The academic and extracurricular aspects of education—residential life, clubs, student government, publications, all student services like advising or career counseling, minority affairs—are integrated to an unusual degree. We haven't separated staff and faculty either in function or interest. I think that's unique and a real strength.

"In Student Services we get by with few people who work very hard. I think that's typical of Rice, over and over again. Rice is slim on staff, certainly in Student Services. We tend to ask one person to wear a number of different hats. I think our students get wonderful assistance, but it's because a number of dedicated people work very hard and they're extra competent to start with. That's certainly true of my staff. They're just not people who punch time clocks or who have a narrow focus and only know about one thing. Each one does a number of things and does them outstandingly, but I think the students benefit from that. The reason we take on this challenge is because there is such satisfaction in working with the students."



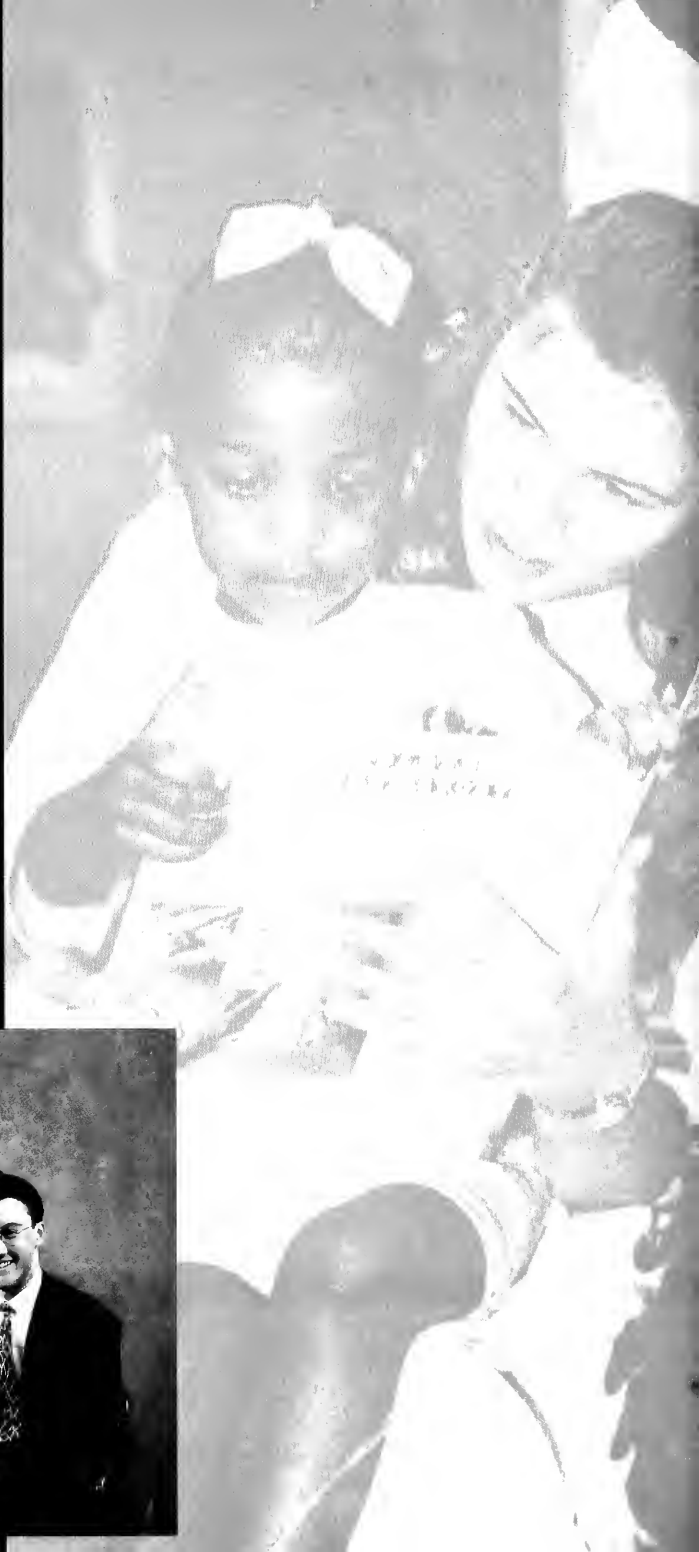
Scott Biddy
Director of Alumni Affairs
Executive Director of the Association of Rice Alumni

Lucy Martin
Assistant Director of Student Activities
Director of RSVP

Scott: "RSVP gives students a sense of really what a broad education should entail, which is not just the sort of experience that you have in the classroom or even in the social settings on campus, but also a well-educated person should have some sense of how he or she relates to the community as it is broadly defined. So I think that a critical part of providing a good education at Rice is having people understand that relationship between themselves and the community in which they exist.

