With deep thanks to those who made sure our university never closed

Rice Crisis Management Team
Rice University Police Department
Housing and Dining
Facilities, Engineering and Planning
Office of Information Technology
Office of Dean of Undergraduates
College Magisters and RAs
Office of Public Affairs
And for all who remained on campus
2019
A year that was building on our success
OUR MISSION

As a leading research university with a distinctive commitment to undergraduate education, Rice University aspires to pathbreaking research, unsurpassed teaching and contributions to the betterment of the world. It seeks to fulfill this mission by cultivating a diverse community of learning and discovery that produces leaders across the spectrum of human endeavor.
Living our mission through our values...

Responsibility + Integrity + Community + Excellence
Student enrollment continued to grow across undergraduate and graduate programs.

Growth and diversification of enrollment

- **Fall 2004**: 4,854 enrollments with 23% Doctoral, 3% Research Masters, 10% Liberal Studies, 3% Professional Masters, 2% MBA & MAcc, 4% Performance Masters, 12% Performance Masters, 60% Bachelor.
- **Fall 2012**: 6,352 enrollments with 21% Doctoral, 11% Research Masters, 2% Liberal Studies, 10% Professional Masters, 2% MBA & MAcc, 4% Performance Masters, 60% Bachelor.
- **Fall 2019**: 7,170 enrollments with 21% Doctoral, 12% Research Masters, 2% Liberal Studies, 10% Professional Masters, 2% MBA & MAcc, 8% Performance Masters, 55% Bachelor.

Data Source: Office of the Registrar
New student enrollment for Fall 2020 is strong

1,058 Undergraduates
(as of May 18)

34 UG Transfers
(as of May 18)

1,148 Graduate Students
(as of May 20)

330 MBA
295 - Domestic
35 - International

530 Masters
207 - Domestic
323 - International

288 Doctoral
126 - Domestic
162 - International
We are an international community of students.

Data source: Integrated Postsecondary Education Data System (IPEDS), Fall 2018
We are an international community of scholars

36% of our TTT faculty come from around the world

- **US citizen with Bach Degree outside US**: 11% (59)
- **International**: 5% (25)
- **Permanent resident**: 20% (111)
- **US citizen**: 64% (350)

*U.S. citizen with bachelor degree or equivalent earned from non-U.S. university

Fall 2019 Tenure-track Instructional Faculty

Data source: Faculty Fall Census and VPAA
Research revenue continues to grow
11.4% growth over same period last year July-April

Data Source: Finance
Rice Online statistics:

- 3.2+ million enrollments to date
- 1.6+ million enrolled in more than one course
- Total enrollments in 2019: 294,664
- Total international enrollments in 2019: 189,959
- Online MBA launched July 2018
- Online Master of Computer Science launched August 2019

Data Source: Digital Education
We continue to launch innovative new programs

Neuroengineering
Carbon Hub
African and African American Studies
New professional master’s degrees

Building Research on Inequality and Diversity to Grow Equity (BRIDGE)
Projects Completed
- Kraft Hall - Social Sciences
- M.D. Anderson Biological Laboratory Renovation
- Will Rice Magister’s House

Projects Under Construction
- McNair Hall Renovations (Phase 1)
- Brockman Hall for Opera
- Loop Road and Entrance 8 Road
- BRC floors 6, 8-9 Buildout
- BRC Infrastructure
- New Sid Richardson College
- Library Service Center Expansion
- Waltrip Indoor Training Center
- Shakespeare Street Graduate Student Housing

Projects in Design
- Hanszen College new wing
- OEDK expansion
- Cannady Hall (Anderson Hall Addition)
- Dell Butcher Hall Floor 4 Renovation
- Maxfield Hall Renovation (Mech Lab)

Planning Underway
- New building for VADA
- New Engineering and Science Building (Abercrombie replacement)
- RMC with multicultural center

