



The world of possibilities



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“The only way to discover the limits
of the possible is to go beyond them
into the impossible.”

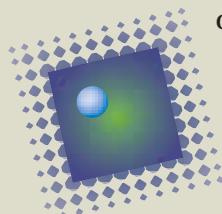
Arthur C. Clarke



Each gift is an expression of trust in the world of possibilities.

In October 2003, the public phase of Create the Future: The Wisconsin Campaign was launched. This \$1.5 billion capital campaign is our most ambitious ever. It is a giant leap from dreaming about what an extraordinary institution the UW could be, to actually establishing an endowment to finance that future.

The decision to cross the \$1 billion threshold was made with thoughtful deliberation and faith in all of you who care about the University of Wisconsin-Madison. While \$1.5 billion is a tremendous investment



CREATE THE FUTURE

The Wisconsin Campaign

in people, programs and facilities at the UW, it is an investment that will reap returns far beyond even this impressive goal. Clearly, many of you recognize the opportunity within the challenge of Create the Future: The Wisconsin Campaign. We are pleased to report that at the end of 2003, the campaign total stood at \$792 million. We are over the halfway point and well positioned to reach the goal by 2006.

To plan, implement and ultimately reach a goal of this magnitude requires the help of many people. Most of those working on this capital campaign are volunteers from throughout the country and around the world. They are lending their advice and counsel, giving their time and making their gifts. We sincerely thank them.

In the midst of the general frenetic pace of a campaign, it seems appropriate, even necessary, to stop and gather inspiration from some other leaps of faith.

Consider each new class of UW freshmen. These young people come to us as teenagers. They are intellectually unshaped, usually tentative about their ultimate professions, daring sometimes to the point of recklessness, naïve about managing a life and incredibly promising. A few brief years later, they emerge poised and focused adults, still daring, still filled with promise and prepared to become leaders.

Consider the graduate students, researchers and scientists who dive, rather than leap, into the most minute details of their subjects, working countless hours in libraries and labs, outer space and cyberspace, oceans and deserts, archives and engines, looking for answers to the questions that have been dogging

humanity for ages—or that have not yet been asked.

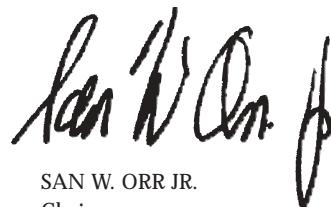
Consider the faculty. While we work to create the future, they look into its face every time they step before hundreds of people or a single student. They cast their knowledge of a lifetime onto unknown waters not knowing if it will come back in a trickle or an overwhelming wave. The best teachers, and we have many at the UW, willingly risk switching roles at times to become the learners.

Important here at the UW Foundation is our consideration of you, our donors. Once again, you have made this a record year with nearly 117,000 gifts, more than 7,000 more than in 2003. These gifts totaled just over \$145 million. We recognize that each gift is an expression of trust in the world of possibilities that each investment offers. We assure you that we take seriously our pledge to steward these gifts you have entrusted to us, and to invest wisely and monitor expenses diligently.

As Create the Future: The Wisconsin Campaign builds toward what we expect to be a joyous celebration, we renew our invitation for you to take part and welcome your support.



ANDREW A. WILCOX
President
University of Wisconsin Foundation



SAN W. ORR JR.
Chair
University of Wisconsin Foundation

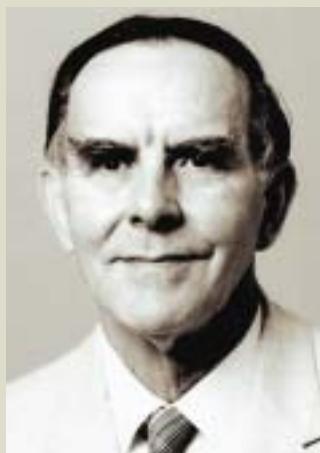
The Ebling Library: Heart of the Health Sciences Learning Center

The heart of something is its core, the guiding spirit, the energy center. The Ebling Library in the new Health Sciences Learning Center (HSLC) will be the heart of medical education on the UW-Madison campus. The largest private gift to the HSLC, in excess of \$3 million, from the estate of Paul R. Ebling ('47 BA MED, '52 BA L&S, '55 MD), ensures that this architecturally stunning library is not only among the most technologically sophisticated in the country, it is patron-friendly and comfortable. Consistent with the Wisconsin Idea, the building provides broadband video connections, making it accessible to users throughout the state.

The gift was designated to the UW Medical School by Dr. Ebling's brother, Walter Jr. ('54 BBA, '58 MBA), and sister, Mary Guhl ('55 BS AHP). "Paul considered going to the library as recreation," said Walter. "He was a doctor, a scholar, benefactor and friend. He had a hearty laugh and wonderful smile," said Mary. "He valued education and gave generously to others for their educations. The Ebling Library is a perfect memorial."

"This gift from the Ebling family helps us achieve two important objectives for the new health sciences library," said Dr. Philip M. Farrell, dean of the Medical School. "First, it personalizes the library and recognizes an exceptional alumnus. Second, it provides the funding to make this 21st century library a world-class resource."

Dr. Richard Holder ('52 BS MED, '55 MD), a classmate of Ebling's, remembers him as unpretentious, supportive of his colleagues and a good listener. He was organized, quietly confident, self-reliant and an exceptional student. The son of a UW professor of agricultural



Dr. Paul Ebling

economics, Ebling developed a love of learning and devotion to the University at an early age.

After graduation from the UW Medical School and a residency in internal medicine, he earned his doctorate in industrial medicine at the University of Cincinnati. For the last 20 years of his career prior to his 1988 retirement, Ebling was director of

admissions at the William S. Middleton Memorial Veterans Administration Hospital. He died in 2001.

The crescent-shaped, two-story Ebling Library fills the entire north wing of the HSLC. The Middleton, Weston and Power libraries are consolidated in the new space along with a climate-controlled vault for the rare book collection. The 50,000-square-foot wireless facility features computer-ready research workstations, a multi-media digital library for developing a Web-based curriculum, electronic document delivery and the ability to call up live video reference. There are open work areas with soaring walls of windows and lake views as well as private study rooms. Most important, this is an interdisciplinary library, welcoming medical, nursing, pharmacy, physician assistant and other health sciences students.

The Ebling Library promises to provide a fitting place for the joy of learning that inspired Dr. Paul Ebling.



Michael and Emily Lapinski Scholarship honors Polish heritage

The Polish program at UW-Madison is the oldest such program in the United States. The Department of Slavic Languages at UW-Madison was originally established, by an act of the state Legislature in 1935, as the Department of Polish Studies. It was only in 1942, during World War II, that the Department of Polish Studies became the Department of Slavic Languages.

Thanks to an estate gift from Leona Lapinski Leute, students can enter the captivating world of Polish studies, which often reflects a difficult, sometimes painful, but always fascinating history of Poland and its people. The Michael and Emily Lapinski Scholarship Fund in the Polish Language Program honors Leona's parents. Her sister, Elsie, also will be contributing to this fund by bequest. Both Elsie and Emily, who is a very active 98-year-old, reside in Madison.

Leona was born in Rothschild on June 14, 1932 and died at the age of 70. She graduated from Wausau High School and earned her bachelor's degree in elementary education from the UW-Madison. She was an English teacher in several Wisconsin and Illinois schools as well as U.S. overseas schools for military dependents in Japan, England and Germany. Always devoted to education, she was inspired by her father, Michael,

a Polish immigrant, and her mother, Emily, who also was of Polish descent. Emily's father, Stanley Iczkowski, a Polish immigrant, was instrumental in getting a school started in Bevent, Wisconsin many years ago.

