

Report of the President 1972-1973  
RICE UNIVERSITY



# William Marsh Rice University

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# A Year of Continued Impact

The Report of the President  
1972-1973

By NORMAN HACKERMAN

Possibly the most significant fact about Rice during the 1972-1973 academic year was the University's continuing ability to have an impact far beyond its size. While the momentum for such an impact has been an important part of Rice since its inception, it is gratifying to note that the University's ability to contribute to the various communities it serves remained stable in the face of serious material restraints. There was virtually no physical growth during the year; there was even some contraction in areas which did not affect the quality of our important programs.

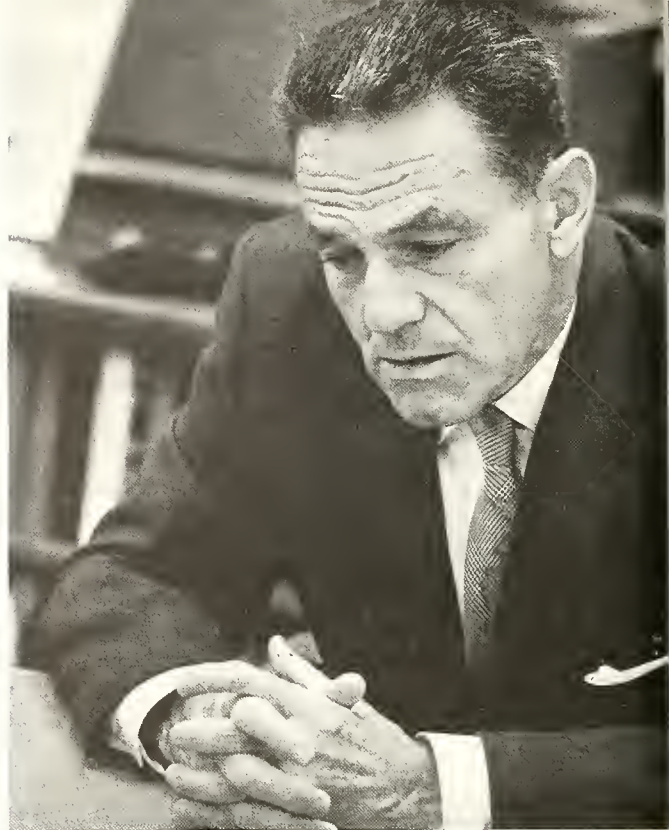
## Toward a Balanced Budget

Proof of our success—of doing the same job with less money—was given in the year under review: As of June 30, 1973, we were able to present a fiscal report balanced to within \$10,000 due to a change in policy by the Board of Governors and economies instituted by faculty and staff in their departments and activities. The result was to transform a potential \$2 million deficit into a break-even fiscal year.

The 1973-1974 budget is also balanced. It may even show a slight surplus unless inflationary pressures wipe out this currently anticipated surplus. For example, we already know that the cost of our utilities will increase by at least \$50,000 during the coming academic year. We expect a similar rise in the cost of food for our colleges.

## Holding the Line

While these increased costs of food will have to be passed through to the students, tuition has not been



raised during the 1972-1973 academic year and will remain the same through 1974-1975. It is difficult to predict at this time whether we can hold the line on tuition beyond that period which will mark a five-year span without an increase. During this period virtually all other colleges and universities raised their tuition by \$1,000 or more per year. There is a curious link between tuition and the continuing search for wider financial support. Some potential donors to the University have taken the view that increased income from tuition should go hand in hand with wider outside support.

After saying all this, it must be remembered that nationally the cost of educating the individual student has risen substantially. Here at Rice this cost has remained relatively stable over the last several years because of the savings effected by faculty and staff. However, we cannot economize further without detriment to the academic quality.

Overall, the University's financial position can be described as satisfactory, an enviable position in an era in which private education generally is experiencing great financial difficulties. At the same time, Rice's level of quality remains high. Its mission continues in accordance with the University's traditional commitment to excellence. Given this commitment, we have continued to examine possible new programs and to explore new directions for existing programs even though the likelihood of being able to actually start new projects is not as great as it once was. However, it should be clearly understood that we have not and will not put a blanket over the University. We want our people, faculty, staff, and students, to be constantly on the lookout for new ways in which Rice can be useful to the communities it serves.

## Music and Fine Arts

One indication of this approach is the opening of the Shepherd School of Music which got under way with the appointment of Samuel Jones as director. Dr. Jones is now in the process of developing a faculty and a program fitted to our needs. It will ultimately entail construction of a new building, the first to be started since the 1969 groundbreaking for Cleveland Sewall Hall. In this connection it is well to remember that the Shepherd School of Music was made possible through a substantial endowment. It is a telling example of how new and desirable programs are made possible if significant support for them becomes available.

Another highlight of our efforts in the fine arts area was the start of conversations leading to an additional five-year commitment of generous support from the M n il Foundation. While this material support from Dominique and the late John de M n il has helped significantly in broadening our offerings in the fine arts area, the de M n ils have also contributed constructively to the humanistic content of life on campus. Beyond the campus itself, the larger community also benefited from Mrs. de M n il's unique and widely recognized talent as planner and creator of outstanding art exhibits that drew not only critical acclaim but also enthusiastic viewers from the Rice community and the general public. By reallocating some University resources, Rice itself has increased its own commitment to the fine arts program with dollar support. In this manner we shall be able to retain much of what has been developed over the past several years not only in the Department of Fine Arts but also in the Media Center and in the Institute for the Arts.

## Start of Management Science

Also during 1972-1973 we continued our search for ways to initiate a projected program in management science. Toward the end of the year, with considerable ingenuity and imagination, a faculty group headed by Professor Gaston V. Rimlinger, Chairman of the Department of Economics, developed a promising plan for an undergraduate program in managerial studies. It is designed to meet the interest of many of our students in acquiring greater insight into and understanding of business—including small business, commerce, and industry. This program will use existing faculty and facilities without additional cost to the University. Professor Rimlinger's group designed the program just as the sheltered courses of the Commerce Department were being phased out after extended faculty scrutiny and deliberation. All sheltered academic programs at Rice have thus been ended.

While this is an important development within our undergraduate curriculum, we continue to maintain considerable interest in the area of management education at an advanced level—the first post-baccalaureate degree level. In studying possibilities in this area, it

appeared that the best way to make a beginning was not to try the formation of a fully developed graduate school of management or business but rather to choose one aspect within this large purview and concentrate on it, using it as a spearhead for a more comprehensive program at some future date. The one area we finally chose is accounting, where we are now prepared to make an appointment to an endowed chair.

## Professional and Talent Orientation

I have cited our offerings in business and the arts so closely together to underline the University's growing interest in professional areas and their linkage with Rice's traditionally strong programs in the humanities, science, and engineering. Our new activities in the Shepherd School of Music and in business education add importantly to the kind of professional preparation formerly offered primarily through our School of Architecture.

Our heightened emphasis on professional preparation runs parallel to the growing interest of current students in those disciplines that have a direct societal impact, such as medicine, law, and engineering. This change in the interests of students has been noticeable on campus during the past few years, coupled with a somewhat lower demand for the ongoing academic offerings. I consider this a reasonable development and it is no different from similar trends at other universities. Still, it is just possible that here and elsewhere there was a mounting overemphasis on academically oriented offerings. Most graduate students, for example, tended to emulate their professors and prepared themselves only for college and university teaching careers. The result has been an oversupply of faculty members, rendered even more acute by the constraints many institutions have had to impose upon their growth patterns.

At present the number of people going into advanced work, particularly those interested in university appointments, has diminished markedly. In fact much of today's graduate study is aimed at professional career preparation. This trend is not confined to graduate students. An increasing number of our undergraduates in engineering, for example, are already making use of their training on campus to go directly into jobs. If they are going to further their education along the line, it will probably be in the currently more usual fashion of discontinuous later education, rather than in immediate on-going graduate studies.

The shift toward professional emphasis will require some reexamination of the way in which Rice chooses its students. After all, when you choose people for a fine arts program or a music program, you must look at talent that is not ordinarily measured by the same criteria that have almost completely ruled our admissions procedures in the past. The weight of academic aptitude, which will of course continue as a major factor in admissions generally, must therefore become somewhat less decisive in specific cases.



## A Thorough Self-Study

Much of the foregoing is being reviewed in greater detail through Rice's self-study which has now been under way for more than 16 months.

A large percentage of the members of the campus community availed itself of the opportunity to be heard through this self-study. After the first draft of the self-study report had been completed, findings were discussed in a series of meetings by faculty, staff, and students. There was also significant input from alumni and from the community at large through questionnaires and interviews.

At the time of this writing it is still too early to predict what the self-study will ultimately produce. But it is already clear that it was thorough and exhaustive. Its final report will be submitted to the Southern Association of Colleges and Schools prior to the visit of its representatives to the Rice campus in May, 1974. The final report will also be used as a basic outline for the work of a projected Commission on Goals and Objectives for Rice University, the first body of its type in Rice history. The Commission will constitute a representative group of faculty, staff, students, alumni, and friends of the University. It may well be that the Commission will conclude that the goals and objectives Rice has enunciated for more than sixty years are still the same and should continue unchanged. On the other hand the Commission may suggest certain changes in traditional goals or new means of interpreting or implementing them. In any case, its members will have available to them all relevant documentation, including such landmark items as the Charter, the *Book of the Opening*, the proceedings and outcome of the court case of the early 1960s, the Ten-Year Plan published in 1965, and its subsequent revision. The final report of the Commission will be submitted to the University's Board of Governors for its consideration and such action as it may wish to take.

## Communication on Campus

In addition to the self-study and the projected Commission, on-campus communication among all segments of the Rice community continued to improve through other mechanisms or media. Exchanges of views and ideas broadened through informal means such as conversations at Cohen House and through the open door policies of all academic and administrative offices. There were also more formal meetings from time to time that brought administrators closer to faculty, staff, and students.

Perhaps the most interesting development was the newly organized Faculty Club Forum which held its first meeting in July, 1972, at Cohen House. Each session brought me together with a limited number of faculty members and one or two administrators to discuss topics chosen by the faculty such as the sources of University funds, athletic programs, degree programs—to name just a few. Summaries of these sessions were

regularly published in *High Emprise*, which is mailed to all faculty, staff, and supporters of the University.