Update on capital projects awaiting our return to campus
<table>
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<tr>
<th>World University Rankings</th>
<th>U.S. News &amp; World Report</th>
<th>Global Think Tank Index</th>
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<tbody>
<tr>
<td>#64 – Most International University</td>
<td>#17 – Best Colleges in the Country</td>
<td>#2 – University Global think tank</td>
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<tr>
<th>Princeton Review</th>
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<th>#1 – Global Energy Policy think tank</th>
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<tr>
<td>#14 – Best Value Colleges</td>
<td>#1 – Graduate Entrepreneurship</td>
<td>#10 – Best Colleges in America</td>
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<tr>
<td>#1 – Race/Class interaction</td>
<td>#10 – Best Professors</td>
<td>#10 – Best Professors</td>
</tr>
<tr>
<td>#3 – Happiest students</td>
<td>*Six departments ranked in top five</td>
<td></td>
</tr>
</tbody>
</table>
Rice recognizes Rev. William Lawson by naming grove in honor of his contributions to Houston
We celebrate our faculty who have received recognition

Caleb McDaniel
Pulitzer Prize in History

Lacy Johnson
Guggenheim Fellowship

Lydia Kavraki
AMC-AAAI Allen Newell Award
We celebrate our faculty who have received recognition

Reginald DesRoches
National Academy of Engineering

Gene Frantz
National Academy of Engineering
We take pride in our student leaders

Hannah Pearce
GSA Past President

Alison Farrish
GSA Current President

Grace Wickerson
SA Past President

Anna M. Clyburn
SA Current President
We celebrate our students who have received recognition

Savannah Cofer
Knight-Hennessy Scholar

Cordy McJunkins
Truman Scholarship Winner
We celebrate our student-athletes who have received recognition

Erica Ogwumike, Women’s Basketball
Joyce Pounds Hardy Award
For Outstanding Female Athlete

Adolfo Carvalho, Men’s Track and Field
The Bob Quin Award
For Outstanding Male Athlete
Leadership transitions
We welcome our new leaders

Reginald DesRoches
Provost

Kathi Dantley Warren
Vice President for Development and Alumni Relations
COVID-19 interrupts two school dean searches; Interim deans continue to provide leadership

Susan McIntosh
Interim Dean, Social Sciences

John Casbarian
Interim Dean, Architecture
Two academic dean searches launched and we welcome new interim deans

Janet Braam
Interim Dean, Natural Sciences

Rob Griffin
Interim Dean, Engineering
Our Response to COVID-19
Rice University’s decisions regarding COVID-19 are guided by four core principles

1. Protect the health, safety and wellbeing of every member of our community, and contribute to local and national efforts to reduce the spread of the deadly virus.

2. Base our decisions on health guidance from an authoritative scientific source – the Centers for Disease Control and Prevention.

3. Continue carrying out our academic mission as best as possible given the circumstances.

4. Take actions that are consistent with our Rice values of responsibility, integrity, community and excellence.
Rice transitions to remote delivery of all courses

- Faculty moved over 1900 courses online
- Rice continued to provide housing and meals for international students and others who needed to remain on campus to complete the semester
- Rice IT supported students and faculty who needed help with equipment and technology
- Faculty Senate adopted flexible approaches to grading and course withdrawal to ease stress
- Result: successful completion of the semester by almost all students.
Helping to serve those in need

OEDK $300 ventilator development

Moody Center 3D printed face shields
18 grants have been awarded so far to Rice researchers to conduct COVID-19 related research.

"XX R
- ApolloBVM ventilator developed and brought into production
- COVID-19 registry surveys the regional population
- COVID-19 cases tracked through wastewater analysis
- Device that rapidly identifies high-risk COVID-19 patients
- Environmental impact of COVID-19 in Texas
- Impact of COVID-19 information and recommendations on human behavior and opinions
We housed TMC workers on campus
“It was actually so well done ... You can just tell from having the adults speak, there really is a big connection between anyone and it really is difficult to say goodbye without saying goodbye.

... I’m really glad they had our magisters do speeches.”