Remembering Sherry Goldstein as UWCCC friend and supporter

Sherry Goldstein was a good friend and supporter of the University of Wisconsin Comprehensive Cancer Center (UWCCC). A 1949 graduate of the University of Wisconsin-Madison with a bachelor's degree from the College of Letters and Science, Sherry taught those at the Center to look forward, not back.

Although she had a rare form of leukemia, she approached her illness with tenacity and grace and died in 2002, peacefully surrounded by her family.

Many people will remember Sherry; her legacy has become a permanent part of the UWCCC. A memorial gift from her husband, Albert Goldstein, "Mr. G," to whom she was married for more than 50 years, names the reception area of the UW Breast Center the Sherry Goldstein Welcome Room.

"Sherry and Dr. Carbone had a marvelous relationship," said Al. "As a family, we felt that this room would be an ideal way to remember our Sherry as a woman who would always make everyone feel welcome."

Loyal friends, beloved colleagues and faithful Badgers

Ted Crabb ('54 BS L&S), emeritus director, Wisconsin Memorial Union, right, and Fan Taylor ('38 BA L&S), former director of the Wisconsin Union Theater, join Barbara ('52 BA L&S) and Frank ('51 BS L&S) Manley, left, in the Union Theater during festivities celebrating the Union's 75th birthday. The Manleys were active in the Union as students and through their generosity remain committed to the UW. Their \$1 million estate gift, presented in honor of Ted and Fan, will support Union programming and strengthen the Union's role as the social, cultural and recreational center of the campus.



The Breast Center provides a centralized location for women seeking mammography as well as a complete diagnostic work-up of a breast problem. The Breast Center is committed to the prevention, early detection, diagnosis and treatment of breast disease through compassionate, coordinated care. As part of the UWCCC, the Breast Center stands at the forefront of breast cancer research and treatment.

Well known in the Madison community as a volunteer, business person and philanthropist, Sherry served as president of the Friends of the UW Hospital and Clinics, board member of the UWCCC and chairperson of the Israeli Bond drives. She also was a dedicated volunteer at the Ronald McDonald House, HospiceCare Inc., Temple Beth El sisterhood and Madison Jewish Community Council.

Scholarship honors uncle's legacy, aids female students

E. Eugene Carter had some good reasons for establishing the Harry E. Rowland Engineering Scholarship.

One was to honor the memory of his uncle, Harry, who attended UW-Madison from 1914-16, before being drafted into World War I.

The other was a concern over the number of women entering the field. "I'm interested in getting more women into engineering, and I like big public universities, especially in the Midwest," said Carter, who taught finance at Harvard University, the Massachusetts Institute of Technology, the University of Illinois and the University of Maryland, where he also was associate dean of the business school.

The scholarship is to be directed to a female engineering major who is either of Hispanic descent, a first- or second-generation immigrant citizen or a first-generation college student.

"My wife is a Cuban refugee, and she has done extremely well in this country," he said. Rita M. Rodriguez escaped Cuba at the age of 16 and earned a PhD on scholarship from New York University. She was a professor at Harvard Business School for 11 years before serving as director of the Export-Import Bank of the United States in the administrations of presidents Reagan, George H.W. Bush and Clinton. "She likes to say that, 'It's only in this country that

something like that would happen to someone like me,'" he said.

Carter, who received his PhD from Carnegie Mellon University, said he also wants to help nurture novel approaches to engineering. "I do think women often bring a more sensible aesthetic and practical sense to things than men do," he said. "My impression is that they might well devise how to use technology in ways that men wouldn't."

Dr. David Morris, allergy crusader, owes it all to UW

"I owe a lot to the UW," said Dr. David L. Morris ('54 MD). "One of the most important things I learned was to think outside of the box." And to this day Dr. Morris is still thinking creatively. Since 1967, he has been crusading for a revolutionary treatment of severe allergies, a treatment called sublingual therapy, in which a patient receives antigen drops under the tongue rather than traditional injections.

Morris has been able to help thousands of patients over the years and is now helping the University of Wisconsin Medical School. A gift of more than 400 acres of property in Bangor, Wisconsin completes his pledge for the Morris Institute of Respiratory Research at the UW-Madison. The institute houses a unique center for studying the causes, and developing the cures, for allergic, inflammatory and genetic respiratory diseases.

David Morris graduated from the University of Wisconsin Medical School in 1954. After his internship at St. Mary's Hospital in Duluth, Minnesota and two years in the U.S. Air Force, he practiced as an allergist and family practitioner in West Salem, Wisconsin. In 1970, he limited his practice to allergies and moved to the Franciscan Skemp Medical Center in La Crosse, Wisconsin and started Allergy Associates of La Crosse, a group of physicians specializing in treating allergies.

He is a fellow in the American College of Allergists and American Academy of Environmental Medicine. He was board certified by the American Board of Allergy and Immunology in 1974.

UW Children's Hospital to become American Family Children's Hospital

Bolstered by an extraordinary \$10 million gift from Madison-based American Family Insurance, plans are now well under way to begin construction of a new \$55 million, 80-bed University of Wisconsin Children's Hospital. To be named American Family Children's Hospital at the University of Wisconsin Hospital and Clinics, the six-story, 135,000-square-foot facility is scheduled to begin construction in late fall of 2004 with completion anticipated in early 2007.

While the new facility will be connected to the west side of the existing UW Hospital and Clinics, the new children's hospital will have an entirely distinct architectural design built around the needs of today's children and their families.

"We are overwhelmed by the incredible generosity of this gift from American Family," said Donna Sollenberger, president and CEO of UW Hospital and Clinics. "Given American Family's corporate heritage and family-focused mission, we could not find a more fitting donor to partner with us in building not only a greatly needed pediatric health-care facility, but a priceless community and state asset."

This gift will allow the hospital to combine a "first-class facility" for children with the University's world-renowned research facilities and its medical school, Sollenberger said.

"This gift symbolizes our strong commitment to good corporate citizenship," said Harvey Pierce, American Family chairman and chief executive officer. "Our company was founded in Madison and over the past 75 years has experienced incredible growth and success. Our philanthropic focus has long been families and children, and this gift will provide critical assistance to families and children for a very long time."

\$1 million gift from COE alumnus provides bright future

Duane Collins ('61 BS Engr), and his wife, Joyce, believe that education is the foundation of a bright future. Their belief led them to make a \$1 million gift to the UW-Madison College of Engineering Mechanical and Industrial Engineering Building project.

Their gift, part of Create the Future: The Wisconsin Campaign, also was a way of saying "thank you" for the engineering education that was made available to Duane. "When I was in school, others came forward to support the University so that it would be there for me when I needed it. We need to make sure that similar opportunities are there for present and future engineering students.

"Education is the first step on the path. Future generations should share in that opportunity. Joyce and I both feel that way," said Duane.

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A daughter remembered, a physician honored

Dr. Joan Schiller, a medical oncologist and lung cancer specialist at the UW Comprehensive Cancer Center, has been awarded The Melanie Heald Professorship in Medical Oncology. The professorship was established by Lester and Frances Johnson in honor of their daughter, Melanie, a non-smoker who died of lung cancer in 2002.





Mellon Foundation sustains DARE

In an era when many endeavors in the humanities have withered on the vine, the “Dictionary of American Regional English” (DARE) has proven to be of rare and hearty vintage.