After the end of the academic year the summaries appeared as a collection titled *Faculty Club Forum 1972-1973*. The Forum generated correspondence, discussions, and conversations among individuals. Interest in the Forum remains consistently high and it is being continued this year.

## The Library and ICSA

The two mainstays of any academic institution in the second half of the twentieth century are the library and the computer center or facility. Our Fondren Library continues to improve albeit at a lower rate than we would like to see. At the end of the year under review, the library had 737,792 volumes, a gain of 40,605 for the year. We are concerned about the impact of inflation on the prices of books and periodicals and its ultimate effect on our ability to maintain library collections that are adequate to support the University's teaching and research programs. Along with these problems there is the continuing challenge to optimize the retrieval of information from our library holdings.

In the computer area we had determined during the 1971-1972 academic year what sort of capability best suited our needs. During 1972-1973 our newly established Institute for Computer Services and Applications (ICSA) was thoroughly tested and began performing at expected levels with the help of a wise and dedicated director and staff who understand and can cope with operational and fiscal challenges as they present themselves.

## The Drive for Support

Outside support for research and other types of study improved during the 1972-1973 academic year after some previous decline. Not only did the University's financial support for these purposes increase, but there was also marked improvement in the quality of the proposals our faculty members submitted. One of the more interesting grants we generated was a three-year \$250,000 allocation from the Alfred P. Sloan Foundation designed to enhance the education of Rice engineering students in the social sciences. Work funded by the Sloan grant is going forward with good results.

Other outside support has also been most welcome and continues apace while we are trying to further extend it. I may add here that each of the last two years saw annual giving to the University on the order of some \$4 million. This figure does not include the gift of the Rice Hotel from Houston Endowment, Inc., estimated to be worth some \$7 million. The entire Rice community may take a measure of satisfaction from the fact that the University ranks 14th in the percentage of alumni contributors and 13th in the size of gift per alumnus among the nation's major private colleges and universities. In recognition of this achievement Rice received a national award from the American

Alumni Council for our outstanding record in the development of alumni giving. Obviously this and other types of significant support are essential if Rice is to maintain its quality in the face of the immense difficulties continuing inflation poses.

For this reason we are also making concentrated efforts to increase the number of endowed chairs. We now have 29. Our immediate goal is to increase these to 50; but I am convinced that an even larger number of endowed chairs is eventually desirable for a university of Rice's stature in academe.

That place has been earned through the dedication and work of each component of the University. Some highlights of this work in the past year are given below:

## Departmental Highlights

The *Anthropology Department* strengthened its program without increasing costs by cross-listing courses with other departments and through part-time faculty appointments. Our *School of Architecture*, for the first time in its history, admitted to its graduate program students with degrees in non-architectural fields.

All new faculty members in the *Biochemistry Department* secured external grants for the initiation of their research programs. These external funds, incidentally, rose from \$35,000 in 1971-1972 to \$207,537 in 1972-1973, the year in which, for the first time, biochemistry became a full-fledged department of the University. The *Biology Department* continues to attract a large proportion of Rice undergraduates. Approximately 12 to 13 percent of all upperclassmen are biology majors. This is particularly evident in the biology advanced electives which still have record enrollments. The *Chemical Engineering Department* secured some \$700,000 in external grants for research and Professor Roy Jackson was appointed to the A. J. Hartsook Chair in Chemical Engineering.

The *Chemistry Department* continues to have one of the heaviest undergraduate teaching loads on campus with freshman and sophomore laboratories filled to capacity. Its graduate and research programs continue to be lively and imaginative and add significantly to the nation's stockpile of scientific talent and knowledge. The department was further strengthened by the appointment of Ernest Wenkert to be E. D. Butcher Professor of Chemistry.

In our engineering divisions, the *Department of Civil Engineering* in cooperation with the *School of Architecture* has designed a graduate program in transportation at the master's level. In our *Electrical Engineering Department* a new undergraduate bioengineering program and a more comprehensive program in computer science and engineering covering hardware, software, and theory were instituted. The department also received grants totaling \$350,340 for the continuation of its research activities. The *Environmental Science and Engineering Department* received some \$121,200 in sponsored research and training grants, including an Environmental Protection Agency Training Grant. The *Materials Science/Metallurgy Program* received

accreditation from the Engineering Council for Professional Development, the nation's engineering curriculum evaluation authority.

The *Mechanical Engineering Department* conducted a complete self-study of its undergraduate program. As a result, we now offer degree options in six major areas of mechanical engineering.

The *Physics Department* introduced a self-paced version of its sophomore course and both years of the introductory physics sequence are now available in the new format. The *Department of Space Physics and Astronomy* (formerly Space Science Department) hosted a Conference on Magnetospheric Substorms in October, 1972. This meeting brought some 140 space physicists to the campus from various parts of the United States and Europe.

The *Geology Department* is actively pursuing the funding of the Carey Croneis Chair as a permanent memorial to the late Chancellor and Harry Carothers Wiess Professor of Geology. During the year funding of a \$110,000 Electron Microprobe/Scanning Electron Microscope was completed, also in honor of Dr. Croneis. It was installed and dedicated in his memory on Nov. 7, 1973. The Geology Department's program in marine science was strengthened through a five-year grant of \$200,000 for marine ecology and paleoecology from the Henry L. and Grace Doherty Charitable Foundation, by a faculty appointment in marine geology, and by the initiation of a cooperative program with the University of Texas Earth and Planetary Sciences Division of the Marine Biomedical Institute in Galveston. Another cooperative program was inaugurated with Texas Southern University, which does not have a geology department, to allow TSU students the opportunity to obtain bachelor's degrees in geology by taking advanced level courses at Rice.

The *Program of Development Studies*, an interdisciplinary group composed of Rice economists, anthropologists, and political scientists, secured grant renewals totaling \$346,434. In the *Department of Economics and Accounting* a new \$73,500 grant was received from the National Science Foundation to study the economics of network television regulation. In addition several accounting firms and alumni contributed \$6,000 to support students and faculty research in accounting.

The *Education Department* again proved the efficacy of its program by placing all its graduates in teaching positions, a remarkable achievement in a shrinking job market for teachers. The *English Department* added three new courses and its faculty received one Guggenheim and two Rice Research Grants.

There has been a decline in interest for some of our foreign language offerings, possibly in line with the national trend, although much of the decline seems to have halted. In the *French and Italian Department* elementary and intermediate courses are receiving closer supervision and a conversation course at the third-year level has been added at the request of students. The graduate program in the department has been reduced since the scholarships provided under the National



Defense Education Act are coming to an end. The curriculum of the *Department of German and Russian* now stresses the audio-lingual method and an early introduction of literary tests in language learning. Its advanced courses emphasize in-depth study of particular literary topics. Enrollment doubled in the *Department of Spanish, Portuguese, and Classics*. The department started a summer graduate program in Argentina. One Rice student received a scholarship from the Institute of Hispanic Culture to study in Argentina. Plans were initiated for a 1974 graduate summer program in Madrid.

The *Department of Philosophy* graduated nine majors during the year and hosted the annual meeting of the Southwestern Philosophical Society in November, 1972. "Symposium on Gilbert Ryle" was published during the year in the *Rice University Studies* based on the visit of this noted British philosopher to the campus in the spring of 1972. Another highlight was the appointment of Zeno Vendler to be the Carolyn and Fred McManis Professor of Philosophy. The *Political Science Department* continued to register increased enrollment. Its nine faculty members published a total of four books and six articles and presented four invited papers during the year.

Faculty members of the *History Department* continued to edit two distinguished scholarly journals: The *Austrian History Yearbook*, edited by R. John Rath, and the *Journal of Southern History*, edited by S. W. Higginbotham. The department also publishes its own newsletter to keep its alumni abreast of career and personal developments. In the *Sociology Department*, the small faculty was able to enrich its offerings by a shift to a two-year planning cycle and by having each of the five faculty members offer a different set of courses in alternate years. The *Psychology Department* initiated its Ph.D. program during the year. The *Department of Religious Studies* was strengthened significantly by the gift of the Hazel and Harry Chavanne Chair of Religious Studies.

The end of the draft was probably responsible for the reduction in cadet enrollment for our *Military Science* course to 70 from 89 the preceding year. Fifteen midshipmen in *Naval Science* were commissioned during the year. The *Department of Health and Physical Education* was able to maintain its academic, intramural, and recreational programs with students, faculty, and alumni making maximal use of our gymnasium facilities. The department also completed plans to add a scientific foundation course to the curriculum.

In the *Mathematics Department* the freshman course was put on a self-paced basis with encouraging results and the program is being continued. Enrollment in the undergraduate courses of the *Mathematical Science Department* increased by 54 percent during the year.

## Community Involvement

Each of these teaching and research activities helps the University deepen its expanding involvement

with the larger community. This involvement includes not only the national and international scholarly and advisory relationships that usually come to mind, but also the civic, cultural, and educational affairs of the local community. In fact, our interest and participation in our local setting extends over wider areas and embraces more people than is generally realized. Although we don't keep statistics on such matters, growing numbers of faculty and staff members are active in a wide range of local activities in which Rice's role and contribution are clearly identified. Specifically, a few of these can be readily recognized: Rice, as an institution, is a component member of the Southwest Center for Urban Research (SCUR). We participate in its work through representation on its Board of Directors, faculty involvement in specific research projects, and a small financial contribution.

The school of Architecture reached beyond the campus during the year with the establishment of two important organizations: The Rice Design Alliance is addressing itself to the proposition that the most critical national challenge of the 1970s is the design and construction of humane communities within a quality environment. The Rice Center for Community Design and Research has become an important arm of the School of Architecture through its innovative programs of clinical education, environmental research and design and planning services for the Houston-Galveston area. On a smaller scale, Rice is involved with the In-Town Research Corporation, a neighborhood group concerned with the immediate campus vicinity including its business and residential areas. The group was given office space on campus during the year.

Members of the University community are active on the boards of museums, symphony orchestras and opera organizations. It also should be emphasized that our various athletic programs have had and continue to have a significant effect on our relations with the community at large.

## Core of the Mission

Rice's community involvement is, of course, part of the total commitment to service to which the University has been dedicated since its inception. As such it is part of the impact Rice continues to make far beyond its size, as I observed at the start of this report.