"I think a lot of students are challenged by what they find once they get out beyond the hedges, and I think that engenders a very productive and valuable kind of soul-searching and education."

Lucy: "With volunteer work you can get a lot of responsibility almost immediately if you are willing to go out there and work on a regular basis. You usually find yourself doing something a little higher than you might do in a regular internship with a business, because they need people. They are generally very receptive to Rice students and their skills. I think Rice students in general have a lot to offer to the Houston community...In terms of leadership potential and responsibility, it's a very good avenue to gain those for the students."



who were of age would party off campus and then have to drive home. But despite the merits of the policy, many students, at times including those responsible for the student courts, did not take disciplinary proceedings very seriously.

To help address this situation, Vice President for Student Affairs Ronald Stebbings appointed a student-faculty committee in the fall of 1988. The charge to the committee was “to review the judicial process with particular regard to the role of, and relationships between, the various courts, the University Review Board, the Proctor, and the President.” Longtime Professor of Computational and Applied Mathematics Paul Pfeiffer agreed to chair this committee. Fortunately, Andy Karsner ’89, who was then President of the Student Association, also felt strongly that the disciplinary system required a review and agreed to serve on the committee. The outcome of this review was a series of recommendations that had the effect of reconstituting the University Court (as distinguished from the college courts) on the model of the Honor Council in the selection of its members and the specification of its procedures. The explicit aim was that the University Court “should achieve, in time, a place of respect and trust comparable to that held by the Honor Council.” The report also called for a broadening of the assignment of the proctor “to include more duties, which would entail a wider, more positive involvement in student affairs.”

This series of recommendations was implemented expeditiously. Members of the University Court were initially appointed on the recommendation of the review committee, with the understanding that successors would be elected by students as are members of the Honor Council. The position of proctor was broadened and renamed Dean of Students, and Pro-

fessor of Psychology Sarah Burnett (page 8), was appointed to this position. We have not solved all problems for all time. But since this restructuring of our disciplinary system, we have made considerable progress toward shared student-faculty responsibility for judicial proceedings.

Certainly the quality of student life does not depend solely on the residential colleges and the student disciplinary system. But resurging interest in the college mastership and the resumption of student responsibility for the disciplinary system testify to the commitment of students and faculty alike to realizing the highest quality in the Rice experience. This testimony is in turn reinforced powerfully through the contributions of an impressive range of student programs.

C ontributions of Student Programs

All-university student programs are very much continuous with activities based in the colleges. For example, the excellent theater productions of the Rice Players draw on the same pool of talent represented in college performances. Similarly, our participation in intercollegiate athletics in the Southwest Conference reflects an abiding interest in competitive sports that is also evident in intramural athletics and club sports.

One area in which the incorporation of the colleges into all-university programs is especially significant is academic advising. Under the able leadership of Associate Dean of Student Affairs Patricia Martin (page 11), we have developed an Office of Academic Advising and International Programs that provides important services to a broad range of students. Along with ad-

vice on the whole spectrum of curricular issues, the Office of Academic Advising coordinates arrangements for tutors in virtually all subjects and offers guidance on opportunities for study abroad, on preparing for professional education, and on applying for graduate scholarships. Cathi Clack, Director of Multicultural Affairs, and Jane Dunham, Director of International Services, devote attention to the needs of minority and international students, as does Richard Tapia, Noah Harding Professor of Computational and Applied Mathematics, who has responsibility for graduate students in particular.

To complement the offerings of the Office of Academic Advising and to integrate academic advice into residential life, we have recently revised our advising system. Now, each college designates a number of faculty associates as divisional advisors—that is, advisors in their respective disciplinary areas—who provide counsel and direction to freshmen and sophomores as they decide on majors. As a result, in addition to the resources of the Office of Academic Advising, eight faculty associates in each college meet regularly to discuss and approve the academic plans of all freshmen and sophomores.

A considerable array of student activities outside the colleges serves the university as a whole. The *Thresher*, KTRU (now broadcasting with fifty thousand watts), and the *Campanile* are media for the entire Rice community. Similarly, the Student Association, the Graduate Student Association, and the Rice Program Council offer a structure for campus political life. Numerous other clubs, social organizations, cultural associations, and advocacy groups provide opportunities for students, staff, and faculty to pursue common interests and shared objectives. While such initiatives are student led, they receive support from our

Office of Student Activities under the direction of Sarah Crawford.

One organization that has developed remarkable momentum in recent years is RSVP—the Rice Student Volunteer Program. Founded in 1986, this program encourages and facilitates volunteer efforts of students (and, to a lesser extent, staff and faculty). Volunteers tutor in schools, help adults learn to read, and work in a variety of health-related and social service agencies. RSVP has also contributed to recycling and energy conservation efforts on campus. Scott Biddy '86, the student who launched the idea of RSVP, is now the Executive Director of the Association of Rice Alumni. Lucy Martin '90, current Director of RSVP, and Scott discuss that program on page 12.