Over the years, as staff within the College of Letters and Science have worked toward completing DARE’s five volumes, more than 250 individuals and 15 foundations have sustained the venture. Of those, the Andrew W. Mellon Foundation has perhaps been the most instrumental in seeing the dictionary through what for many in the cultural trenches were barren times.

Started with field research between 1965 and 1970, DARE is dedicated to chronicling words and phrases with meanings endemic to various parts of the country. A treasure trove of the quirky and idiomatic, it has proven useful for doctors, law enforcement officers, historians, editors and just plain fans of language.

The four volumes to date take the alphabet from “A” to “Sk,” and the final volume is due in 2008. But without the help of the Mellon Foundation, DARE might not have made it this far.

The Mellon Foundation first supported DARE with a 1976 grant, and its funding was continuous into the mid-'90s, according to Joan H. Hall, DARE’s chief editor.

In 1992, Mellon said its latest three-year gift would have to be the last, because it normally does not fund projects for longer than ten years, Hall said.

In 1995, a cultural backlash caused Congress to slash the National Endowment for the Humanities (NEH), among other programs. DARE felt the pinch. “Our program officer at Mellon told us there was some money left at the end of that year and said, ‘If you can

Joan H. Hall, chief editor of the “Dictionary of American Regional English,” is shown here in front of a portrait of Frederic G. Cassidy, the dictionary’s founder and first chief editor, whose spirit still inspires the staff.

persuade the UW to come up with \$150,000 in matching money, we could probably give you \$150,000,’” Hall said.

The College of Letters and Science and the Graduate School combined to cover the \$150,000, which was an important signal to the Mellon Foundation.

After another unscheduled grant in 1998, Mellon signaled that the end again was near for its funding of DARE. “Our UW Foundation development director, David Simon, was unwilling to take ‘no’ for an answer,” Hall said.

Over time, a Board of Visitors was created that included writers such as William Safire, James J. Kilpatrick, Marianne Means, Harlan Ellison, Simon Winchester, Jacquelyn Mitchard and David Maraniss, as well as other “very hard-working, extremely useful people,” Hall said.

Volume IV was delivered to Mellon, and Chancellor John Wiley kept DARE as a priority. Over time, a new \$500,000 grant from Mellon was secured, starting in 2003. “We’ve asked that it be given in five installments,” Hall said. “At the beginning of each year, we know we have the core of our matching money that can be used for NEH grants.”

That has allowed some breathing room for what John Gross, reviewing Volume I in *The New York Times*, called “a work to consult, and a work to savor—a work to last a lifetime.”

Odyssey Project launches journey of discovery

There are no rules for who can learn, or where or why. Emily Auerbach ('76 BA L&S), UW-Madison professor of English and continuing studies, set out to test this truth when she embarked on an educational journey as the director of the Odyssey Project. Could the humanities help transform the lives of the poorest citizens of the Madison community?

With support from the Evjue and Quixote foundations, the Wisconsin Humanities Council, the College of Letters and Science, the Division of Continuing Studies, Wisconsin Public Radio's Jean Feraca and others, Auerbach and Odyssey Project Coordinator Shawn Peters launched the program in the fall of 2003. Of the 90 applicants for the first class, 30 were chosen, all struggling with poverty but showing promise and a desire to learn.

The Odyssey Project is an intensive humanities course designed to give economically disadvantaged students a jump-start on higher education. First-year classes met in south Madison every Wednesday evening from September through May. Twenty-four students completed the program, earning three to six

Integrated Liberal Studies credits and college admissions guidance. Their rigorous course work in literature, American history, philosophy, art history and writing helped prepare them for college life and enabled them to acquire a greater sense of citizenship and hope.

"Before this class, I never dreamed someone like me could go to college," said Joe Robinson, student and father of five. Joe hopes to attend Madison Area Technical College and then transfer to the UW. Classmate Tineisha Scott said that "the Odyssey Project has helped me build more confidence in myself as a student."

"What has struck me most about the first year of the program is the dedication of our students," Peters said. "They're dealing with serious adversity every day, and yet they remain committed to and enthusiastic about coming to class and learning. They really have a hunger for knowledge."

"Changing one person's life through higher education can transform an entire family," said Auerbach. "Our students, most of whom are single parents, tell us they are reading more not only to themselves but also to their children. This is a phenomenal success story."



Emily Auerbach, director of the Odyssey Project, leads an evening class at the South Madison Health and Family Center Harambe.

(continued from page 8)

Duane is chairman of the board for Parker Hannifin, and for the past decade, he has led the Cleveland, Ohio company. The Jefferson, Wisconsin native started as a sales engineer and quickly rose through the company's ranks. He spent several years overseeing international operations before being named president and chief executive officer in 1993.

Collins is married to his high school sweetheart, Joyce, and they have two daughters, Sharon and Pam. Their outside interests include golf, bridge, hunting, traveling and sports—especially University of Wisconsin football and the Green Bay Packers.

Professor's lessons come full circle for grateful alumnus

The memory of an inspirational professor motivated one of his students to make life easier for those who teach the finance professionals of tomorrow.

James E. "Pete" Freytag ('58 BBA) and his wife, Sue, have established the Freytag Finance Faculty Support Fund in memory of the late Professor Frank Graner, who taught in the School of Business from 1948 to 1969.

"I majored in finance, and Professor Graner was an outstanding teacher," Pete said. "He had a lot of insight, and I really wanted to do something to honor him."

The Freytag fund will support research activity for faculty members in the finance department. "With all the loss of state support, we know it's become more difficult to cover the costs and to keep outstanding faculty," Pete said. "I know we've done something to make it easier to attract and keep these excellent individuals in Madison."

Pete retired from State Farm Insurance as vice president of common stocks for the entire organization, which included a well-funded pension fund. "Our philosophy was to buy good companies, with excellent leadership. Given the recent Wall Street scandals, you can see that integrity is more important than ever," he said.

Pete's father, William H. Freytag Sr., graduated from the UW Law School, as did his brother. The family also has provided support to the Law School.

"My wife graduated from the University of Illinois, and we both have a high respect for all the Big Ten schools," Pete said. "You get a good feeling from being an alumnus of Wisconsin, and I know companies value the knowledge and work ethic of our graduates."

Love of children inspires alumna to create fund for teachers

"I wanted to attend the UW because I had heard great things about the school," said Frieda Schurch, who was raised on a farm near Barneveld, Wisconsin.

Frieda graduated in 1950 with a bachelor's degree in preschool education from the School of Home Economics. "I've always been fond of children," she said. "People don't really think enough about children, their health, education and environment and it is very important to give them a good start in life."

Because of her commitment to early education, she established the Frieda M. Schurch Fund for Preschool Teacher Professional Development. The fund provides opportunities for teachers in the University Preschool Laboratory to attend conferences, seminars and related activities to encourage continued professional development.

Frieda enjoyed a 32-year career as a kindergarten teacher in the Kenosha (Wisconsin) School District. She believed parents should be involved in the classroom as well as encouraging activities in the home to foster a child's love for learning. "This fund serves as a tribute to all early childhood educators who continually seek ways to encourage the intellectual, social and emotional development of the young child," she said.

The fund also recognizes Frieda's life work. After serving her country, first in the Women's Army Auxiliary Corps and then in the Women's Army Corps, she returned to the UW in 1946 on the GI Bill.

Her UW degree qualified her for membership in the American Association of University Women (AAUW). As an AAUW member, Frieda has established an education endowment that grants fellowships to women seeking an advanced degree, changing careers or re-entering the work force.