In my conversations with leaders in the academic and business communities and in government I am always pleased to find that Rice ranks very high indeed. These men and women are not always able to give me specific reasons why their opinion of Rice is so favorable, but it is quite clear to me that their view of Rice is largely based on those of our alumni with whom they have come in contact.

This, of course, speaks well of Rice and the people who come here. Their general quality is such that they are noteworthy and this certainly makes Rice noteworthy.

Our most recent alumni, the Class of 1973, were



largely able to enter those areas in which they had an interest and for which they had prepared themselves. All who opted to enter medical or law schools and were recommended by the appropriate Rice faculty committees, were accepted. Many others went directly into jobs, including engineering and a wide variety of other professional and business activities. Fewer than in the past went on to graduate studies, but a goodly number still followed this course.

The capabilities of Rice students continue to be high, and they continue to be sought after and generally to impress their employers and associates.

These graduates are the ultimate purpose of our mission as a university. They benefited from being here and Rice was enriched by their presence on campus. The preservation and deepening of this reciprocity remains at the core of Rice's traditional commitment to excellence.

## Student Statistics

### CHARACTERISTICS OF THE FRESHMAN CLASS

	1970	1971	1972
Average College Board Scores	668	660	652
Scores by Division—			
Academic	654	655	642
Science	687	674	664
Engineering	671	654	649
Architecture	644	631	639
Scholastic Standing—			
National Merit Scholarships	59	65	56
Valedictorian	116	96	92
Salutatorian	35	39	38
Upper 5% of Graduating Class	63%	65%	—
Upper 10% of Graduating Class	—	—	78%
Number of Students			
Entering Freshmen	577	684	668
Men	427	526	509
Women	150	158	159

### GEOGRAPHIC ANALYSIS OF STUDENT ENROLLMENT

	1970	1971	1972
Entering Freshmen—			
From Texas	361	410	421
From Other States	200	251	223
From Foreign Countries	16	23	24
Total Undergraduates—			
From Texas	1543	1576	1629
From Other States	794	881	919
From Foreign Countries	74	105	107
Graduate Students—			
From Texas	156	160	155
From Other States	392	349	348
From Foreign Countries	162	160	140

### TOTAL ENROLLMENT

	1970	1971	1972
Enrollment—			
Undergraduate	2297	2454	2535
Fifth Year Students	114	108	120
Advanced Degree Students	699	656	624
Undesignated & Special Students	11	13	32
Grand Total	3121	3231	3311

### STUDENT HONORS

Number of Students on the President's Honor Roll

	1970-71	1971-72	1972-73
Fall	848	953	1060
Spring	928	972	1059

Rice graduates of the Class of 1973 received a number of graduate fellowships and awards. One student turned down a Fulbright-Hayes grant to accept one of 30 Marshall Scholarships which were awarded in the United States. She will study at the London School of Economics and Political Science. Two other Rice graduates are the recipients of Thomas J. Watson Foundation Fellowships which provide them with a first postgraduate year of independent study and travel abroad. Only 70 Watson Fellowships are awarded annually. In addition six Rice graduates were awarded National Science Foundation Fellowships and 16 were named on the list of Honorable Mentions.

### COMMENCEMENT

Combined Baccalaureate-Commencement ceremonies were held May 12, 1973. In order to focus more attention on those graduating, baccalaureate and commencement addresses were eliminated.

A comparative summary of degrees awarded from June 1971 through May 1973 follows:

Undergraduate Degrees	1971	1972	1973
Bachelor of Arts	465	448	544
Bachelor of Commerce	18	27	22
B.S. in Health and Physical Education	5	—	2
B.S. in Accounting	6	7	11
Bachelor of Architecture	25	21	19
Bachelor of Science			
Civil Engineering	—	—	6
Electrical Engineering	—	—	23
Mechanical Engineering	—	—	11
Bachelor of Fine Arts	—	—	1
Total Undergraduate Degrees	519*	503	639

In addition to the research oriented programs in the Graduate Division leading to the degrees of Doctor of Philosophy, Master of Arts, or Master of Science. Professional Master's degrees are awarded in Architecture, Engineering, Materials Science, and Applied Mathematical Sciences.

Graduate Degrees	1971	1972	1973
Master of Chemical Engineering	18	21	15
Master of Civil Engineering	1	3	4
Master of Electrical Engineering	30	23	28
Master of Environmental Science	—	—	3
Master of Materials Science	1	1	—
Master of Mechanical Engineering	15	8	12
Master of Applied Mathematical Sciences	—	—	2
Master of Architecture	11	12	7
Master of Architecture in Urban Design	10	7	6
Master of Arts	65	70	66
Master of Science	35	34	26
Doctor of Philosophy	128	104	94
Total Graduate Degrees	314	283	263
<b>TOTAL DEGREES</b>	<b>833*</b>	<b>786*</b>	<b>902</b>

\* Selective service regulations required students proceeding to fifth-year to postpone their B.A.'s in order to retain their student deferments.

## Faculty Achievements and Honors

Salomon Bochner was listed in the first European edition of *Modern Men of Science*.

Ray M. Bowen began a two-year term as Treasurer of the Society for Natural Philosophy.

Franz R. Brotzen was awarded a one-year senior research fellowship by the West German government. He will pursue his studies at the Max Planck Institute für Metallforschung at the Technical University in Stuttgart. He is also Chairman of the Program Committee of the American Institute of Mining, Metallurgical and Petroleum Engineers.

Joseph M. Burns was appointed to the Census Advisory Committee of the American Economic Association and was elected to the Program Committee of the Western Economic Association. He was awarded a National Fellowship of the Hoover Institution at Stanford for the 1973-74 academic year as well as an Economic Policy Fellowship by the Brookings Institution which he declined.

James A. Castañeda was elected Vice President of the National Federation of Modern Language Teachers

Associations (NFMLTA). The position carries automatic election to the presidency of NFMLTA in 1974. He is also in his third term as Executive Secretary of the South Central Modern Language Association and was made Titular Member of the Instituto de Cultura Hispánica de Madrid.

Alan J. Chapman was elected to a two-year term as President of the National Collegiate Athletic Association.

F. Chandler Davidson was recognized at the 24th Annual Texas Writers Roundup for his book *Biracial Politics*.

One of three abstract tapestries woven and entered by Elinor L. Evans in the invitational Kansas Designer Exhibition at the University of Kansas won that exhibition's top award.

John W. Freeman, Jr., received the Beloit College Alumni Distinguished Service Citation and NASA's Exceptional Scientific Achievement Medal.

James B. Giles served on the Navy's National Scholarship Selection Committee which selected 1973-74



NROTC scholarship recipients from Texas, Oklahoma, Hawaii, the Canal Zone, Puerto Rico and Guam.

Joan R. Green was elected Vice Chairman of the Latin American Section of the American Association of Teachers of Spanish and Portuguese.

Norman Hackerman was reelected Chairman of the Board of Trustees of the Argonne Universities Association.

Joe W. Hightower was the 1973 winner of the American Chemical Society's Award in Petroleum Chemistry. The award recognizes Hightower for "outstanding achievements in petroleum chemistry, particularly research on catalysts."

William C. Howell has been elected a Fellow of the divisions of Experimental Psychology and Engineering Psychology of the American Psychological Association.

Captain Alan L. Jansen, U.S.N., served on the Navy's National Scholarship Selection Committee which selected 1973-74 NROTC Scholarship recipients from Texas, Oklahoma, Hawaii, the Canal Zone, Puerto Rico and Guam.

Konstantin Kolenda will spend the 1973-74 academic year as an Honorary Visitor to the King's College of the University of London.

At the invitation of the University of Oporto, Maria Teresa Leal de Martinez remained in Portugal after her 1971-72 sabbatical year to inaugurate the university's chair in Brazilian literature and to be Chairman of its Department of Romance Languages.

The Mentor Recognition Award, the Student Association's honor for "extraordinary services to the student body as an adviser, counselor, teacher or friend" was given to Michael V. McEnany.

Edward Norbeck became a Councilor of the American Anthropological Association.

Richard L. O'Keeffe was appointed to the five-member Committee on Data Bases of the Association of Research Libraries.

Thomas W. Parks was awarded a one-year senior research fellowship by the West German government to continue his work in digital signal processing at the University of Erlangen.

Gerald C. Phillips was elected to a one-year term as Vice Chairman of the Oak Ridge Associated Universities Council of Sponsors.

Florante Quiocho received a travel award from the Instituto Di Ricerche Farmacologiche "Mario Negri" which permitted him to lecture at the International Symposium on Insolubilized Enzymes in Milan, Italy.

Madeleine Raaphorst was elected chairman of the 18th century section of the American Association of Teachers of French.

John R. Rath was named a corresponding member of the Austrian Academy of Science for his research in Austrian history.

Frederick D. Rossini was awarded the Redwood Medal of the Institute of Petroleum, United Kingdom, for his work in the thermodynamics, thermochemistry, and the composition of petroleum.

George J. Schroepfer, Jr., received a travel award

from the U.S. National Committee for the International Union of Biochemistry to permit him to attend the International Congress of Biochemistry in Stockholm, Sweden.

Robert V. Stevens was appointed to the editorial advisory board of the *Journal of Organic Chemistry*.

Charles R. Stewart was named one of the 17 Nicolas Salgo Distinguished Teachers in the United States for 1973.

Frank K. Tittel was awarded a one-year senior research fellowship by the West German government to pursue his laser physics studies at the University of Göttingen.

Radoslav A. Tsanoff was recognized for his book *Civilization and Progress* at the 24th Annual Texas Writers Roundup.

Stephen A. Tyler was appointed to a two-year term as a member of the Advisory Panel on Anthropology of the National Science Foundation and is an associate editor of the first *Annual Review of Anthropology*.

Frank E. Vandiver, a member of the National Council on the Humanities, was named Chairman of the Council's Education Subcommittee. He was also appointed to posts on two government committees: Chairman of the U. S. Army Military History Research Collection Advisory Committee and a member of the Selection Committee of the U. S. Air Force's Harmon Memorial Lecture Series. He is the recipient of the 1973 Regent's Award of the Lincoln Academy of Illinois, which is presented to the individual who best exemplifies the ideals and achievements of Abraham Lincoln. Dr. Vandiver was also appointed 1973-74 visiting professor of military history at the U. S. Military Academy at West Point.