Another resource for students—one that has undergone fundamental restructuring during the 1991-1992 academic year—is the Rice Counseling Center. Until this year, Rice was one of the few colleges or universities whose counseling services were limited to psychiatric counsel for troubled students. Under the direction of Lindley Doran, the Rice Counseling Center now offers, at no increase in cost, a broad array of educational and psychological counseling services in addition to psychiatric services. Student evaluations suggest that this change has been very well received because the Counseling Center now meets the needs of a far wider spectrum of students, as does the Health Education Office under the direction of Cynthia Lanier.

Likewise, the Career Services Center has recently undergone a major reorganization, again at virtually no net increase in cost. When I arrived at Rice in 1985, I heard no more vociferous complaints than those about the university's placement services. Students contended that the Placement Office did nothing



Bob Sanborn
Associate Dean of Student Affairs
Director of Career Services

"We're a small [career services] center and we do everything that any big center does, plus we serve as a model for other career centers. We are more active in the community than most other career centers. We offer counseling to community members. We do classes at Continuing Studies. We do a television show, we do a column in the *Houston Post*, all sorts of things. Whenever anyone wants any information, whether it be a corporation, or a newspaper, or a magazine, or another school, they know to come to Rice.

"Many schools just focus on placement. You know, get your students a job. We really focus a lot on students discovering who they are and figuring out what they really want to do with their lives...A lot of what we do is graduate school oriented, since half the student body goes to graduate school immediately, and 95 percent go at some time. Kids who have a good experience with education usually want to get more.

"One thing that we started this year that's been very successful is a program called the Multicultural Leadership and Career Development Program...I really have high hopes that this multicultural program will go places and serve as a model for other schools. A lot of alumni are participating in the program so it's a mentoring process as well. The Alumni Office is helping us out a great deal on that. That's pretty typical of Rice alumni. They've always been very, very helpful."



Ronald Stebbings
Vice President for Student Affairs

"I was recently at a conference attended by student affairs people from many of the major institutions around the country. We compared notes, and it's quite clear to me on the basis of those interactions that we have something that is the envy of most other universities. The college system is, I think, undoubtedly superior to all other residential life systems. And the college system that has evolved here over the years is, in my opinion, superior to those that exist throughout the country.

"I think that Rice is almost unique in the level of faculty-student interaction. We are helped in this regard by the favorable ratio of faculty to students. But once again, it's the colleges that provide the environment for the kind of interaction that I have alluded to...At any time in a college there is a nucleus of faculty who are very actively engaged in the life of the college.

"The opportunity for student involvement in the social life of the college itself is an enormously valuable experience. There is a tendency to equate college experience with purely formal education, and I think that is an improper evaluation of what a university can provide. Many would assert that what is learned outside the classroom is likely to be every bit as valuable in later years as what is learned inside. Certainly the extracurricular experiences are very, very important ones, and to have them in the kind of environment that we create here is a major plus."



except schedule interviews for engineering students with companies that were already eager to hire them. As with most such claims, allowances must be made for overstatement. But many—indeed most—students were not being well served.


That situation has changed dramatically. Under the leadership of Bob Sanborn, Associate Dean of Student Affairs (page 15), we now have a broad range of career guidance and placement services that address the needs of students across the range of majors. Workshops and advice are offered on exploring career interests, searching out positions, developing effective résumés, and preparing for interviews. The Career Services Center also helps students secure summer jobs and internships. A career library provides publications, videos, and computer data on positions and employers. A regular newsletter is issued. Annual events include a Texas Job Fair, Washington Job Connection, Engineering Fair, and Liberal Arts Career Day. And of course interviews are still arranged with prospective employers—for students in all fields. This year, the College Placement Council recognized how far this student service has come by awarding Bob Sanborn the Outstanding Achievement Award for Innovation in Career Planning and Placement.

The colleague who has overall responsibility for the area of student services is Vice President for Student Affairs Ronald Stebbings (page 16). With his wife, Mona, Ronald served as Master of Jones College from 1977-1982, and he served as Dean and then Vice President for Undergraduate Affairs beginning July 1, 1983. Throughout his service in these capacities, he has continued an active program of teaching and research as Professor of Physics and of Space Physics and Astronomy. He has, in short, exemplified the model of the Rice faculty member: inti-

mately involved in undergraduate education and also vigorously engaged in advanced study and research.

After what will have been ten years of very demanding service as a senior officer of the Rice administration, Ronald has decided that 1992-1993 will be his final year as Vice President for Student Affairs. Before his retirement he would like to devote a few years more centrally to the pursuits that led him to an academic career in the first place, namely teaching and research. We will have other occasions to express our collective gratitude to Ronald and Mona for their wisdom and loyalty in serving this institution. But this report, dedicated to examining the areas they have nurtured over the years, affords me an early opportunity to record my own deep appreciation for their many contributions to our common life.