A child cried and somebody listened

Abuse is bad for children. This is not news. Seth Pollak, professor of psychology, psychiatry and pediatrics, and his colleagues at the Child Emotion Research Lab in the department of psychology in the College of Letters and Science are trying to learn more about what happens inside an abused child that is manifested on the outside. While studying the behavior of a group of abused children, they began to notice that some children had trouble understanding directions. They reasoned that these children had undiagnosed, overlooked learning problems.

"We already had connections with these families," said Pollak. "We had the equipment and the tests to assess learning skills. What we needed was funding to perform evaluations which could be given to the children's case workers and teachers." Social services and the schools could then take steps to help the children while they are in the critical pre-third-grade years when attitudes about school are formed.

A grant from the Oscar G. and Elsa S. Mayer Family Foundation is helping these at-risk children receive testing they could not otherwise afford. The grant funds assessments and preparation of individual profiles for teachers and case workers along with counseling services for the families and even their transportation to the lab.

Hal Mayer, president of the Mayer Family Foundation, explained that the foundation "is very much involved in efforts that make people's lives better. We especially want to give a little boost to people who are pulling themselves up by their bootstraps.

"We have an entrepreneurial attitude toward grants and are looking for outcomes," said Mayer. "The outcome of research like this should provide the ability to transfer knowledge to the next level. This means we are not agents for revolutionary change but rather look for somewhere that \$25,000, \$50,000 or \$100,000 can do something, or can make a difference."

"It's collaborative and exciting," said Pollak. "This is total community service. In Dane County we have well-educated, committed child service workers and



Professor Seth Pollack and his colleagues are trying to learn more about the effect child abuse has on children.

relatively little red tape but also fewer funds for assessments. The information we provide can affect all the services these children get. The intersection of a government agency, the UW and the Oscar G. and Elsa S. Mayer Foundation is a special partnership. We couldn't do this by ourselves. Together, we are taking steps to stop failure before it happens."

Couple enjoys restored prairie now, benefits Arboretum later

There are many ways to leave a legacy.

David J. "Willie" Goehrig and Pamilyn J. Hatfield want to make an impact through a deferred gift of their property to the University of Wisconsin-Madison. Their two-and-one-half acres, restored to prairie in the Madison Highlands, eventually will pass to the Arboretum through the UW Foundation.

Their gift allows them to enjoy the view now and later to enhance a treasured part of the University.

"Everybody loves the Arboretum," Goehrig said. "The gift seemed like a logical thing to do. We didn't have any children, so we thought we might as well leave the property to a good cause, and the Arboretum is definitely a good cause."

Arboretum Director Greg Armstrong is thrilled with the couple's gift and what it signifies. "I think that it's an absolutely wonderful and thoughtful gesture on their part," he said. "Obviously, we are very much in favor of ecological restoration wherever there is a place for it. To have something like this rehabilitated prairie in an urban setting is a fabulous thing."

Goehrig attended UW-Madison starting in January 1966 as a history and political science major, eventually getting bachelor's degrees in both majors from UW-Milwaukee.

He credits former neighbors Nan and David Cheney with starting the prairie restoration about 30 years ago. "When we moved in, we had a lot of buckthorn, hemlock and other overgrowth on our side of the property," Goehrig said. "Along with Dave, we cleared it all out. Now the prairie is spreading to the east and into the woodlands, which we're also restoring."

In addition to this gift, Willie and Pamilyn support UW crew and Tandem Press.

Making language live, making cultures connect

Today, when Tom Sternberg ('71 BA L&S) places an order in a Chinese restaurant, he orders in Chinese. "With my decidedly Western face, watching people's expressions is always interesting," he said from his office at the insurance agency he heads in White Plains, New York.

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Adopt-a-Band Member

Although they are best known for their performances at Badger football games, the UW Marching Band and the Varsity Band are about more than just athletics. Band members act as ambassadors, participating in community activities for the fun of involvement and a love of music. The Adopt-a-Band-Member program offers a sponsorship for each of the 248 band students. This covers the cost of new band uniforms, instruments and ongoing expenses. Thanks to the generosity of alumni and friends like the Wiesner family, shown here, from left, Sara, Colin, Dillon, Brenna and Jeff, alto saxophonist Carla Carlson, second from left, is now adoptee #216.



Education: Not the goal, but the journey

Orland K. Johnson, Jr. ('55 LLB) is an educated, successful and wise man. Ask him if he was a good student and you'll learn that he also is disarmingly honest and creatively generous. His planned gift for the UW Law School creates a charitable lead trust that will provide scholarship assistance to law students—students who may be more distracted explorers than model students. In other words, students more like himself in the early 1950s.

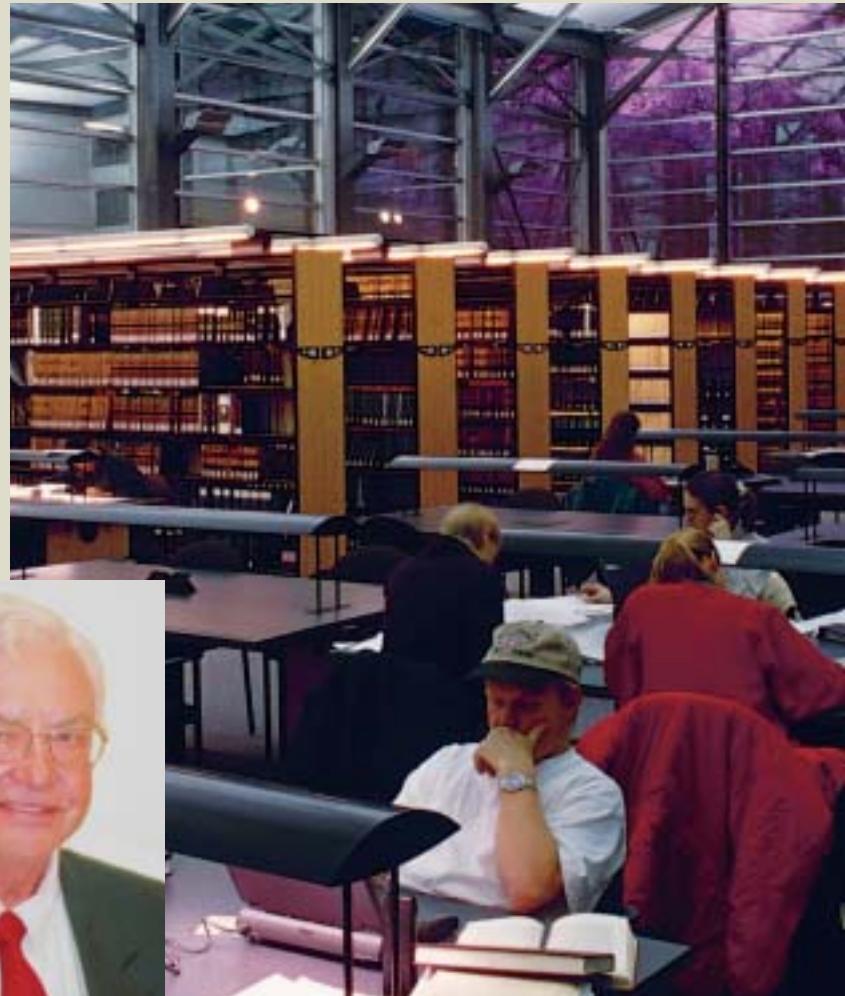
After graduating from Lawrence University, the logically dubbed "O.K." Johnson arrived on the UW-Madison campus in 1952 ready to begin law school. "Almost immediately I made up my mind that there was a lot more to school than going to class," he said. So he tended bar, drove a cab, worked for a CPA, catered parties, waited tables and even studied, time permitting.