Anestis S. Veletsos was elected a member of the Committee on Dynamic Forces of the Structural Division of the American Society of Civil Engineers (ASCE) and was appointed Chairman of the Task Committee on Natural Disasters of the Earthquake Engineering Research Institute. He was also appointed to the Control Group of the Joint Task Committee on Seismic Forces of the ASCE and the Structural Engineers Association of California.

Philip A. Wadsworth was appointed to the 20-member Advisory Committee of the Junior Year in France program, administered by Sweet Briar College, and was elected Secretary of the 17th century section of the American Association of Teachers in French.

Martin J. Wiener received a National Endowment for the Humanities Fellowship for 1973-74.

Major Ernest Young, U.S. Army, was awarded the Bronze Star for action in Viet Nam.

## TEACHING AWARDS

### George R. Brown Prize For Excellence in Teaching

Allen J. Matusow, Professor of History

## George R. Brown Awards For Superior Teaching

Franz R. Brotzen, Professor of Materials Science  
Katherine Tsanoff Brown, Lecturer in Fine Arts  
Charles Garside, Jr., Associate Professor of History  
Alan Grob, Professor of English  
B. Frank Jones, Professor of Mathematics  
Trenton W. Wann, Professor of Psychology

## Nicholas Salgo Distinguished Teacher Award

Charles R. Stewart, Assistant Professor of Biology

## STAFF ACHIEVEMENTS AND HONORS

Shirley P. Allen was elected Secretary of the Houston Personnel Association.

Margaret S. Alsobrook was elected Secretary-Treasurer of the Southwest District of the American College Public Relations Association.

Daisy Ashford was elected Chairman of the Texas Regional Group of Catalogers and Classifiers of the Texas Library Association.

Rodney Borlase was appointed to two committees of the American Library Association: the Ad Hoc Committee to Study International Responsibilities and the Bibliography Committee.

Patsy Chappellear was elected Director of the Petroleum and Petrochemical Division of the American Institute of Chemical Engineers.

Augie Erfurth was named the Outdoor Track Coach of the Year for District 8 of the U.S. Track Coaches Association.

June Vermeulen was appointed to the American Library Association Membership Committee for Texas.

## ADMINISTRATIVE APPOINTMENTS

Effective July 1973 unless otherwise noted

William W. Akers, Assistant to the President for Development

Stephen Denio Baker, Master of Hanszen College

Robert L. Bell, Jr., Director of Student Advising

Martha L. Broussard, Administrative Assistant for Geology (Fall 1972)

Katherine Tsanoff Brown, Dean of Undergraduate Affairs

Joseph Cooper, Acting Provost

Katherine Drew, Acting Dean of Humanities and Social Sciences (Fall Semester 1973)

Edward O. Doughtie, Editor of *Studies in English Literature*

James Street Fulton, Acting Chairman of the Department of Philosophy

Walter W. Isle, Chairman of the Department of English

Samuel Jones, Director of the Shepherd School of Music

David L. Minter, Master of Baker College

Nicolo Messina, Laboratory Coordinator in Biochemistry (September 1973)

G. King Walters, Chairman of the Department of Physics

Donald L. Williams, Executive Director of the Rice Center for Community Design and Research (February 1973)

## APPOINTMENTS TO ENDOWED CHAIRS

Charles E. McLure, Allyn R. and Gladys M. Cline Professor of Economics and Finance

Zeno Vendler, Carolyn and Fred McManis Professor of Philosophy

Ernest Wenkert, E. D. Butcher Professor of Chemistry

## TRUSTEE DISTINGUISHED PROFESSOR

Floyd S. Lear, History

## EMERITUS FACULTY

Effective July 1, 1973

Carroll Camden, Professor of English

A. P. McDonald, Professor of Engineering Graphics

Radoslav Andrea Tsanoff, Carolyn and Fred McManis Professor of Philosophy

Philip A. Wadsworth, Professor of French

## FACULTY APPOINTMENTS 1973-74

### Professors

Robert L. Bell, Psychology

Joseph M. Gay, Jr. (Colonel, U.S. Army), Military Science

Samuel Jones, Music

Graham A. Palmer, Biochemistry

Zeno Vendler, Philosophy

Ernest Wenkert, Chemistry

### Associate Professors

Adele Marie de Souza Santos, Architecture

Antonio Paulo de Souza Santos, Architecture

Donald L. Williams, Architecture and Community Development

### Assistant Professors

Susan Louise Clark, German

Margret Eifler, German

Sarah Burnett Frates, Psychology

Huey W. Huang, Physics

Werner H. Kelber, Religious Studies

Jane Chance Nietzsche, English

John S. Olson, Biochemistry

Edward W. Page, Electrical Engineering



Panayota Papantoni-Kazakos, Electrical Engineering  
Diana Pickett Rathjen, Psychology  
Carl Paul Sharpe, Architecture  
J. Douglas Uzzell, Anthropology  
C. D. Ushinsky, Russian  
Lon J. Wilson, Chemistry

### Instructors

John G. Ballentine, Economics  
Stephen Otto Bender, Architecture  
Richard V. Butler, Economics and Accounting  
John Joseph Casbarian, Architecture  
Robert Coupe, French  
Brian Curry, Health and Physical Education  
James Disch, Health and Physical Education  
John W. Keto, Electrical Engineering  
Charles Lyngar, French  
Frank Magrino, Economics  
Jack V. Matson, Environmental Engineering  
Russell G. Meier, Electrical Engineering  
Alton Zang Parks, Architecture  
Robert W. Samohyl, Economics  
John R. Underwood, Mathematics

### Adjunct Appointments

Christopher J. Brown, Assistant Professor of  
Architecture  
J. W. Chamberlain, Professor of Space Physics and  
Astronomy  
H. Robert Douglass, Associate Professor of Architecture  
W. Maurice Ewing, Professor of Geology  
Carl S. Hacker, Assistant Professor of Mathematical  
Sciences  
C. Girvin Harkins, Assistant Professor of Materials  
Science  
Bartholomew P. Hsi, Associate Professor of Mathe-  
matical Sciences  
James K. Monts, Assistant Professor of Sociology  
Ray H. Skaggs, Professor of Health and Physical  
Education  
Harry J. Sperling, Professor of Mathematical Sciences  
Geoffrey B. Stanford, Professor of Architecture  
Tabor R. Stone, Assistant Professor of Architecture  
Paul Tobias, Assistant Professor of Psychology  
James A. Veltman, Assistant Professor of Architecture

### Visiting Faculty

Chester A. Boterf, Jr., Associate Professor of Fine Arts  
Edwin T. Burton, Assistant Professor of Economics  
Denver T. Dale (Lieutenant Colonel, U.S.M.C.),  
Associate Professor of Naval Science  
Joseph N. DiCorcia, Assistant Professor of History  
Richard N. Morrison (Lieutenant J.G., U.S.N.),  
Assistant Professor of Naval Science  
James A. Morrow, Associate Professor of Mathematics  
J. S. Mutchler, Assistant Professor of Physics

Billy B. Pinkerton (Major, U.S. Army), Assistant  
Professor of Military Science  
Rene Pintard, Professor of French  
David Redston, Assistant Professor of Russian  
Richard J. Smith, Assistant Professor of History  
Dieter Söll, Associate Professor of Biochemistry  
Thomas W. Steele (Major, U.S.M.C.), Assistant  
Professor of Naval Science  
Wayne Thirsk, Assistant Professor of Economics  
Ivar Karl Ugi, Professor of Chemistry  
Edward O. Warren (Lieutenant, U.S.N.), Assistant  
Professor of Naval Science  
Dadi Wirz, Assistant Professor of Fine Arts  
Finn Wold, Professor of Biochemistry

### Lecturers and Visiting Lecturers

David William Brady, Political Science  
James A. Campise, Mathematical Sciences  
E. A. Carmean, Jr., Fine Arts  
Graciela Daichman, Spanish  
Nick J. de Vries, Fine Arts  
Victor L. Emanuel, Political Science (Spring Semester)  
Kathleen Rita Gibson, Anthropology  
David Hancock, Fine Arts  
Anita Kiperman, Spanish  
Mark McCarty, Fine Arts  
Jerome N. Sherman, Religious Studies  
Mercedes Valdivieso, Spanish

### Athletic Department Appointments

Fred Breckwoldt, Coach of Swimming  
Robert D. Brewster, Assistant Sports Information  
Director  
Stephen Lavon Brown, Assistant Athletic Trainer  
James Parker, Coach of Tennis

## FACULTY PROMOTIONS

Effective July 1, 1973

### To Professor

Stephen D. Baker, Physics  
Ray M. Bowen, Mechanical Engineering  
& Mathematical Sciences  
Alan Grob, English  
F. Reese Harvey, Mathematics  
Edward F. Hayes, Chemistry  
Edward C. Lynch, Biomedical Engineering (adjunct)  
Rex B. McLellan, Materials Science  
Howard L. Resnikoff, Mathematics  
Mervyn L. Rudee, Materials Science  
Ronald Soligo, Economics  
Frank K. Tittel, Electrical Engineering  
Stuart D. Zimmerman, Mathematical Sciences (adjunct)

### Associate Professors given Tenure

Chad Gordon, Sociology  
Klaus H. M. Weissenberger, Germanics



*Highlights of the 1972-1973 academic year included opening of the new Biochemistry Department and Max Ernst's visit for the retrospective exhibition of his works in the Rice Museum.*

### To Associate Professor with Tenure

Constantine Armeniades, Chemical Engineering  
 John W. Clark, Electrical Engineering  
 Chandler Davidson, Sociology  
 Edward A. Feustel, Electrical Engineering  
 William H. Jaco, Mathematics  
 William C. Martin, Sociology  
 John C. Polking, Mathematics

### To Assistant Professor

Peter G. Rowe, Architecture  
 Mary F. Wheeler, Mathematics

### ON LEAVE OF ABSENCE

For all or a portion of the academic year

George Antunes, Assistant Professor of Political Science  
 William Harvey Austin, Assistant Professor of  
 Philosophy  
 Stephen Denio Baker, Associate Professor of Physics  
 Stanley M. Besen, Associate Professor of Economics  
 Richard Blanton, Assistant Professor of Anthropology  
 Arthur Busch, Professor of Environmental Science  
 and Engineering  
 Joseph Cooper, Professor of Political Science  
 James E. Copeland, Associate Professor of  
 German and Russian  
 Robert Floyd Curl, Jr., Professor of Chemistry  
 Chandler Davidson, Assistant Professor of Sociology