As I have argued in previous annual reports, teaching and learning have always been and will continue to be at the heart of this university. That is as it should be. It is most gratifying that, in surveying the services that support student life here, this report unambiguously confirms the priority of teaching and learning—or, in Edgar Odell Lovett's words, of instruction and investigation. Yet despite that clear priority, we also owe our deepest gratitude to our colleagues who work day in and day out to enrich all dimensions of student life. On behalf of all of us associated with this university, I express our heartfelt thanks, and I invite others in the larger Rice family to do so as well.



George Rupp

R eport of Independent Public Accountants

To the Board of Governors,
William Marsh Rice University:

We have audited the accompanying balance sheet of William Marsh Rice University (a nonprofit Texas corporation) as of June 30, 1992, and the related statements of changes in fund balances and current funds revenues, expenditures and other changes for the year then ended. These financial statements are the responsibility of the University's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of William Marsh Rice University at June 30, 1992, and the changes in its fund balances and current funds revenues, expenditures and other changes for the year then ended in conformity with generally accepted accounting principles.

Arthur Andersen & Co.

ARTHUR ANDERSEN & CO.

Houston, Texas
October 23, 1992

BALANCE SHEET

JUNE 30, 1992, WITH COMPARATIVE TOTALS AT JUNE 30, 1991 (Dollars in Thousands)

	1992						1991
	Current Funds	Endowment and Similar Funds	Annuity and Life Income Funds	Plant Funds	Loan Funds	Combined	Combined
ASSETS							
CASH, RECEIVABLES AND OTHER ASSETS:							
Cash	\$ 65	\$ —	\$ 33	\$ —	\$ —	\$ 98	\$ 100
Accounts receivable	5,211	14,253	341	149	—	519,954	15,730
Loans, net of allowance for doubtful accounts of \$614 in 1992 and \$564 in 1991	—	—	—	—	5,441	5,441	5,392
Other assets	2,093	350	—	—	—	2,443	2,133
	<u>7,369</u>	<u>14,603</u>	<u>374</u>	<u>149</u>	<u>5,441</u>	<u>27,936</u>	<u>23,355</u>
INTERFUND RECEIVABLE (PAYABLE):							
Interest-bearing endowment fund advances	(153)	5,270	—	(4,089)	(1,028)	—	—
Noninterest-bearing advances	28,394	(23,026)	—	(7,760)	2,392	—	—
	<u>28,241</u>	<u>(17,756)</u>	<u>—</u>	<u>(11,849)</u>	<u>1,364</u>	<u>—</u>	<u>—</u>
INVESTMENTS (Note 3)	291	713,444	57,102	3,584	—	774,421	747,382
EDUCATIONAL PLANT (Note 4)	—	—	—	185,213	—	185,213	174,635
Total assets	<u>\$35,901</u>	<u>\$710,291</u>	<u>\$57,476</u>	<u>\$177,097</u>	<u>\$6,805</u>	<u>\$987,570</u>	<u>\$945,372</u>
LIABILITIES AND FUND BALANCES							
LIABILITIES:							
Accounts payable and accrued liabilities	\$ 9,716	\$ 2,963	\$ 230	\$ —	\$ —	\$ 12,909	\$ 13,602
Annuities and life income payable	—	—	9,749	—	—	9,749	8,722
Assets held in trust for others	—	—	3,550	—	—	3,550	3,434
Total liabilities	<u>9,716</u>	<u>2,963</u>	<u>13,529</u>	<u>—</u>	<u>—</u>	<u>26,208</u>	<u>25,758</u>
COMMITMENTS AND CONTINGENCIES (Notes 5 and 6)							
FUND BALANCES:							
U.S. Government and private grants refundable	—	—	—	—	5,412	5,412	4,051
Annuity and life income funds	—	—	43,947	—	—	43,947	36,443
University funds—							
Unrestricted	4,172	—	—	—	—	4,172	4,400
Internally designated	12,339	—	—	—	—	12,339	9,852
Restricted	9,674	—	—	—	1,393	11,067	12,095
Income unrestricted endowment	—	358,203	—	—	—	358,203	340,083
Income restricted endowment	—	204,442	—	—	—	204,442	192,974
Unrestricted funds functioning as endowment	—	97,469	—	—	—	97,469	108,977
Restricted funds functioning as endowment	—	47,214	—	—	—	47,214	46,067
Unexpended plant funds	—	—	—	4,695	—	4,695	3,302
Net investment in plant	—	—	—	172,402	—	172,402	161,370
Total fund balances	<u>26,185</u>	<u>707,328</u>	<u>43,947</u>	<u>177,097</u>	<u>6,805</u>	<u>961,362</u>	<u>919,614</u>
Total liabilities and fund balances	<u>\$35,901</u>	<u>\$710,291</u>	<u>\$57,476</u>	<u>\$177,097</u>	<u>\$6,805</u>	<u>\$987,570</u>	<u>\$945,372</u>

See notes to financial statements.