— Gabrielle Falcon, Rice 2020 graduate
Current State of the Pandemic
<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan 21</td>
<td>United States first confirmed coronavirus case</td>
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<tr>
<td>Jan 30</td>
<td>First case of person to person transmission in US</td>
</tr>
<tr>
<td>Feb 11</td>
<td>WHO announced official name of COVID-19</td>
</tr>
<tr>
<td>Feb 25</td>
<td>U.S. stock market plummets over coronavirus fears</td>
</tr>
<tr>
<td>Feb 26</td>
<td>First case in the U.S. with no clear source of exposure</td>
</tr>
<tr>
<td>Feb 29</td>
<td>First recorded coronavirus death in the U.S.</td>
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<tr>
<td></td>
<td>- Rice announces employee exposed to coronavirus visited campus (later confirmed infected) others exposed self-quarantine</td>
</tr>
<tr>
<td>Mar 3</td>
<td>Rice-sponsored international spring break travel canceled</td>
</tr>
<tr>
<td>Mar 6</td>
<td>U.S. approves $8.3 billion emergency spending package to combat virus</td>
</tr>
<tr>
<td></td>
<td>- SXSW cancelled along with other high-profile events</td>
</tr>
<tr>
<td>Mar 8</td>
<td>Rice cancels classes for the week before spring break to prepare for possible teaching online</td>
</tr>
<tr>
<td>Mar 11</td>
<td>WHO declares the outbreak “can be characterized as a pandemic”</td>
</tr>
<tr>
<td>Mar 12</td>
<td>Rice announces moving classes online for remainder of the semester starting March 23</td>
</tr>
<tr>
<td>Mar 13</td>
<td>President Trump declares a national state of emergency</td>
</tr>
<tr>
<td>Mar 19</td>
<td>Rice closes Gibbs Recreation Center, RMC, campus USPS, Children’s Campus, Brochstein Pavilion, and Fondren Library closed to visitors.</td>
</tr>
<tr>
<td>Mar 23</td>
<td>Rice courses begin to be offered only online</td>
</tr>
<tr>
<td></td>
<td>- Houston area K-12 schools closed and began classes online</td>
</tr>
<tr>
<td>Mar 24</td>
<td>Harris County and Houston issue stay-at-home order</td>
</tr>
<tr>
<td></td>
<td>- Rice employees began working from home wherever possible</td>
</tr>
<tr>
<td>Mar 25</td>
<td>Deaths in U.S. passed 1,000</td>
</tr>
<tr>
<td></td>
<td>- President Trump approves disaster declarations for Florida, Texas and North Carolina</td>
</tr>
<tr>
<td>Apr 24</td>
<td>Deaths in U.S. passed 50,000</td>
</tr>
<tr>
<td>Apr 30</td>
<td>U.S. jobless total at 30 million</td>
</tr>
<tr>
<td>May 16</td>
<td>Rice holds first virtual commencement exercise</td>
</tr>
<tr>
<td>May 21</td>
<td>Worldwide confirmed cases 5.2 million</td>
</tr>
<tr>
<td></td>
<td>Deaths in U.S. pass 96,000</td>
</tr>
</tbody>
</table>
Where is the Houston area with COVID-19?

Living with COVID-19

- Houston region thus far has flattened the curve
- While greatly increased testing is in place, it is still not at levels desired by experts
- Economic issues threaten our welfare and our future, especially in Houston’s key industries
- Texas allows some business to reopen, but public health protocols remain critically important while reopening the economy
- Stress affects physical and mental health throughout the community
- Schools and daycare centers remain closed
Adapting to the environment of COVID-19

● Campus operations limited with only several hundred staff and until recently about 250 resident students

● Communication with students, staff and faculty is ongoing

● Summer school moved entirely online with substantially expanded offerings and much higher enrollment

● Planning is underway for return to campus in the fall if conditions permit under framework of flexibility, agility and adaptability

● We face an evolving and uncertain environment
All of Rice

Follow CDC guidance about personal protection, behaviors and hygiene

- Face coverings when in public or group settings
- Physical distancing
- Continue health monitoring and self-reporting: isolation and quarantine as necessary
- If ill, stay home
Moving toward the future: Phase 1 summer

Employees

- Essential employees continue to work on campus
  - Others return as determined by deans and vice presidents
  - Nonessential employees mostly continue to work remotely

- Research labs and Fondren Library
  - Support research, submit mitigation plans to begin to return to work

- Online summer course delivery; preparation & instruction for fall dual delivery

- Rice Children’s Campus opens

Visitors & Events

- Critical services only: contractors, construction workers and deliveries
- No campus events, camps, activities or gatherings
Moving toward the future: Academic Restart Committee (ARC)