Rui J. P. de Figueiredo, Professor of Electrical  
 Engineering and Mathematical Sciences  
 Edward A. Feustel, Assistant Professor of Electrical  
 Engineering  
 James Street Fulton, Professor of Philosophy  
 Frederick C. Gamst, Associate Professor of  
 Anthropology  
 Charles Garside, Jr., Associate Professor of History  
 Stephen M. Gersten, Associate Professor of  
 Mathematics  
 William E. Gordon, Professor of Electrical Engineering  
 F. Reese Harvey, Associate Professor of  
 Mathematics  
 Frank Hole, Professor of Anthropology  
 Donald Huddle, Professor of Economics  
 Anthony W. Knapp, Visiting Associate Professor of  
 Mathematics  
 Maria Teresa Leal de Martinez, Associate Professor of  
 Spanish and Portuguese  
 Eva Jean Lee, Instructor in Health and Physical  
 Education  
 T. W. Leland, Jr., Professor of Chemical Engineering  
 Humberto Lopez-Morales, Professor of Spanish  
 Charles E. McLure, Jr., Professor of Economics and  
 Accounting  
 D. C. MacDougall, Visiting Assistant Professor of  
 Fine Arts  
 Robert L. Patten, Associate Professor of English  
 Howard L. Resnikoff, Associate Professor of  
 Mathematics  
 John M. Roberts, Professor of Materials Science  
 H. P. Rosenthal, Visiting Associate Professor of  
 Mathematics



Frederick D. Rossini, Professor of Chemistry  
David A. Schum, Professor of Psychology  
Gordon W. Smith, Assistant Professor of Economics  
Monroe Kirk Spears, Professor of English  
Anderson Todd, Professor of Architecture  
William A. Veech, Professor of Mathematics  
Fred R. von der Mehden, Professor of Political Science  
Joseph Benjamin Wilson, Associate Professor of  
German and Russian

## DEPARTURES FROM THE FACULTY

Effective July 1, 1973

### Professors

Gilbert Baumslag, Mathematics  
R. C. Bishop (Colonel, U.S. Army), Military Science  
M. C. Forbes, Environmental Science and Engineering  
(visiting)  
Ulrich Gaier, Germanics (visiting)  
Humberto Lopez-Morales, Spanish  
Robert C. Minnick, Electrical Engineering and  
Computer Science  
John P. Newport, Religious Studies (visiting)

### Associate Professors

Bob Camblin, Fine Arts  
A. Dyess, Architecture (adjunct)  
Stephen M. Gersten, Mathematics  
Donald V. Gorman (Commander, U.S.N.),  
Naval Science (visiting)  
Phillip A. Hendren, Architecture  
Anthony W. Knapp, Mathematics (visiting)  
Michael Maschler, Mathematical Sciences (visiting)  
H. P. Rosenthal, Mathematics (visiting)

### Assistant Professors

William Harvey Austin, Philosophy  
Roger B. Anderson, Russian  
John Edgar Beam, Physics  
Richard Blanton, Anthropology  
Norman W. Charlton, Health and Physical Education  
W. D. Davidson (Lieutenant, U.S.N.)  
Naval Science (visiting)  
Otto A. Gansow, Chemistry  
Thomas Keith Gaylord, Electrical Engineering  
(adjunct)  
James M. Gerhardt, Political Science  
John H. Iglesias, Jr., English  
Gregory A. Johnson, Anthropology (visiting)  
K. D. Johnson, Mathematics (visiting)  
Robert Alexander Kapp, History  
Friedrich G. Lang, Religious Studies (visiting)  
Alonzo August Leifeste, Jr., Architecture (adjunct)  
James R. Nichols, French  
Rodney W. McGinnis, Psychology

Phil R. Norman (Major, U.S. Army),  
Military Science (visiting)  
Charles Schorre, Fine Arts and Architecture  
Winston Forrest Scott, Architecture  
Charles E. Seagrave, Economics  
Suresh P. Sethi, Economics (visiting)  
Peggy B. Smith, Psychology (visiting)  
Ernst Soudek, Germanics  
Ewa Thompson, Russian  
Robert Luis Vaccaro, Spanish (visiting)  
Jacques Frank Yates, Psychology (visiting)

### Instructors

Harry I. Barney, Health and Physical Education  
Susan Courtney, Health and Physical Education  
Richard S. Elman, Mathematics  
Ibrahim Eris, Economics  
Kathryn McMahon, French

### Lecturers

Richard Bean, Economics (visiting)  
W. Edwin Bosarge, Jr., Mathematical Sciences  
Joel Howard Cyprus, Electrical Engineering  
M. L. Furse, Religious Studies  
Patricia Peck Griffin, Political Science (visiting)  
Luisa Lopez Grigera, Spanish (visiting)  
John Rains Kelly, Economics  
Carol B. Kuykendall, Education  
Malcolm R. MacPhail, Electrical Engineering  
J. A. Tate, Fine Arts (visiting)  
David B. Warren, Fine Arts

## NECROLOGY

July 1972-June 1973

### Finley

Wesley James Finley, library exit checker at Fondren  
Library since 1955, died in January 1973 at age 84.

### Ryon

Lewis B. Ryon, Professor Emeritus of Civil Engineering,  
died August 27, 1972, at age 78. He had served  
on the civil engineering faculty for 41 years before his  
retirement in 1958. In 1961, Dr. Ryon and his wife  
donated the funds to build and equip a modern engi-  
neering building. The Ryon Engineering Laboratory  
was dedicated in 1965.

### Sims

Orland Sims, writer for the Office of Information  
Services and Assistant to the Sports Information Di-  
rector, died September 5, 1972, at age 41.

# Financial Review

## William Marsh Rice University

Dr. Norman Hackerman  
President, Rice University

January 15, 1974

SUBJECT: Financial Review

In response to your request, I submit a financial review of the University's operations.

During the year ending June 30, 1973, the principal of endowment funds at book value increased \$15,891,318 over the previous year, as a result of realized gains and gifts. In addition there was a one-time reclassification from plant funds, of advances to complete construction of auxiliary facilities, amounting to \$8,829,813. The accumulated unfunded prior year's deficits were charged to funds functioning as endowment. Total book value of the endowment at statement date was \$150,245,814, making the total increase \$24,721,131. (Market value was approximately \$176,536,000).

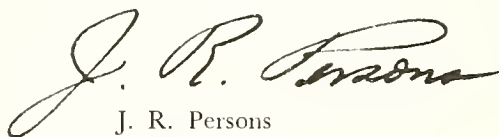
The operating deficit for this same period was only \$10,882. This deficit was covered by funds available in the Reserve for Contingencies. For the first time in three years the Reserve was not fully depleted to cover the operating deficit.

Presented on pages 18 through 25 are the financial statements of the University for the year ending June 30, 1973, and the opinion of our auditors, Arthur Andersen & Co.

The "Statement of Current Funds Revenues, Expenditures and Transfers," page 19, discloses in detail the year's financial operations, and the "Statement of Changes in Fund Balances," page 22, shows the detail of changes in our various funds.

There follows a Financial Review with comments on some of the highlights of the current year's activities and some interesting historical data on University operations.

Sincerely,



J. R. Persons  
Comptroller

## GENERAL

At its meeting on March 22, 1973, the Board of Governors of the University approved a resolution setting out a permanent policy for the administration of the endowment funds of the University. The resolution was the culmination of a year-long study by independent auditors, the University's legal counsel, the Board's Finance Committee, and Comptroller's staff. It involved a complete review of the origin and administration of the funds since their inception, and a complete analysis of the legal restrictions imposed by the founder, by litigation in the interim, by the

State, and finally, a complete financial accounting.

As a result of this policy resolution, the accumulated deficits were provided for by funds functioning as endowment, and certain oil and gas revenues formerly designated as increases in endowment were reapportioned in the ratio of 27½% to endowment and 72½% to current income—effecting an increase in available current income. This increase coupled with a tight rein on expenditures (\$576,356 below authorized level) resulted in a deficit of only \$10,882 for the current year, compared with the initial projected deficit of \$2,222,534 in the budget presented to the Board at the April, 1972 meeting.



Table I shows the operating deficits Rice University has experienced starting with fiscal 1964. The deficits through 1970 were covered by Undesignated Gifts from the \$33 million campaign and a reserve for contingencies which had been accumulated in past years. The deficits for fiscal 1971 and 1972 exceeded these reserves by more than one million dollars and were covered by funds functioning as endowment.

Although the Board's policy resolution will increase the current available income by about \$1.5 million a year at present levels it will obviously have an affect on the rate of endowment growth.

The book value of general endowment has increased from \$61,702,000 in 1960 to \$116,629,000 in 1973, an increase of \$54,927,000, or 89%. This does not allow for the change in the value of the dollar. Taking this into account, the increase would only be \$45,224,000 or 73%. It is this difference between 89% and 73% that compels us to make every effort to make the endowment grow as much as possible while keeping a proper balance so as to be able to meet reasonable operating expenses.

TABLE I—OPERATING DEFICITS

Year	Deficit	Deficit Funded From		
		5% Contingency Reserve*	Undesignated Campaign Gifts & Other	Funds Functioning As Endowment
1964	\$ 269,526	\$ 269,526		
1965	858,312	858,312		
1966	1,132,082	1,132,082		
1967	352,786		\$352,786	
1968	252,872		252,872	
1969	627,662		627,662	
1970	1,387,470	972,027	415,443	
1971	1,832,174	1,013,345	352,337	\$ 466,292
1972	1,554,065	299,974	200,051	1,054,040
1973	10,882	10,882		

\* See Page 16

In addition to the "Statement of Current Funds Revenues, Expenditures and Transfers," the financial report also includes the "Balance Sheets" and the "Statement of Changes in Fund Balances" for the years ending June 30, 1973 and 1972.