O.K. eventually became interested in banking, his father's profession, and focused his studies on commercial law, accounting and negotiable instruments. He began his career at a bank in Racine and retired as an executive officer of a large Milwaukee bank in 1995.

"As I've become older and a little bit wiser, I wanted to make a useful gesture for generations to come, and to say thank you for what the Law School did for me," he explained. Johnson made an initial gift several years ago to create the O.K. Johnson Scholarship, which currently is providing financial assistance to several students. He has asked that recipients of scholarships from the charitable trust not necessarily be the most academically outstanding students in the class. Rather, he wants to help promising young people so that they can focus on their educations in ways that Johnson did not.



Orland K. "O.K." Johnson



Johnson has learned that while formal education can end with a graduation ceremony, true education is a journey that lasts a lifetime. "I'm sorry I didn't make more out of what the Law School offered, but it did give me the background for banking and an opportunity to work with many fine lawyers."

If life were a court of law, the generations of law students who will benefit from O.K. Johnson's consideration for others and appreciation for education will have grounds to object to Johnson's claim that he did not make enough of his Law School years. They will be right. Objection sustained.

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Sternberg is now giving other American students the opportunity to experience Chinese language and culture firsthand. His gift provides funding for several students to travel to China or Taiwan for study. He visited mainland China in 1984 and 1988. "I hope and believe there are still remnants of the old pre-cell-phone China and that students will seek this out."

Sternberg's interest in all things Chinese began with a casual decision to take Chinese as a freshman and an extraordinary teacher, Chou Kuo Ping, or Miss Chou to her students. "She had a talent for bilingual double-entendre that served as a useful remembering tool." Miss Chou hosted students in her home for meals and conversation practice in Chinese. In 1969, she arranged for Tom and several classmates to study Chinese in Taiwan. "This was made possible entirely by her efforts and contacts, her love and affection. It is my hope that through experiences like mine, future students also will feel that their studies have come alive."

Grateful alumnus "pays back" UW for successful career

"I have long planned to 'pay back' the Department of Risk Management and Insurance for the education that made my career possible," said Gerald "Jerry" D. Stephens ('55 BBA). And quite a career it was.

Jerry earned his Chartered Property and Casualty Underwriter (CPCU) designation in 1960 and founded RLI in his native Peoria, Illinois shortly thereafter. RLI Corp. is a multiline property/casualty company that writes a variety of specialty coverages. In 1961, Jerry's creative leadership set RLI apart as one of the first insurers of contact lenses. Although Jerry recently retired as CEO, he remains chairman of the board.

Jerry has made a \$1.5 million gift to the School of Business to establish the Gerald D. Stephens, CPCU, Chair and Program Fund in Risk Management and Insurance. The gift will not only provide support to a top educator and researcher in risk management and insurance, it also will support scholarships and participation at regional and national meetings, as well as risk and insurance research.

Professor Mark Browne is the first recipient of the Gerald D. Stephens, CPCU Chair. Mark is professor of actuarial science, risk management and insurance, and his areas of interest include principles of risk

management, employee benefits and government insurance programs.

"Education is more important than ever and the quality of the workers will separate the successful insurance companies from the less successful ones," Jerry said. "The key to success, without a doubt, is to surround yourself with outstanding people."

Devoted alumna's bequest continues legacy of support

When Elizabeth "Betty" Stafford Hirschfelder ('30 PhD L&S) died in 2002 at the age of 100, the University of Wisconsin-Madison lost a good friend. Betty's devotion to the University and her vision for its programs led her to establish the Elizabeth Hirschfelder Fund for Graduate Women in Math, Chemistry and Physics in the College of Letters and Science to encourage women to continue their education in the fields of math and chemistry.

Betty left a bequest that will continue her long legacy of support for mathematics and science in the college through the Theoretical Chemistry Institute, the Department of Chemistry and the fund for graduate women.

Betty received her BA and MA degrees in mathematics from Pembroke College, formerly the Women's College at Brown University, in 1923 and 1924. After teaching mathematics at Texas Tech, she moved to Madison in 1926 to accept a fellowship with Professor Mark Ingraham. After receiving her doctorate, she taught mathematics at UW-Madison for almost 20 years. With her first husband, Ivan Sokolnikoff, Betty co-authored an important textbook for engineering, "Higher Mathematics for Engineers and Physicists." With her second husband, Joseph O. Hirschfelder, professor of chemistry, she played a critical role in proofing and editing the famous textbook "Molecular Theory of Gases and Liquids," co-authored by Joe and his colleagues, professors R. Byron Bird and Charles F. Curtiss.

Weeks Hall gets update thanks to The Kraemer Company

"I use my geology education every day and so do the other UW grads we have here," said Joe Kraemer ('83 BS L&S), vice president of The Kraemer Company LLC of Plain, Wisconsin. The Kraemer Company has

(continued on page 17)

Farm and Industry Short Course gives farmers a jump-start

Delma Donald Woodburn, a self-described tomboy who loved to play outdoors, spent her early years on the farm that her grandparents established in 1855. Every Saturday it was her job to clean the farm's numerous lamps and chimneys, help card horse hair for mattresses and, when old enough, tend the livestock.

After her father died in 1934, Delma, never one to sit idle, helped her mother maintain their three farms in Springdale, Wisconsin, including the one where she was born, as places to give young farmers a start. She continued to oversee the Vernon Valley Farms, eventually with the help of her sons and grandchildren.

In 1938, Professor V.E. Kivlin, director of the farm short course, encouraged Delma to sign up for the College of Agricultural and Life Sciences (CALS) short course classes to give her additional scientific agricultural knowledge that she needed to run the family farms. She was not only impressed with the classes, she was grateful for the guidance.

Delma, who died in 2001, had a lifelong interest in the dairy industry and managed her own dairy. Because of her love of rural Wisconsin and her farm background, she left a bequest that established the John S. Donald Excellence in Teaching Award for the Farm and Industry Short Course. The fund honors her father, who was a farm management expert.

Delma received a bachelor's degree in economics from the UW-Madison in 1921. She met her future husband, James G. Woodburn, when he was visiting her neighbor. They were married in her family's living room in December 1923. James died in 1980.

In 1924, Delma studied home economics for a semester at Indiana University and, in 1941, she earned a degree in a farm short course at the UW College of Agriculture, which is now CALS.

With her estate gift, she also established the Delma Woodburn Fund for the Short Course DDW Dairy Instructional Center. The majority of classes in the Farm and Industry Short Course are taught in the Dairy Cattle Center Woodburn Family Classroom. She also established the J. S. Donald Award, named for her father. The award is given each year to the outstanding



The 17-week Farm and Industry Short Course, held at the UW-Madison College of Agricultural and Life Sciences each winter, gives young men and women who choose not to pursue a four-year agricultural degree an opportunity to learn about practical production agriculture. Gifts from alumni and friends have strengthened the Short Course program.

teacher in the Short Course. In addition, her estate established the Woodburn Conference Room in the College of Engineering.

James Woodburn was a professor of hydraulic engineering at the UW. The couple's two sons both graduated from the UW. James Donald Woodburn graduated from the University in 1947 as a mechanical engineer, and Robert Donald Woodburn received his degree in electrical engineering in 1949.

Delma is survived by her two sons, James and his wife, Merle, of California and Robert and his wife, Nancy, of Minnesota. There are four grandchildren, seven great-grandchildren and two step-granddaughters.

(continued from page 15)

provided support to the Department of Geology and Geophysics Building Fund to expand and update Weeks Hall.