STATEMENT OF CHANGES IN FUND BALANCES

FOR THE YEAR ENDED JUNE 30, 1992, WITH COMPARATIVE TOTALS FOR 1991 (Dollars in Thousands)

	1992										1991
	Current Funds			Endowment and Similar Funds		Amnuity and Life Income Funds	Plant Funds		Loan Funds	Combined	Combined
	Unrestricted	Internally Designated	Restricted	Endowment	Functioning as Endowment		Unexpended	Investment in Plant			
REVENUES AND OTHER ADDITIONS:											
Investment income (Note 3)	\$ 42,780	\$ 66	\$15,749	\$ 2,346	\$ 1,316	\$ —	\$ 412	\$ —	\$ 94	\$ 62,763	\$ 61,509
Realized gains on investments (Note 3)	—	—	—	18,030	6,524	5,255	93	—	187	30,089	8,854
Gifts and bequests (Note 2)	2,987	—	5,866	6,479	—	2,303	4,479	62	362	22,538	32,107
Tuition and fees	28,426	3,901	—	—	—	—	—	—	—	32,327	28,640
Grants and contracts	6,168	—	26,551	—	—	—	—	—	—	32,719	32,653
Unrestricted revenues of auxiliary enterprises	19,722	820	—	—	—	—	—	—	—	20,542	19,094
Additions to investment in plant—											
Direct expenditures (including \$9,743 charged to current funds expenditures in 1992)	—	—	—	—	—	—	—	20,661	—	20,661	29,649
Repayment of advances from endowment funds	—	—	—	—	—	—	—	362	—	362	344
Interest on loans receivable	—	—	—	—	—	—	—	—	241	241	208
Other	681	2,736	—	—	—	—	539	—	199	4,155	4,127
Total revenues and other additions	<u>100,764</u>	<u>7,523</u>	<u>48,166</u>	<u>26,855</u>	<u>7,840</u>	<u>7,558</u>	<u>5,523</u>	<u>21,085</u>	<u>1,083</u>	<u>226,397</u>	<u>217,185</u>
EXPENDITURES AND OTHER DEDUCTIONS:											
Educational and general expenditures	82,652	6,797	49,475	—	—	—	—	—	—	138,924	130,520
Auxiliary enterprises expenditures	22,592	539	389	—	—	—	—	—	—	23,520	22,376
Expended for plant facilities	—	—	—	—	6,447	—	4,471	—	—	10,918	21,047
Repayment of advances from endowment funds	—	—	—	—	—	—	362	—	—	362	344
Interest on endowment fund advances	—	—	—	—	—	—	293	—	89	382	391
Depreciation of plant facilities, including auxiliary and educational service facilities	—	—	—	—	—	—	—	9,967	—	9,967	9,414
Retirement of plant assets	—	—	—	—	—	—	—	241	—	241	407
Other	—	—	—	—	—	197	—	—	138	335	383
Total expenditures and other deductions	<u>105,244</u>	<u>7,336</u>	<u>49,864</u>	<u>—</u>	<u>6,447</u>	<u>197</u>	<u>5,126</u>	<u>10,208</u>	<u>227</u>	<u>184,649</u>	<u>184,882</u>
TRANSFERS AMONG FUNDS—ADDITIONS (DEDUCTIONS):											
Mandatory—											
Loan fund matching grants	—	—	—	—	(22)	—	—	—	22	—	—
Undesignated gifts (Note 2)	(73)	—	—	73	—	—	—	—	—	—	—
Provision for plant improvements (Note 4)	(4,180)	—	—	—	4,180	—	—	—	—	—	—
Funding of unrestricted current expenditures for equipment	5,052	—	—	—	(5,052)	—	—	—	—	—	—
Funding of principal and interest payments for plant additions	(655)	—	—	—	—	—	655	—	—	—	—
Other voluntary transfers, net	4,108	2,300	1,153	2,660	(10,860)	143	341	155	—	—	—
Total transfers	<u>4,252</u>	<u>2,300</u>	<u>1,153</u>	<u>2,733</u>	<u>(11,754)</u>	<u>143</u>	<u>996</u>	<u>155</u>	<u>22</u>	<u>—</u>	<u>—</u>
NET INCREASE (DECREASE) FOR THE YEAR	<u>(228)</u>	<u>2,487</u>	<u>(545)</u>	<u>29,588</u>	<u>(10,361)</u>	<u>7,504</u>	<u>1,393</u>	<u>11,032</u>	<u>878</u>	<u>41,748</u>	<u>32,303</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>4,400</u>	<u>9,852</u>	<u>10,219</u>	<u>533,057</u>	<u>155,044</u>	<u>36,443</u>	<u>3,302</u>	<u>161,370</u>	<u>5,927</u>	<u>919,614</u>	<u>887,311</u>
FUND BALANCE AT END OF YEAR	<u>\$ 4,172</u>	<u>\$12,339</u>	<u>\$ 9,674</u>	<u>\$562,645</u>	<u>\$144,683</u>	<u>\$ 43,947</u>	<u>\$4,695</u>	<u>\$172,402</u>	<u>\$6,805</u>	<u>\$961,362</u>	<u>\$919,614</u>