University accounting methods differ from those of business activities in that the basic entity of the University is a "fund." The resources of a fund are committed to carry out specific activities or to attain certain objectives. The accompanying "Balance Sheets" present the assets, liabilities and fund principal of each of the University's separate funds, at June 30, 1973, and the combined totals for June 30, 1973, and 1972. The "Statement of Changes in Fund Balances" summarizes the changes in each fund principal for the year just ended, and the total changes for this year and the one preceding.

Classes of funds are summarized as follows:

**Current Funds**—These reflect the operating activities of the University, both general and restricted.

**Endowment Funds**—These funds hold the gifts which the donor has designated to be maintained in perpetuity or for a specified period of time. They also include certain funds which have been designated by

the Board of Governors to function as endowment, 27½% of certain oil and gas revenues, and the "Reserve for Contingencies" which is for year to year fluctuations. The income generated by these funds comprises the major part of current funds revenues, other than sponsored programs.

**Plant Funds**—These record the funds invested in the University's plant and equipment as well as unexpended funds designated for future plant expansion or major renovations.

**Loan Funds**—These contain the gifts from donors, government grants and the University's own monies which have been designated for loans to eligible borrowers.

**Retirement Funds**—These are two retirement plans operating for the benefit of retired and present employees of the University. The first is administered entirely by TIAA/CREF and is not reflected in the financial statements. The second is the Rice Retirement Plan. The University has no equity in it, and the claims of retired and current employees, amounting to \$4,257,122 are shown as a liability against endowment assets. Pursuant to a policy approved by the Board, this plan is being phased out, except for retired employees, and the major portion of these claims were liquidated by transfers to TIAA/CREF by the end of October, 1973.

## STUDENT AID

In 1965 Rice University for the first time began charging tuition. In that year the enrollment was 1,802 undergraduates and 607 graduate students. By 1972-73 enrollment had climbed to 2,567 undergraduates and 669 graduate students. They were charged tuition and fees amounting to \$6,418,349. Of this amount the University granted tuition aid totaling \$2,493,016. The net remaining for operations was only \$3,925,333.

Rice further assists students through fellowships and jobs on campus. In 1973 these amounted to \$1,413,218. Additionally, private sources and government grants furnished aid amounting to \$1,231,037 making total student assistance from all sources \$5,201,520.

The University, through the National Direct Student Loan Program, makes loans to students at no interest while the borrower pursues his education. Interest at only 3% is charged during the repayment period, which may last for ten years. Rice supplies one-tenth of these funds and the government nine-tenths. Rice also has its own loan program which operates on a basis similar to the National Direct Student Loan Program. Funding authorization for this program as of June 30, 1973 was \$600,000 and loans totaling just over \$207,000 were made in 1973 under this authorization. In addition to these two major programs, there are several privately sponsored loan funds.

At fiscal year-end the unpaid balances on outstanding student loans amounted to \$2,409,674, of which 72.1% has come from government funds.

**TABLE II—HIGHLIGHTS AT 5 YEAR INTERVALS**

**YEARS ENDING JUNE 30,**

	1953	1958	1963	1968	1973
<b>OPERATING EXPENDITURES:</b>					
Total Operations	\$ 2,695,084	\$ 4,969,919	\$ 9,262,341	\$ 22,666,540	\$ 26,282,781
For Example:					
Instruction	880,471	1,684,561	3,042,495	5,708,601	8,823,144
Sponsored Research & Training	120,592	449,637	1,426,046	10,182,921	6,321,472
Library	142,270	218,616	491,974	797,529	1,265,678
Plant Operations	344,734	452,590	614,003	882,956	1,379,787
<b>SOURCES OF FUNDS FOR OPERATIONS:</b>					
Student Tuition & Fees	212,762	232,626	224,047(1)	3,246,891	4,003,261
Gifts & Bequests	—	143,959	152,722	375,026	1,978,861
Endowment Income	1,526,918	2,759,137	3,875,481	5,181,194	9,426,459(2)
Sponsored Research & Training	118,840	487,681	1,656,550	11,446,671	7,772,301
Auxiliary & Other	1,053,183	1,141,469	3,133,890	2,352,805	3,702,598
<b>GIFTS:</b>					
Total Gifts Received	374,993	1,208,492	2,815,791	19,781,418	4,715,716
For Example:					
To Endowment Funds	326,804	365,455	761,039	10,105,354	1,261,754
To Plant Funds	48,089	293,367	521,183	6,729,497	715,707
<b>STUDENT AID:</b>					
Scholarships & Fellowships	75,156	— (3)	— (3)	1,205,425	2,493,016
Loans to Students	8,940	30,142	— (3)	— (3)	682,921
<b>ENDOWMENT:</b>					
Estimated Market Value	43,539,903	71,388,321	102,280,975	144,159,768	176,536,156
<b>PLANT AND EQUIPMENT EXPENDITURES:</b>					
	443,971	4,449,388	2,196,165	7,750,425	3,772,007
<b>STUDENT ENROLLMENT:</b>					
Undergraduate	1,504	1,681	1,727	2,089	2,567
Graduate	123	204	418	718	669

(1) Tuition was not charged prior to 1965

(2) The change in policy of handling oil and gas revenues explained on page 14 accounts for \$1,784,000 of this amount.

(3) Not Available

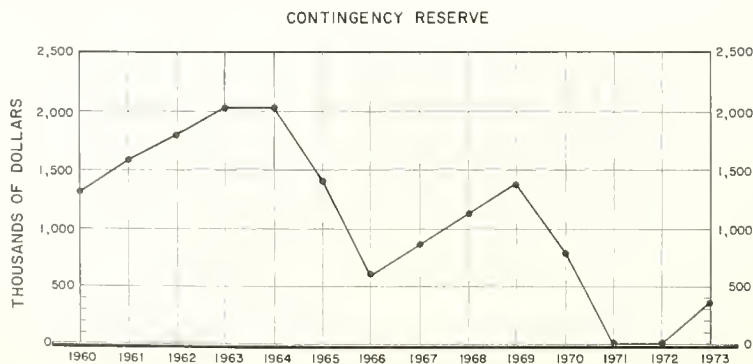
**RESERVE FOR CONTINGENCIES**

In 1952 the Board approved a policy of setting aside 5% of the unrestricted endowment income. By 1963 this reserve for contingencies had grown to its peak of \$2,050,000. In 1964, however, this reserve began to decrease as operating deficits grew with the expansion of academic programs during the mid-sixties.

The chart shows an increase in the reserve during the years 1966 through 1969. Deficits sustained in those

years were being met with undesignated gifts received from the \$33 million campaign. Because of continuing inflationary pressures, the deficits for 1971 and 1972 exceeded available reserves by more than a million dollars. During the year the Board authorized funding of these deficits from funds functioning as endowment.

Also at its meeting on March 22, 1973, the Board of Governors reaffirmed the policy of setting aside the Reserve for Contingencies. After absorption of this year's \$10,882 deficit, a balance of \$380,113 remains in this reserve at June 30, 1973.





# Comments on Financial Operations

1973 versus 1972

## REVENUES

Revenues, before transfers, increased \$3,410,000 to \$26,880,000. Ten percent of unrestricted endowment income was set aside for a Reserve for Plant Improvement and 5% for the Reserve for Contingencies. The increase occurred in the following categories:

Reapportionment of oil & gas revenues	\$1,784,000
Increases, other endowment income	273,000
Student tuition & fees, net	262,000
Federally sponsored programs	625,000
Auxiliary enterprises	74,000
All others	392,000
Increase	\$3,410,000

## EXPENDITURES

Expenditures increased \$1,559,000 to \$26,283,000, resulting in a deficit of \$10,882—compared to \$1,554,000 in 1972. The increase in expenditures was incurred in the following areas:

Instructional Departments	\$ (81,000)
Sponsored Programs	824,000
Institute for the Arts	69,000
Library	219,000
Student Services	71,000
Plant Operations & Maintenance	50,000
General and Administrative	(81,000)
Retirement Contributions	130,000
Auxiliary Enterprises	358,000
Net Increase	\$1,559,000

The increase in sponsored programs was distributed between \$331,000 in salaries and \$493,000 in expenses and equipment.

Library acquisitions were up \$129,000, salaries \$80,000 and other expenses \$10,000.

Student Services increase was the result of strengthening the offices of Academic Records, Financial Aid and Admissions. Retirement contributions resulted from increased expenditures for salaries and higher Social Security taxes.

The Auxiliary Enterprises' expenses increased \$358,000. A portion of this was caused by the added cost of operating the residential colleges and food service of \$130,000 and the Athletic Department of \$66,000.

## PLANT & EQUIPMENT EXPENDITURES

During the year additions amounted to \$3,772,000. Of this \$2,840,000 was equipment and Library books purchased from departmental budgets, restricted funds and sponsored programs. Plant improvements, totaling \$932,000, were funded in the amount of \$782,000 from the Reserve for Plant Improvements and \$150,000 from funds functioning as endowment.

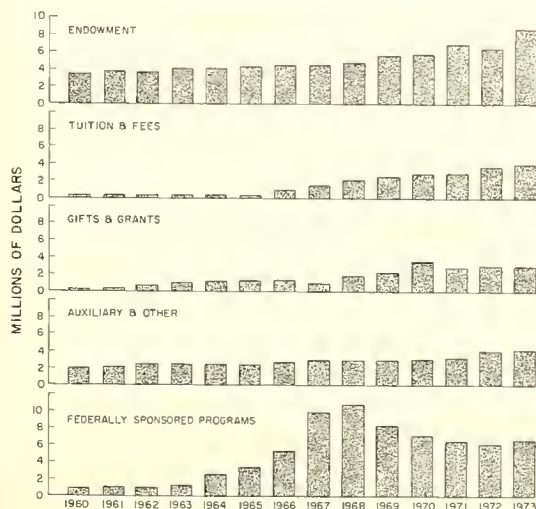
## TOTAL CURRENT FUNDS INCOME

Annual income for current operations has increased from \$6,858,000 in 1960 to \$26,880,000 in 1973, an increase of \$20,022,000. This increase is accounted for as follows:

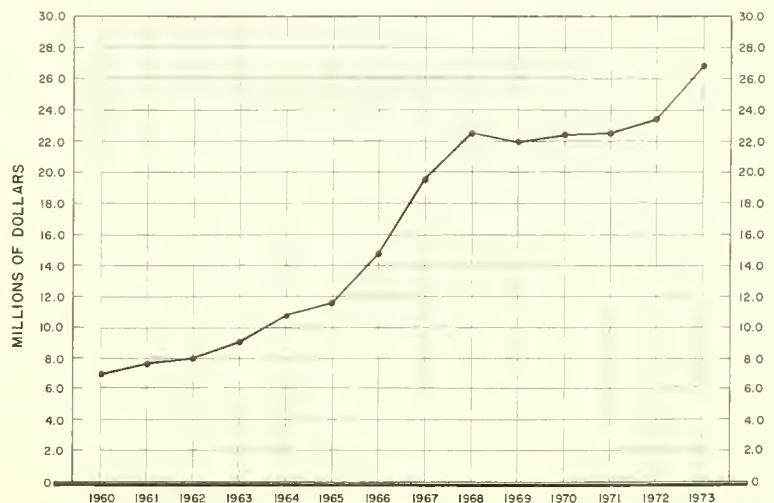
Student tuition and fees	\$3,779,000 (1)
Endowment Income	5,487,000
Federally sponsored programs	5,838,000
Gifts and grants	2,769,000 (2)
Auxiliary and other	2,149,000
Increase	\$20,022,000

- (1) Tuition was first charged in fiscal year 1966.  
 (2) Includes non-federally sponsored programs.