Chris Johns-Krull (chair) – Speaker of the Faculty Senate; Natural Sciences
Kathleen Canning – Dean of the School of Humanities
Bridget Gorman – Dean of Undergraduates; Social Sciences
Fred Higgs – Vice Provost for Academic Affairs; Engineering
Klara Jelinkova – Vice President for International Operations and Information Technology
Eden King – Social Sciences
Kevin Kirby – Vice President for Administration
Caroline Levander – Vice President for Global and Digital Strategy; Humanities
Seiichi Matsuda – Dean of Graduate and Postdoctoral Studies; Natural Sciences
Ed Nikonowicz – Deputy speaker (and former speaker) of the Faculty Senate; Natural Sciences
Renata Ramos – Engineering
Jesus Vassallo – Architecture
James Weston – Business (and former speaker of the Faculty Senate)
Bob Yekovich – Dean of the Shepherd School of Music
David Tenney – Registrar and consulting member
<table>
<thead>
<tr>
<th>Class delivery issues (dual delivery and recording).</th>
<th>Semester schedule: Classes ending before Thanksgiving: Friday or Tuesday?</th>
</tr>
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<tbody>
<tr>
<td>Exceptions to dual modality (Architecture, Music, VADA, labs)</td>
<td>Spreading scheduled hours over the day</td>
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<tr>
<td>Class schedule issues/classroom allocations</td>
<td>Rescheduled hours</td>
</tr>
<tr>
<td>Faculty training</td>
<td>Physical distancing, class size</td>
</tr>
<tr>
<td>Student training and engagement (rules and better compliance from students)</td>
<td>Supplemental community-building efforts</td>
</tr>
<tr>
<td>Student and faculty choices about modality (attend or be remote if classes resume in person)</td>
<td>Fall contingency planning</td>
</tr>
<tr>
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<td>Spring contingency planning</td>
</tr>
<tr>
<td></td>
<td>January enrollments and orientation</td>
</tr>
</tbody>
</table>
Moving toward the future: Phase 2 August

All of Rice

Follow CDC guidance about personal protection, behaviors and hygiene

- Face coverings when in public or group settings
- Physical distancing
- Continue health monitoring and self-reporting: isolation and quarantine as necessary
- If ill, stay home

Testing services begin
Employees

- Return to campus as determined by deans and vice presidents
  Remote or alternative work as determined by dean or vice president
- Support services fully operational to assist return to campus

Visitors and events

- Critical services only: contractors, construction workers and deliveries
- Campus events, activities and gatherings limited to no more than 50 people with physical distancing
All of Rice

Measures in place to mitigate disease transmission

- Regular testing
- Case management and contact tracing
- Continue health monitoring and self-reporting: isolation and quarantine as necessary
- Physical distancing
- Face coverings in public or group settings
- If ill, stay home
- Sanitizing protocols
- Academic Restart Committee’s protocols implemented

Moving toward the future: Phase 3 Fall semester
Moving toward the future: Phase 3 Fall semester

Employees

- Work arrangements as determined by deans and vice presidents
- Support services fully operational to assist return to campus

Students

- Modified student life model (social gatherings, dining, clubs, physical activities)
- Social gathering spaces closed or available with limited or modified usage guidelines

Visitors and events

- Venues reopened to the public with appropriate physical distancing measures
- Campus tours resume with appropriate physical distancing measures
- Sporting events resume with appropriate physical distancing measures
- Campus events, activities and gatherings of 50 people or less with physical distancing
The Financial Challenges

“Perhaps the defining character trait of Edgar Odell Lovett was his steadfast optimism.” – Prof. John Boles
COVID-19 impacted the entire economy including higher education

- Direct costs of the pandemic now and in the future
  - Impact to Rice in FY 20: so far $10 million in expenses and lost revenues
- Volatility of financial markets impacts endowments and philanthropy
- High unemployment will likely impact student financial aid requirements
- Uncertainty and travel restrictions impact students’ decisions about going to college

All of Rice’s revenue sources are challenged and at risk
While we must make changes, Rice is in a stronger position than many