See notes to financial statements.

STATEMENT OF CURRENT FUNDS REVENUES, EXPENDITURES AND OTHER CHANGES

FOR THE YEAR ENDED JUNE 30, 1992, WITH COMPARATIVE TOTALS FOR 1991 (Dollars in Thousands)

	1992				1991
	Unrestricted	Internally Designated	Restricted	Combined	Combined
REVENUES:					
Educational and general—					
Endowment income (Note 3)	\$42,780	\$ 66	\$15,749	\$ 58,595	\$ 56,864
Tuition and fees	28,426	3,901	—	32,327	28,640
Government grants and contracts	4,981	—	22,007	26,988	26,402
Private grants and contracts	1,187	—	4,544	5,731	6,225
Gifts and bequests (Note 2)	2,987	—	7,175	10,162	10,047
Departmental sales and services	319	2,604	—	2,923	3,069
Other sources	362	132	—	494	441
Total educational and general	81,042	6,703	49,475	137,220	131,688
Auxiliary enterprises	19,722	820	389	20,931	19,429
Total revenues	100,764	7,523	49,864	158,151	151,117
EXPENDITURES:					
Educational and general—					
Instruction and departmental research	35,822	5,555	17,434	58,811	55,488
Sponsored research	—	—	23,830	23,830	25,462
Other sponsored programs	—	—	2,371	2,371	1,147
Library	6,258	643	483	7,384	6,476
Scholarships and fellowships	11,526	4	4,631	16,161	14,800
Student services	3,505	227	63	3,795	3,736
Operation and maintenance of plant	10,956	261	588	11,805	10,273
General administration	10,171	8	13	10,192	9,864
Institutional development	4,414	99	62	4,575	3,274
Total educational and general	82,652	6,797	49,475	138,924	130,520
Auxiliary enterprises	22,592	539	389	23,520	22,376
Total expenditures	105,244	7,336	49,864	162,444	152,896
TRANSFERS AND ADDITIONS (DEDUCTIONS):					
Mandatory transfers—					
Undesignated gifts (Note 2)	(73)	—	—	(73)	(1,505)
Provision for plant improvements (Note 4)	(4,180)	—	—	(4,180)	(3,775)
Voluntary transfers, net	8,505	2,300	1,153	11,958	8,484
Other additions (deductions)—					
Amount of restricted receipts under transfers to revenues	—	—	(1,698)	(1,698)	(137)
Net transfers and additions (deductions)	4,252	2,300	(545)	6,007	3,067
Net increase (decrease) in fund balances	\$ (228)	\$2,487	\$ (545)	\$ 1,714	\$ 1,288

See notes to financial statements.

Notes to Financial Statements

June 30, 1992

1. Summary of significant accounting policies:

Basis of Accounting

The financial statements of William Marsh Rice University (the University) have been prepared in accordance with generally accepted accounting principles for colleges and universities. Accordingly, the accompanying financial statements have been prepared on the accrual basis of accounting. Limitations and restrictions placed on the use of available resources are recognized in the accompanying financial statements through the use of fund accounting. Fund accounting is a procedure by which resources are classified for accounting and reporting purposes into separate funds in accordance with specified objectives or activities. Funds having similar characteristics together with all related financial transactions have been combined into fund groups in the accompanying financial statements.

The financial information shown for 1991 in the accompanying financial statements is included to provide a basis for comparison with 1992 and presents summarized totals only.

Current Funds

The statement of current funds revenues, expenditures and other changes is a statement of financial activities of current funds related to the current reporting period. It does not purport to present the net income or loss for the period as would a statement of income or a statement of revenues and expenses.

The unrestricted current fund is used to account for those transactions related to the University's operating budget as approved by the board of governors. With the exception of the net increase or decrease of certain auxiliary fund balances, other than athletics, any net increase in the unrestricted current fund balance after providing for funding of certain outstanding commitments is transferred to unrestricted funds functioning as endowment.

Certain resources which have been designated for specific purposes by the University's management are presented under the internally designated caption.