CURRENT FUNDS INCOME BY COMPONENTS



TOTAL CURRENT FUNDS INCOME

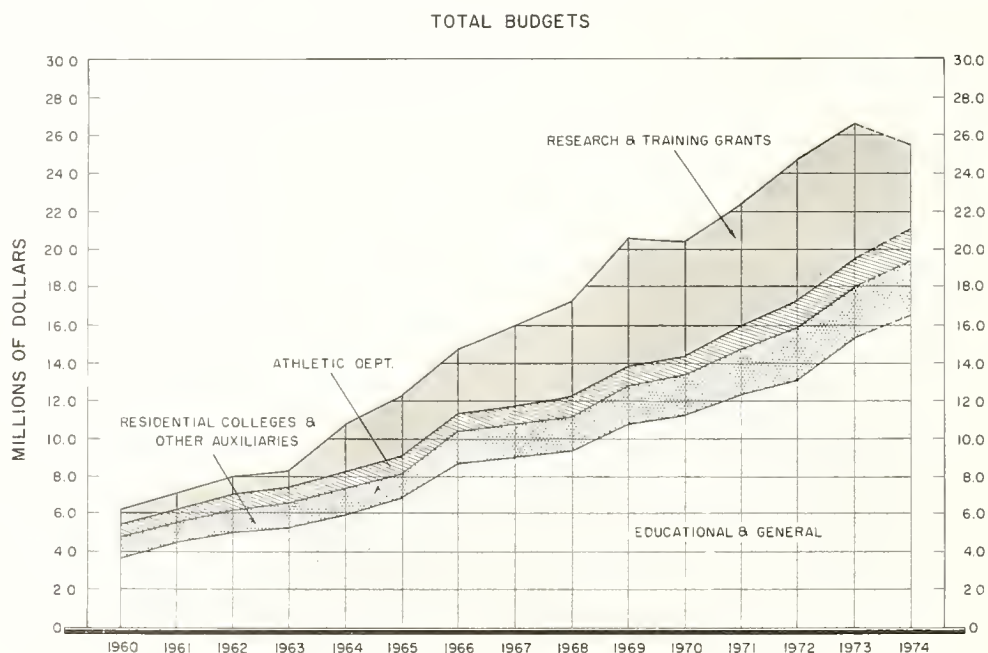


## GROWTH OF OPERATING BUDGET

Since 1960 the Rice student body has grown from 1,986 to 3,236 students. During this period the academic and research programs were expanded especially while the Ten-Year Plan was in effect. These factors, coupled with inflationary pressures, have caused a continuing increase in the University operating budget. During the 1972-73 fiscal year, the cost of educating a student rose from \$3,995 to \$4,131 an increase of 3.4%. The chart below shows the growth of the budget by years.

## ANNUAL SUPPORT PROGRAM

For the third consecutive year Rice held a drive aimed at raising funds for the operation of the University. Monies given during the year for operating purposes amounted to \$811,000 while an additional \$141,000 was received from payments on prior campaign pledges. This total of \$952,000 represents an increase of \$212,000 or 29% over 1971-72. An additional \$3,764,000 was received from donors whose gifts were restricted to endowment, capital projects, or operation of a specific program such as the Institute for the Arts.



**ARTHUR ANDERSEN & Co.**  
HOUSTON, TEXAS

September 24, 1973

To the Board of Trustees,

William Marsh Rice University:

We have examined the balance sheets of William Marsh Rice University (a nonprofit Texas corporation) as of June 30, 1973, and the related statements of current funds revenues, expenditures, and transfers and changes in fund balances for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. We have previously examined and reported on the financial statements for the preceding year.

In our opinion, the accompanying financial statements present fairly the financial position of William Marsh Rice University as of June 30, 1973, and current funds revenues, expenditures, and transfers and changes in fund balances for the year then ended, in conformity with generally accepted accounting principles applied, other than for the change in the method of distributing oil and gas revenues as explained in Note 2 to the financial statements, on a basis consistent with that of the preceding year.

*Arthur Andersen & Co.*



# William Marsh Rice University

## Statement of Current Funds Revenues, Expenditures, and Transfers For the Years Ended June 30, 1973 and 1972

	Year Ended June 30, 1973			Year Ended June 30, 1972,
	Unrestricted	Restricted	Total	Total
<b>REVENUES:</b>				
Student tuition and fees	\$ 3,925,333	\$ 77,928	\$ 4,003,261	\$ 3,741,517
Endowment income (Note 2)	7,819,907	1,606,552	9,426,459	7,369,162
Federally sponsored programs	—	6,734,525	6,734,525	6,109,599
Gifts and grants	619,835	2,396,802	3,016,637	3,012,921
Other	23,123	112,511	135,634	27,727
Auxiliary enterprises	4,004,016	21,918	4,025,934	3,952,078
Less—Restricted receipts over transfers to revenues	—	(462,686)	(462,686)	(743,144)
	16,392,214	10,487,550	26,879,764	23,469,860
<b>EXPENDITURES:</b>				
Instructional departments	7,340,006	573,534	7,913,540	7,993,940
Sponsored programs	—	6,321,472	6,321,472	5,496,901
Institute for the Arts	—	909,604	909,604	840,346
Library	1,219,021	46,657	1,265,678	1,047,169
Student services	553,614	144,433	698,047	627,438
Plant operations and maintenance	1,376,781	3,006	1,379,787	1,330,267
General and administrative	2,223,768	147,589	2,371,357	2,452,442
Retirement contributions (Note 5)	1,218,520	—	1,218,520	1,088,478
Auxiliary enterprises	4,170,005	34,771	4,204,776	3,846,970
	18,101,715	8,181,066	26,282,781	24,723,951
<b>EXCESS OF (EXPENDITURES) OR REVENUES BEFORE TRANSFERS</b>	(1,709,501)	2,306,484	596,983	(1,254,091)
<b>TRANSFERS:</b>				
Endowed chairs	855,655	(855,655)	—	—
Overhead from contracts and educational allowance	1,450,829	(1,450,829)	—	—
Provisions for plant improvements and contingencies (Note 2)	(607,865)	—	(607,865)	(299,974)
<b>EXCESS OF EXPENDITURES AND TRANSFERS OVER REVENUES</b>	\$ (10,882)	—	\$ (10,882)	\$(1,554,065)

The accompanying notes are an integral part of these financial statements.

<u>ASSETS</u>	<u>Current Funds</u>	<u>Endowment Funds</u>
<b>CASH, RECEIVABLES, AND PREPAYMENTS:</b>		
Cash	\$ 297,664	\$ —
Accounts and accrued receivables	332,730	533,272
Notes receivable, student loan funds	—	—
Prepayments, etc.	<u>173,218</u>	<u>131,650</u>
	803,612	<u>664,922</u>
<b>INVESTMENTS (Note 2):</b>		
Bonds and certificates of deposit, quoted market of \$22,681,000 and \$19,982,000 at respective dates	—	26,941,828
Stocks, quoted market of \$140,723,000 and \$140,729,000 at respective dates	—	110,171,830
Mortgage and collateral loans	—	6,900,841
Oil and gas properties, less amortization of \$27,041,000 and \$26,097,000 at respective dates	—	3,930,739
Improved real estate, less amortization of \$5,464,000 and \$4,827,000 at respective dates	—	6,066,222
Undeveloped real estate and other	—	1,614,519
Interfund investments—		
Auxiliary facilities financed from endowment (Note 3)	—	7,159,303
Other	<u>3,611,085</u>	<u>(4,501,011)</u>
	<u>3,611,085</u>	<u>158,284,271</u>
<b>EDUCATIONAL PLANT, at cost (Note 3):</b>		
Land, buildings, and equipment	—	—
Construction-in-progress	—	—
	<u>—</u>	<u>—</u>
	<u>\$4,414,697</u>	<u>\$158,949,193</u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>		
<b>LIABILITIES:</b>		
Accounts payable	\$1,526,003	\$ 151,036
Deferred income and deposits (Note 4)	1,051,819	334,021
Deposits of collateral for securities loaned (Note 6)	—	3,961,200
Advances from Federal government for loan funds	—	—
Retirement funds (Note 5)	—	4,257,122
	<u>2,577,822</u>	<u>8,703,379</u>
<b>FUND BALANCES</b>		
	<u>1,836,875</u>	<u>150,245,814</u>
	<u>\$4,414,697</u>	<u>\$158,949,193</u>



# University

1973 and 1972

June 30, 1973

June 30, 1973		June 30, 1972	
Plant Funds	Loan Funds	Total	Total
\$ 412,453	\$ —	\$ 710,117	\$ 1,092,838
—	—	866,002	753,122
—	2,429,918	2,429,918	1,846,669
—	—	304,868	232,518
<u>412,453</u>	<u>2,429,918</u>	<u>4,310,905</u>	<u>3,925,147</u>
—	—	26,941,828	21,100,008
—	17,582	110,189,412	93,903,088
—	—	6,900,841	7,624,215
—	—	3,930,739	4,619,913
—	—	6,066,222	6,238,218
—	—	1,614,519	1,760,344
(7,159,303)	—	—	—
<u>772,901</u>	<u>117,025</u>	<u>—</u>	<u>—</u>
(6,386,402)	134,607	155,643,561	135,245,786
71,803,448	—	71,803,448	68,869,666
<u>361,719</u>	<u>—</u>	<u>361,719</u>	<u>733,666</u>
<u>72,165,167</u>	<u>—</u>	<u>72,165,167</u>	<u>69,603,332</u>
<u>\$66,191,218</u>	<u>\$2,564,525</u>	<u>\$232,119,633</u>	<u>\$208,774,265</u>
\$ 1,245	\$ —	\$ 1,678,284	\$ 1,045,098
—	—	1,385,840	927,788
—	—	3,961,200	—
—	1,831,222	1,831,222	1,580,315
—	—	4,257,122	4,041,826
<u>1,245</u>	<u>1,831,222</u>	<u>13,113,668</u>	<u>7,595,027</u>
<u>66,189,973</u>	<u>733,303</u>	<u>219,005,965</u>	<u>201,179,238</u>
<u>\$66,191,218</u>	<u>\$2,564,525</u>	<u>\$232,119,633</u>	<u>\$208,774,265</u>

f these financial statements.