Running a crushed stone quarry was a straightforward enterprise in the 1920s when the Kraemer family started working with aggregates. Today, their quarries and pits run the length of western Wisconsin from Ashland to Dubuque, Iowa, and they must keep abreast of changes in regulations on zoning and permitting, while continuing exploration for new sources.

"Environmental issues are so much more important than years ago," said Joe. "Having trained geologists on staff means The Kraemer Company has the resources to explore for and calculate future reserves, plan for reclamation of quarries and address storm water run-off issues. The education we received at the UW prepared us for the public scrutiny we work under on a daily basis."

"A great deal has changed in the study of earth sciences since the construction of Weeks Hall in 1974," said Professor Clark M. Johnson, chair of the department. "A growing number of students are showing an interest in geologic subjects, and we need to provide expanded and updated facilities for students and researchers, as well as visitors to our popular Geology Museum."

Giving not dependent upon age
John M. Simerlein is only 23 years old and a 2003 graduate of the University of Wisconsin-Madison School of Business with a double major in finance, investment and banking, and real estate and urban land economics. John is proud to have graduated in four years and he is equally proud to be associated with the real estate program.

"My gift is a way of staying involved with the school," said John. "I enjoy giving back to this department because it appreciates its alumni."

A construction property underwriter for Zurich North America, a leading commercial property-casualty insurance provider, John supports the John M. Simerlein Real Estate Scholarship Fund with annual gifts of \$500. "I wanted to make a gift that would have an immediate impact and I wanted to see how it is affecting people now."

"A unique aspect of the real estate program at UW-Madison is the extensive support the group of close-knit alumni share," he said.

This view also is shared nationally. *U.S. News & World Report* has ranked the UW-Madison undergraduate real estate program second in the nation.

"This high national ranking is consistent with views expressed by our graduates in exit surveys," said School of Business Dean Michael M. Knetter. "They are on average very satisfied with their experience with this school and the placement outcomes it helps create."

The first recipient of the John M. Simerlein Real Estate Scholarship was named this spring. John will meet the scholarship winner at the school's annual scholarship breakfast. "I look forward to sharing my experiences and at the same time learning what is new in the industry and in the real estate program from the scholarship recipients."

School of Business, Memorial Union and "All that Jazz"

Marty ('57 BBA) and Alice ('57 BS L&S) Krebs like to put their money where their memories and hearts are. Although Marty could have bypassed college and gone right to work in the family-owned Sells Printing Company, he knew it was important to have "knowledge other than the school of hard knocks." He built the New Berlin-based printer into a successful business, provided jobs for people and made regular gifts to the School of Business.

Early in her career Alice Krebs put her journalism degree to work in public relations at the Memorial Union with the venerable Ted Crabb. She has served on the Union Board of Visitors and directs her gifts to the Anne Minahan Leadership Training Fund, which supports a Union program that helps students learn management skills.

Then there is jazz. Although he played trumpet in the UW marching and symphonic bands, Marty considers himself a jazz musician by avocation and by passion. He has played Dixieland, big band and other styles with groups in the Milwaukee area and continues to jam near his retirement home in Florida. His sister, Rachel Paull ('54 BS L&S, '80 PhD L&S), also played in the symphonic band.

(continued on page 20)

A close-up photograph of a large, double-flowered white peony (Paeonia 'Renkaku') in full bloom. The flower has many layers of petals and a bright yellow center. It is set against a background of dark green, deeply lobed peony leaves. In the distance, a paved walkway leads through a garden with various shrubs and trees under a clear sky.

May flowers bloom in the English Garden

A gift from Martin ('60 BS Ag, '61 BS Eng, '64 MS, Ag Eng) and Kathleen ('60 BS HEC) Burkhardt, helps to maintain the beauty of the Allen Centennial Garden's English Garden. The Burkhardts' gift is in appreciation for all UW-Madison has done for them, as well as a remembrance of their family's ties to agriculture and the University.

Paeonia renkaku, Renkaku tree peony, ushers in spring; the class of 1935 pergola marks the garden entrance.

Effective teachers target of engineering professorship

Having received the tools for a successful career from the College of Engineering, Duane H. Bluemke, PE ('55 BS Chem Engr) thought it proper to foster a climate of continued excellence.

He and his wife, Dorothy, have established the Duane H. and Dorothy M. Bluemke Professorship in the college.

"I feel very privileged for the education I received from the UW, which helped my life to be much better and much more rewarding than it otherwise would be," said Bluemke, who majored in chemical engineering. Due primarily to his engineering background and specific work experience, he founded the firm that would become USCS Equipment Technology Solutions in Brookfield, Wisconsin. He's the CEO and chairman of the board for the company, which assists other firms in managing the cost of equipment maintenance, primarily in the health care, pharmaceutical and chemical industries.

The Bluemke Professorship will be awarded to a faculty member who has demonstrated distinction and innovation in teaching. It may be awarded within any of the College of Engineering's disciplines.

"I think that a lot of times research, which is very important, becomes a focus of faculty much more than classroom teaching," Bluemke said. "We wanted to make sure that professors who are good in the classroom, who connect with students, are rewarded."

Several UW-Madison professors had a profound impact on Bluemke. "While these comments probably represent something of an old litany, I do think Olaf Hougen was outstanding. He was very interested in teaching as well as research," he said. "Wayne Neill was very good, as well as Roger Altpeter and Roland Ragatz."

Bluemke has been actively involved with his college, serving on the Vision 2000 alumni committee that helped with the construction of the new Engineering



Duane H. and Dorothy M. Bluemke have established a named professorship in the College of Engineering for an educator distinguished in the classroom. They also provided significant support to the construction of the Engineering Centers Building.

Centers Building, which the Bluemkes helped to support. They also have provided support to the Department of Chemical Engineering, as well as the College of Agricultural and Life Sciences.

"My father was a factory worker, eventually a plant manager, and the UW allowed me to have a college education at an extremely affordable cost," Bluemke noted.

Throughout his college career, Bluemke believed he was held to a high standard, one that was ultimately validated by the job market. "The UW provided a solid background and a foundation for logical reasoning that I depend upon to this day."

For today's prospective students, "if they have the capacity to do the work and the personality to rise to the challenges, UW-Madison ranks with any place in the world," he said. "And now, especially with the formalization of the Department of Chemical and Biological Engineering, there are many more opportunities to stay and work in the state, with all of the new high-tech companies that are operating here."

(continued from page 17)

The quartet of Marty and Alice Krebs and Rachel and Richard ('52 BS L&S, '53 MS L&S, '57 PhD L&S) Paull established the Krebs Family Band Scholarship for a student in the UW band to provide financial help so a deserving student can balance band participation with academics.

For Marty and Alice Krebs, life is a little like a great standard tune: "Sometimes you play together, sometimes you solo; sometimes you play the score, sometimes you improvise; but most important, you have fun."

Different issues, same small world

Professor Emeritus William H. Young ('41 PhD L&S) taught at the University of Wisconsin-Madison from 1947-83. During that time, he established and directed the Center for Development to train public officials from developing countries in economics and public management. Young made 30 trips to Asia and understands the importance of building and maintaining relationships between the UW and universities abroad.

"Some of our students will have opportunities to serve overseas—whether in economics, trade, the military, health or some other capacity. Their judgment and performance will depend on how well they are prepared," said Young.

"The environment today is ripe for interest in global health issues," said Dr. Cynthia Haq, professor of Family Medicine and Population Health Sciences at the UW Medical School and chair of the International Health Advisory Committee (IHAC). The IHAC is an interdisciplinary committee of the UW schools of Medicine, Nursing, Pharmacy and Veterinary Medicine. It develops and promotes global health curricula, research and service programs to contribute to health improvements throughout the world.