The restricted current fund is used to account for funds expended for current operations but restricted by donors or other external sources for specific purposes. In the statement of current funds revenues, expenditures and other changes, restricted current fund receipts are reported as revenues when expended.

Current funds used to purchase equipment are accounted for as expenditures of the current funds. Certain equipment expenditures of the unrestricted current fund are funded by a transfer from that portion of unrestricted funds functioning as endowment described in Note 4.

Endowment and Similar Funds

Endowment funds are generally subject to the restrictions of gift instruments requiring that the principal be invested and only the income be expended. Gains and losses arising from the disposition of the investments are accounted for as changes in principal. Endowment funds are either income restricted or income unrestricted as stipulated by the donor. Investment income from income restricted endowments may be expended only for the purpose specified by the donor; unrestricted endowment income may be expended for any purpose approved by the board of governors.

The board of governors has designated certain restricted and unrestricted funds to function as endowment funds. Restricted funds functioning as endowment are comprised of (a) restricted current gifts transferred to this fund by the board of governors, (b) excess of restricted investment income over current fund expenditures and (c) realized gains on investments. The principal of these funds may be expended, but only in accordance with the original specifications of the donor. Investment income from these funds is also subject to the same restrictions as the original gifts. Unrestricted funds functioning as endowment may be expended for any purpose approved by the board of governors.

Generally, income from unrestricted endowment and similar funds is reported as revenue of the unrestricted current fund, and income from restricted endowment and similar funds is reported in the fund to which it is restricted. However, investment income from oil and gas properties equal to amortization of the properties is capitalized in the endowment funds for the purpose of asset recovery. Also, 27% percent (\$2,307,000 for 1992) of the net receipts from oil and gas royalties are retained in the income unrestricted endowment fund after the related properties are fully amortized. In addition, income from restricted funds in excess of budgeted distributions is retained in the

restricted funds functioning as endowment.

The University's endowment earnings distribution policy provides for an annual distribution from endowment funds based on a board approved increase in the endowment earnings distribution of the preceding year. In any year when the approved distribution exceeds endowment income, as traditionally defined, the difference is funded by a voluntary transfer of endowment and similar funds.

Annuity and Life Income Funds

Annuity and life income funds arise from gifts which are subject to the requirement that the University or its subsidiary act as trustee for the donated assets and periodically pay specified amounts to the designated beneficiaries. Generally, beneficiary payments are fixed for annuity funds and based on the income earned on the donated assets for life income funds. At a date specified in the gift instruments, usually the beneficiary's date of death, ownership of the donated assets will transfer to the University and the beneficiary payments will cease. Annuity funds also include gift annuities which arise from gifts for which the University takes ownership of the assets at the date of gift with an obligation to periodically pay specified amounts to designated beneficiaries. Annuities and life income payable includes the discounted annuities obligation and undistributed life income fund earnings. Also included in the annuity and life income funds are certain agency funds, whereby the University serves as custodian.

Plant Funds

Plant funds consist of amounts in the educational plant together with unexpended gifts, grants, income and administratively designated funds which are held for acquisition, replacement or construction of physical properties. The educational plant is stated at cost for purchased assets and fair market value at the date of donation in the case of gifts. The University depreciates its educational plant assets (excluding library books and works of art) using the straight-line method over their estimated useful lives.

Certain capital projects and major maintenance projects for auxiliary enterprises are funded with interest-bearing advances from unrestricted funds functioning as endowment. The advances for capital and major maintenance projects bear interest ranging primarily from 4 percent to 19 percent.

Loan Funds

Loan funds include (a) gifts and grants which are limited by donors for the purpose of making loans to students, (b) federal student loan programs financed primarily by the federal government and administered by the University and (c) advances to the loan funds from unrestricted funds functioning as endowment. The interest received on student loans financed by advances from unrestricted funds functioning as endowment is repaid to the endowment funds.

2. Gifts and bequests:

It is the policy of the University to include gifts as revenues or additions to the appropriate fund balances only when received. Gifts and bequests without any designated obligatory use are required to be added to endowment, according to a legal interpretation of the University's charter. These gifts are recorded as revenues of the unrestricted current fund and as mandatory transfers to the endowment and similar funds.

Pledges outstanding at June 30, 1992, which will be recorded as revenues upon receipt of the gifts, are as follows:

Current funds—	
Unrestricted	\$ 5,000
Restricted	433,000
Total current funds	438,000
Endowment funds	9,158,000
Plant funds	4,588,000
Total pledges	\$14,184,000

3. Investments:

Investments are recorded at cost at date of acquisition or fair market value at date of donation in the case of gifts. Investments in wholly owned corporations are accounted for in the endowment and similar funds under the equity method. Property taxes and maintenance costs on certain undeveloped real estate interests in the endowment have been capitalized (accumulated costs of approximately \$3,402,000 at June 30, 1992).