	Current Funds		Endowments	
	Unrestricted	Restricted	Income Restricted	Income Unrestricted
<b>ADDITIONS TO FUND BALANCES:</b>				
Gifts and bequests	\$ —	\$ —	\$ 994,876	\$ 143,811
Gain on sale of investments	—	—	493,976	7,746,268
Oil and gas royalties and bonuses (Note 2)	—	—	14,473	10,484
Investment income (interest allowed) (Note 2)	—	—	125,680	—
Distribution from Rice Land Lumber Co.	—	—	—	194,700
Miscellaneous	7,212	—	322	—
Current funds transactions—				
Equipment purchases from current funds	—	—	—	—
Restricted receipts over transfers to revenues	—	462,686	—	—
Provisions for plant improvements and contingencies (Note 2)	—	—	—	—
	<u>7,212</u>	<u>462,686</u>	<u>1,629,327</u>	<u>8,095,263</u>
<b>DEDUCTIONS FROM FUND BALANCES:</b>				
Current funds expenditures and transfers over revenues	10,882	—	—	—
Assets retired (Note 3)	—	—	—	—
Miscellaneous	84,656	42,171	50,957	—
Restricted grant transferred to sponsored research	—	818,074	—	—
	<u>95,538</u>	<u>860,245</u>	<u>50,957</u>	<u>—</u>
<b>TRANSFERS AMONG FUNDS:</b>				
Operating deficits transferred to endowment	1,164,710	—	—	—
Reclassify auxiliary facilities financed from endowment previously classified as invested in plant (Note 3)	—	—	—	—
Unrestricted funds reclassified to income restricted endowment	—	—	4,894,607	(4,894,607)
Plant and equipment expenditures	—	—	—	—
Other	9,497	(411,955)	356,319	—
	<u>1,174,207</u>	<u>(411,955)</u>	<u>5,250,926</u>	<u>(4,894,607)</u>
<b>NET INCREASE (DECREASE) FOR YEAR</b>	<u>1,085,881</u>	<u>(809,514)</u>	<u>6,829,296</u>	<u>3,200,656</u>
<b>FUND BALANCES, beginning of year</b>	<u>(1,084,135)</u>	<u>2,644,643</u>	<u>26,787,426</u>	<u>50,176,059</u>
<b>FUND BALANCES, end of year</b>	<u>\$ 1,746</u>	<u>\$1,835,129</u>	<u>\$33,616,722</u>	<u>\$53,376,715</u>

The accompanying notes are an int

# University

## nd Balances

30, 1973 and 1972

Functioning as Endowment	Plant Funds		Loan Funds	Total	Year Ended June 30, 1972, Total
	Unexpended	Invested in Plant			
\$ 123,067	\$ 715,707	\$ —	\$ 10,310	\$ 1,987,771	\$ 2,051,297
6,841,719	—	—	—	15,081,963	1,436,481
—	—	—	—	24,957	3,135,320
—	15,587	—	14,977	156,244	75,482
—	—	—	—	194,700	117,474
—	5,285	—	—	12,819	452,584
—	—	1,263,501	—	1,263,501	1,043,090
—	—	—	—	462,686	743,144
607,865	—	—	—	607,865	299,974
<u>7,572,651</u>	<u>736,579</u>	<u>1,263,501</u>	<u>25,287</u>	<u>19,792,506</u>	<u>9,354,846</u>
—	—	—	—	10,882	1,554,065
—	—	846,402	—	846,402	754,294
28,198	59,878	—	24,561	290,421	116,884
—	—	—	—	818,074	—
<u>28,198</u>	<u>59,878</u>	<u>846,402</u>	<u>24,561</u>	<u>1,965,779</u>	<u>2,425,243</u>
(1,164,710)	—	—	—	—	—
8,829,813	—	(8,829,813)	—	—	—
—	—	—	—	—	—
(366,939)	(604,878)	971,817	—	—	—
(151,438)	37,662	(71,478)	231,393	—	—
<u>7,146,726</u>	<u>(567,216)</u>	<u>(7,929,474)</u>	<u>231,393</u>	—	—
14,691,179	109,485	(7,512,375)	232,119	17,826,727	6,929,603
48,561,198	1,125,869	72,466,994	501,184	201,179,238	194,249,635
<u>\$63,252,377</u>	<u>\$1,235,354</u>	<u>\$64,954,619</u>	<u>\$733,303</u>	<u>\$219,005,965</u>	<u>\$201,179,238</u>

f these financial statements.



# William Marsh Rice University

## Notes to Financial Statements

June 30, 1973 and 1972

### (1) GENERAL—

#### Current funds—

The current unrestricted fund is used to account for operations relating to unrestricted instructional, research, auxiliary and general activities. Cash balances of all funds have been commingled in the current operating fund; cash transactions applicable to other funds are charged or credited to the appropriate interfund balances.

Current restricted funds account for gifts, grants, and contract funds in support of research, training, library, instruction and student aid. These funds are expendable only for the purpose specified by the donors. The statement of current funds revenues, expenditures, and transfers reflects restricted revenues actually expended; excesses of revenues received or utilized in each year have been added to or subtracted from the fund balances available for future utilization.

#### Endowment funds—

Income restricted endowment funds generally represent gifts and bequests received by the University for which the donors have stipulated that the principal is to be maintained inviolate and income resulting from investment of the funds may be expended for specified purposes.

Other endowment funds consist of income unrestricted funds, including the Founder's endowment, and funds functioning as endowment. Income unrestricted funds represent gifts and grants together with allocated realized capital gains that are maintained inviolate. Income earned by investment of these funds is used for unrestricted operations. Funds functioning as endowment consist of discretionary funds which the Board of Governors has designated as endowment, the income from which is to be used for unrestricted operations.

#### Student loan funds—

Student loan funds include gifts and grants which are limited by the terms of donors to the purpose of making loans to students. Also included in these funds is the National Direct Student Loan Program (\$1,957,000 at June 30, 1973) financed by the Federal government and administered by the University.

#### Plant funds—

Plant funds consist of unexpended gifts and grants which are held for acquisition or construction of physical properties and total invested in the educational plant.

### (2) INVESTMENTS—

Investments are recorded at cost or fair market value at date of acquisition. Premiums or discounts applicable to bonds purchased are amortized against investment income over the life of the bonds.

Most income restricted endowment funds participate in a common pool which is operated on a market value basis. Those income restricted funds which by the terms of the gift do not permit participation in such a pool are maintained on a separate investment basis.

Other endowment funds together with interfund investment amounts of other funds are commingled for investment purposes in the general investment pool. Interfund investments do not share in the general investment pool's gains and losses, but are allowed interest.

Investments in oil and gas properties and improved real estate held for investment are recovered through amortization charged against related income. Prior to July 1, 1972, an amount equal to four percent of the unamortized balance of oil and gas properties was transferred from oil and gas receipts to current income and the remainder was added to endowment funds. Effective July 1, 1972, the Board of Governors authorized the transfer of 72½ percent of such oil and gas receipts (\$1,658,238 for the year 1973) to current income and 27½ percent as amortization of the related investments.

Income from endowment funds available for current operations is reduced by a transfer of five percent as a provision for contingencies and a transfer of 10 percent, less departmental equipment purchases, as a provision for a reserve for plant improvements.

### (3) EDUCATIONAL PLANT—

The educational plant is stated at cost. No provision is made for depreciation of educational buildings and equipment.

A depreciation charge (\$200,666 in 1973) was made to auxiliary operations for recovery of the cost of that

portion of these operations not financed by gifts and grants. This charge is based substantially on estimated useful lives and is intended to reimburse endowment funds for amounts advanced (total of \$8,829,813) to complete funding of construction.

Current unrestricted expenditures include equipment acquisitions of \$594,162 and \$401,122 in 1973 and 1972, respectively, which amounts have been added to the related property accounts. Six and two-thirds percent of capitalized equipment is charged off (retired) each year.

#### (4) GIFTS—

Gifts totaling \$4,715,716 were received during the year, of which \$497,201 were for unrestricted current operations to be used for the 1973-74 year. Gifts of \$491,398 received during the prior academic year were included in current unrestricted revenues. Other gifts received during 1973 and added to the appropriate fund balances consisting of endowment (\$1,261,754), physical plant improvements (\$715,707) and student loan funds (\$10,310).

#### (5) RETIREMENT PLAN—

Retirement funds represent balances of pension funds held for employees. The University has a retirement plan for employees who do not participate in other annuity purchase plans currently available. The University's policy is to expense pension cost on a current basis. A substantial portion of these funds are to be transferred to a separate trustee in 1974.

#### (6) DEPOSITS OF COLLATERAL FOR SECURITIES LOANED—

The University received \$3,961,208 as collateral deposits for certain securities temporarily loaned to brokers. As of June 30, 1973, the securities on loan amounted to \$2,203,852 at cost (market \$3,948,737) and the collateral deposits were invested in short-term paper.

#### (7) STATEMENT RECLASSIFICATIONS—

Certain reclassifications have been made to the 1972 financial statements to make them comparable with those of the current year.



*KTRU, the student-operated radio station, continues to be an important voice on campus.*



# Rice University

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