- Comparatively large endowment helps provide resilience, enables thoughtful transitions
- Adequate liquidity to pay our bills
- Recent debt issuance reaffirmed our AAA rating and provided resources to continue capital projects
- Comparatively lower tuition rate among peers
- Our already very generous financial aid makes us better prepared to support our students
- Capacity to expand undergrad enrollment with new housing opening in January 2021
- No hospital losses draining our current resources
- No large amount of athletics revenues to lose
- Strong foothold in online education that could be expanded
- Efficiencies that could be realized through implementation of Enterprise Resource Planning (ERP) system and other administrative improvements
- The Rice Management Company, which manages the endowment, has done a spectacular job in limiting losses
The FY 2021 budget is currently balanced

Endowment Distribution is 40% of Revenues

- $308.0M Endowment Distribution
- $158.7M Sponsored Research Including F&A
- $149.5M Restricted Gifts and Designated Funds
- $59.9M Auxiliaries
- $47.0M All Other

Compensation is 60% of Expenses

- $460.7M Compensation
- $234.2M S&E and Equipment
- $67.6M Facilities & Annual Capital

Consolidated budget includes research and auxiliaries
Facilities includes annual capital budget, utilities and interest expenses
The role of Rice’s endowment

- The purpose of the endowment is to support operations now and for future generations; it is not a “rainy day fund”
- Rice preserves the purchasing power for the future by spending on average somewhat less than earnings to account for inflation
- The endowment can help smooth downturns, as it did in 2008-09, but cannot eliminate need to significantly adjust spending in cases of severe losses
- The Rice Board of Trustees approves annual spending to fall within 4.5-5.5% of the endowment value over the last three years
- If spending is too high, the ability of the endowment to contribute to the permanent mission and success of Rice, and fulfill the purpose of its donors to support the university in perpetuity, would decline
Economic turmoil affects the endowment

- The market value of the endowment may be down ~10% in FY 20, reflecting possible decline of about $600 million.
- Further losses or a slow recovery -- flat returns in FY 21 or longer -- means endowment support is reduced and spending cuts are needed to stay within parameters of 4.5% to 5.5% of the trailing 3-year average market value.
What other revenues are at risk?

- **Net tuition revenue**
  How many students will be enrolled? Will some defer?
  How will high unemployment impact financial aid?

- **Housing and dining revenues**
  What if we can’t reopen?

- **Fundraising may suffer**
  The annual fund contributes about $8 million to the budget

- **Athletics revenues** that depend on games and donors

**Bottom line:**

- Lower revenues require spending cuts and new sources of revenue to maintain a balanced budget
- Efforts to date aim for a soft landing to protect jobs, but given uncertainties, no guarantees
- The more we work together to identify savings and raise new revenues, the better we can protect all members of our community
Financial gap could be $60 million or more over the next 5 years

- Gap could grow depending on:
  - Endowment returns in FY 2020 and the next several years as the economy recovers
  - Net tuition revenue, which depends on enrollment and financial aid requirements
  - Philanthropy
  - Athletics and event revenue

- We will close the gap by cutting expenses and raising revenues

- If we are not able to open in the fall, the challenges will be greater

- We are working over the summer to confirm the size of the gap that we need to close and the actions we need to take
Implement processes to consult and communicate with the Rice community as we plan and define our path moving forward

- We have told the Board of Trustees we will analyze a wide range of options over the summer
- We have surveyed our faculty, staff and students about issues regarding COVID-19 and will continue to do so
- Academic Restart Committee (ARC) involves a collaboration from across the campus
- Please share with your supervisor your thoughts and concerns; your input is valuable
- We will be implementing other ways to communicate online and anonymously; watch for announcements
Beginning in 1918, students, faculty and staff were abruptly dispersed due to World War I and the Spanish Flu epidemic.

Military doctors, nurses and staff came to Rice and converted a residential college into a hospital that served the Rice community and the city of Houston. Commencement was held early so that members from all groups could serve in the war. Others fell gravely ill.

Rice and its community not only survived the Spanish Flu and the war, but emerged a stronger university. When “war workers” were returning home and the worst of the pandemic had passed, the February 1919 Thresher reported on the improved state of the university:

“...we are living at a wholly different, bigger, broader and better school.”