Virtually all endowment funds and all funds functioning as endowment participate in one common investment pool of marketable securities which is operated on a market value basis. Investments are made within established guidelines authorized by the board of governors.

The following tabulation summarizes investment performance (excluding unrealized gains from market appreciation) for the year ended June 30, 1992:

	Investment Income			Realized Gains (Losses), Net		
	Current Funds	Endowment and Similar Funds	Other Funds	Endowment and Similar Funds	Annuit and Life IncomeFunds	Other Funds
Marketable securities	\$46,534,000	\$1,242,000	\$506,000	\$24,664,000	\$5,332,000	\$280,000
Oil and gas properties	6,441,000	2,429,000	—	2,000	—	—
Wholly owned corporations	3,573,000	68,000	—	—	—	—
Other investments	2,244,000	(77,000)	—	(112,000)	(77,000)	—
	<u>\$58,792,000</u>	<u>\$3,662,000</u>	<u>\$506,000</u>	<u>\$24,554,000</u>	<u>\$5,255,000</u>	<u>\$280,000</u>

Investment income for annuity and life income funds of \$3,769,000 was distributed to beneficiaries during the year. Distributions of \$197,000 in excess of investment income are reflected as other expenditures in the accompanying statement of changes in fund balances. The above tabulation includes \$196,707 of investment income in the current funds earned by auxiliary enterprise investments.

Investments (at cost) at June 30, 1992 and 1991, are as follows:

	1992	1991
Marketable securities (\$1,214,886,000 and \$1,093,605,000 market value, respectively)	\$731,828,000	\$709,895,000
Developed real estate	25,073,000	18,125,000
Mortgage loans	5,530,000	7,444,000
Undeveloped real estate	7,559,000	6,451,000
Oil and gas properties (net of accumulated amortization of \$26,070,000 and \$25,871,000, respectively)	1,352,000	2,997,000
Wholly owned corporations, at underlying equity	3,079,000	2,470,000
	<u>\$774,421,000</u>	<u>\$747,382,000</u>

Marketable securities in the table above include annuity and life income funds securities of \$79,324,000 and \$69,171,000, market value, for the respective years.

4. Educational Plant:

Property and equipment of the educational plant at June 30, 1992, are as follows:

	Estimated Useful Lives (Years)	Recorded Amount
Land	—	\$ 9,656,000
Buildings and improvements	20–50	158,831,000
Equipment, furniture and library books	2–20	122,877,000
Construction in progress	—	4,848,000
Less—Accumulated depreciation	—	(110,999,000)
		<u>\$185,213,000</u>

As a provision for plant improvements, a transfer equal to approximately 10 percent of

unrestricted endowment income has been made from unrestricted current funds to unrestricted funds functioning as endowment. The balance of the provision for these improvements is \$438,000 at June 30, 1992.

5. Retirement Plans:

Substantially all employees are eligible to participate in defined contribution retirement plans which are administered by outside agencies. The contributions of the University and the plan participants are applied to individual annuity contracts issued to each participant. The University's contributions to these plans of \$5,922,000 in 1992 were recorded as expenditures of the unrestricted current fund.

6. Commitments and contingencies:

There are several suits and claims pending against the University, the effect of which cannot be estimated at this time; however, officials of the University and legal counsel believe that the ultimate liability, if any, will not be material to the University's financial position.

The University was committed under contracts at June 30, 1992, for capital improvements and major maintenance of approximately \$4,757,000 to be financed primarily from funds functioning as endowment and gifts. Commitments of \$2,137,000 in the unrestricted current funds and \$688,000 in the restricted current fund were also outstanding at June 30, 1992.

The fund balance of unrestricted funds functioning as endowment includes a \$5,000,000 provision for contingencies at June 30, 1992. If funds are expended from this balance, it is replenished by transfers of unrestricted funds functioning as endowment to maintain the balance at \$5,000,000. No transfers were recorded during fiscal 1992.

Rice University
Board of Governors
January 15, 1993

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Chairman of the Board
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Chairman, Josephine Abercrombie Interests

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James A. Elkins III
Executive Vice President
First City Texas - Houston, N.A.

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Attorney-at-law

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President
W. S. Farish & Co.

Catherine C. Hannah

Joyce Pounds Hardy

James W. Hargrove
Financial Consultant

Gerald D. Hines
President
Gerald D. Hines Interests

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Chairman of the Board
Howell Corporation

Carl Hlig
Attorney-at-law (Retired)

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President
Lenoir M. Josey, Inc.

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W. M. Keck Foundation

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Pennzoil Company

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ARCO

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Architect

Wendel D. Ley
Investments

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Advisor
Jackson & Ryan Architects

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Haylett O'Neill, Jr.
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Smith Development Corp.

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Chairman of the Board
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