When professors Young and Haq got together in early 2003, ideas flew back and forth resulting in an infusion of resources and hope into the global efforts of the UW. When Young learned of ideas to develop global health programs, he spoke with numerous friends and raised more than \$100,000. He continues to offer advice Haq finds invaluable.

The IHAC coordinates international health efforts and is building long-term, sustainable partnerships with universities in developing countries. A Web site, which serves as an information resource, is at www.pophealth.wisc.edu/ih/ihac/.

"The health of the people of Wisconsin is strongly affected by increasing immigration, travel and shifting disease patterns," said Haq. "It is in our best interest to improve global health."

Making things better, one gift at a time

Suzanne Ryden has many special memories of her years at the UW-Madison School of Nursing. She reminisces about the student nursing uniforms and the brown "Girl Scout" shoes she had to wear 50 years ago. She also recalls how students in the nursing school supported each other.

"Things are a little different now on campus—it's a bigger, technological, faster-moving place, but the young women and men who come here as student nurses still need encouragement. The new School of Nursing building will give them a place of their own to share triumphs, sadness, fun, friendship and learning—just like we had," she said.

Inspired by Create the Future: The Wisconsin Campaign kick-off in October 2003, Suzanne established the Suzanne Ryden Fund for Nursing. She also directed part of her gift to the School of Nursing Class of 1954 Building Fund.

"I am a fortunate woman. I have been blessed with two loving and encouraging parents, two delightful siblings, an excellent education at the University of Wisconsin School of Nursing, a gentle and devoted husband, three beautiful and successful children, a grandson who makes me proud, a satisfying nursing career, many true and trusted friends, relatively good health and a comfortable retirement. I couldn't ask for more. My gratitude for such a list has made me realize recently that it is 'Pay It Forward' time. It feels so good to support the UW School of Nursing and I plan to do so for the rest of my life."

Affection for Professor Frank Graner opens door for new MBA program

Professor Frank Graner ('48 PhD L&S) was short (about 5'6"), quirky and chain-smoked during the School of Business investment classes he taught from the late 1940s through the 1970s. To the horror of his colleagues, he thought students should be given real money to invest. He also instilled a passion for investing in his students, among them Albert "Ab" Nicholas ('52 BS BUS, '55 MBA). In part to honor his former professor, Nicholas, chair and chief executive officer of the Milwaukee-based mutual fund firm of Nicholas Co., Inc., made a \$6.4 million gift to establish the Nicholas Center for Applied Corporate Finance. The Applied Corporate Finance program (ACFIN) is a key component of the school's new MBA strategy, which focuses on career specializations.

Nicholas said his class in corporate finance, taught by the legendary Graner, was "instrumental in choosing my life's work, so it is close to my heart." He also said he made the gift because he wanted to "give back to the school that has done so much for me and to be part of helping revitalize the graduate business program."

Nicholas has long-standing ties to the University. He was named 1985 Distinguished Business Alumnus of the School of Business and served on its Board of Visitors from 1985-87. His lead gift during Grainger Hall's construction led to a lecture hall in that building bearing his name. He also is former president and board member of the National W Club, a past member of the UW System Board of Regents and current member of the UW Foundation board.

Nicholas played basketball for the UW, earning All-Big Ten honors. With his wife, Nancy Johnson Nicholas ('55 BS HEC), the couple made a \$10 million gift for construction of the Nicholas-Johnson Pavilion, a practice facility that adjoins the Kohl Center.



Professor James Seward, left, meets with two students in the Nicholas Center for Applied Corporate Finance, Ryan Savage and Matt Hinderaker.

True to the Graner philosophy, ACFIN is the only applied program in the country that focuses exclusively on practical training in corporate finance. Established in 1999, it combines real-world experience with innovative teaching of financial methods and techniques. Students get hands-on experience working on corporate finance consulting with participating firms. ACFIN students typically analyze such areas as working capital management, funding sources, valuation, capital expenditure decisions and joint venture and strategic alliances.

The Ab Nicholas gift represents a sound investment in the future business leaders who choose the UW and the School of Business MBA program. Certainly Professor Graner would give his former student an unqualified "A."



We continue to draw from our past as we create the future.

I have had a number of titles during my years here at the UW-Madison, one of them being teacher. As a teacher and a human being, I am continually moved by images emerging from the turmoil in the Middle East of children, women and men struggling, even risking their safety, to go to school, to learn, to grow beyond what is and to imagine what could be. When I see our students trudging up Bascom Hill, when I get together with our faculty and staff, and as I travel around the country meeting alumni and friends, I am equally moved by how fortunate we are here at home.

The budget situation has presented a significant challenge. The state of Wisconsin reduced its support of the UW System by \$250 million. We collectively cut our budgets by \$100 million—\$40 million here at Madison. This reduction was partially offset by a \$150 million increase in tuition revenues over the next two years that our students must bear. This increase has reduced our out-of-state undergraduate applications. We have had to cut some classes and increase enrollment in others.

I have spoken to legislators, business leaders, students, parents and taxpaying citizens of my concern, not just about current and recent budget cuts, but also about the longer-term trend they represent. In ten of the last 12 years, we've had cuts in the state portion of our budget, partially offset by increases, that exceeded inflation. With the state providing less than 25 percent of our UW-Madison budget, we are, in fact, no longer a state-supported institution. Still, I say we are fortunate.

Almost any way you look at it, the University of Wisconsin-Madison is in admirable condition. Our retention and graduation rates are above the national averages, rivaling many elite private universities. The median time-to-degree is four years in our four-year programs and five years in our five-year programs. We remain among the top few universities in the nation for research volume and PhD production. The 5,578 freshmen we welcomed in fall 2003 boasted the best academic credentials of any class in our history. We have been named one of the top dozen universities in the effectiveness of our technology transfer and economic development activities. With undergraduate tuition the second lowest in the Big Ten, the UW is still a bargain.

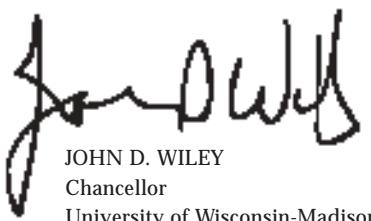
While our beloved Memorial Union and Agriculture Hall celebrated their 75th and 100th birthdays, respectively, construction was well under way for perhaps the finest health sciences complex in the country on the west end of campus, and plans were presented for a spectacular new arts and humanities “front door” on the east end. And our band has never sounded better.

Behind the scenes, our strategic plan set forth clearly articulated priorities and allowed us to make the necessary cuts while protecting the core missions of the University: education, research and outreach.

We are fortunate for the investment our alumni and friends have made and continue to make in this University. Your gift dollars are not meant to replace state dollars. They are used to recruit and retain top faculty and to provide scholarships and fellowships that help us attract the best and brightest students and give them time to devote to their studies. The public-private partnerships necessary to maintain and construct facilities that accommodate today's technology while anticipating tomorrow's needs rely on gift dollars. We continue to find ways to be more efficient, to build mutually beneficial relationships, to draw from our past as we create the future.

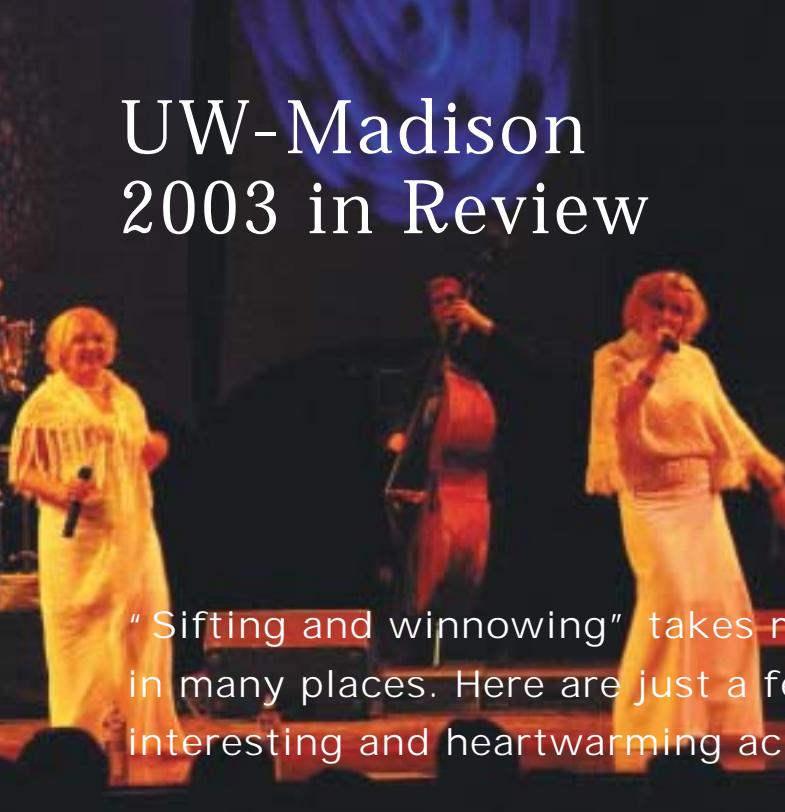
Ann Plato was a free African-American who taught school in the mid-19th century in Hartford, Connecticut. “A good education,” she told her students, “is another name for happiness.” This is a simple but apt reminder that we had much to celebrate in 2003.

I appreciate your loyalty, advocacy and commitment in the years ahead.



JOHN D. WILEY
Chancellor
University of Wisconsin-Madison

UW-Madison 2003 in Review



"Sifting and winnowing" takes many forms and occurs in many places. Here are just a few of the exciting, interesting and heartwarming activities from 2003.



Finnish music rocks the Union

of the Finnish group Varttina in 2003. This female trio, backed by a powerhouse acoustic band, began in 1983 as a chorus of 15 women in the village of Rääkylä in Karelia who sang traditional Karelian and Finno-Ugric folk music, some dating back thousands of years. It transformed into Varttina, a frenetic fusion of folk and rock that produced the platinum selling "Oi Dai" album in 1991.

The Union Theater provides a stage for the campus community to experience an amazing variety of artistry from around the world, across cultures and through time. If the walls of the Union Theater could talk, they would recall great performances of theater and music, oratory and dance, humor and tragedy presented by talent both world renowned and newly discovered.

A first for biology

ment ceremonies. Despite the UW's reputation for excellence in the biological sciences, a general biology major did not exist until 1999. Students interested in biology had to choose from 37 specialized majors, which also meant not choosing some areas that might be of interest.

The curriculum, created from previously existing courses, is a joint effort between the College of

Finland may not come to mind as a hotbed of new music but the Union Theater rocked to the beat

Agricultural and Life Sciences and the College of Letters and Science. About 130 students claimed the major when it was first offered. By 2003, the number had increased to 750. Graduates can go on to careers in teaching, medicine, research or business.

UW continues to pioneer stem cell research

The WiCell Research Institute, a nonprofit subsidiary of the Wisconsin Alumni Research Foundation, was named one of three

Exploratory Centers for Human Embryonic Stem Cell Research in the United States by the National Institute of General Medical Sciences. The designation included a \$1.7 million grant for further study. It also reaffirmed the pioneering work and international reputation of UW scientists in this important area.

James Thomson, a John D. MacArthur professor and WiCell scientific director, is the lead researcher on the grant. The funds will support work on the study of human embryonic stem cells as well as three pilot projects that will study questions in basic biology important for future stem cell discoveries.

Thomson, the first scientist to isolate human embryonic stem cells, also was named recipient of the Frank Annunzio Award from the Christopher Columbus Fellowship Foundation, an independent federal government agency. Annunzio Awards are presented annually to living Americans for improving the world through ingenuity and innovation.



By year end 2003, WiCell had provided human embryonic stem cells to more than 125 research groups around the world.

Washington "power couple" joins political science

('70 BA L&S) and Robert Barnett ('68 BA L&S), partner, Williams & Connolly LLP, joined the Department of Political Science Board of Visitors.

Braver spent four years as CBS White House correspondent before joining CBS News *Sunday Morning*. She has reported on the Supreme Court, Justice Department and FBI and covered the Iran-Contra case, the assassination of Israeli Prime Minister Itzak Rabin and Bill Clinton's 1996 presidential campaign.

Named one of "Washington's Fifty Best Lawyers" by *Washingtonian Magazine*, Barnett represents several major corporations in litigation matters, crisis management, government relations and media relations. He also is one of the premier author, correspondent and producer representatives in the world. His clients include Bill and Hillary Rodham Clinton, George Will, William Bennett, Queen Noor, Sam Donaldson, Judy Woodruff, Christiane Amanpour, David Gergen, Tim Russert and other government and public figures. He has worked on six national presidential campaigns.

The couple and their daughter live in Washington, D.C.

Senior national correspondent for CBS News and five-time Emmy winner Rita Braver

Taking care of business

The Financial Times of London has ranked the University of Wisconsin-Madison Executive

MBA program 27th in the world, up from 33rd last year. UW-Madison is 16th among all U.S. programs and second among U.S. schools in percentage of women enrolled. The rankings appeared in the October 20 Executive MBA section of the international business newspaper. This is the third year *The Financial Times* has ranked executive MBA programs and the third time UW-Madison's Executive MBA program was cited as being among the world's best. The program, started in 1993, admits 30 to 35 students each year.

The School of Business, guided by Dean Michael Knetter, added to its growing list of competitive prizes in 2003. A team of MBA students finished in the top 20 out of 143 teams from the top 50 MBA programs competing in the 2003 Thunderbird Innovation Challenge.

Building for tomorrow; celebrating yesterday

The face of the campus is changing with ongoing construction of the microbiology building on the site of a former nurses' dormitory, the Health Sciences Learning Center adjacent to the UW Hospital and Clinics, the co-generation plant on land formerly occupied by the greenhouses and the Camp Randall Stadium renovation. As construction cranes crisscrossed the sky, the UW also recognized the birthdays of three stalwart and cherished buildings.



The Washburn Observatory, built in 1878 as a center for astronomical observation and scholarship, marked 125 years of looking to the heavens and across Lake Mendota. Currently lacking handicapped accessibility and other modern amenities, this landmark building will be upgraded and restored with gift funds.

Agriculture Hall turned 100 years old in 2003. It still boasts the largest lecture hall on campus and was built for the amazing sum of \$150,000.

The "heart and soul of the University," Memorial Union reached age 75. Originally built with student funds, several additions have made it a sprawling arts, recreation, study, social, information and meeting center. To commemorate the event, the Babcock Dairy Plant concocted "Union Utopia," a special ice cream of vanilla with peanut butter, fudge and caramel.

Plans unveil "new front

2003, will add an exciting arts and humanities district at the end of State Street to complement Madison's new Overture Center. The plan calls for a pedestrian mall and new building construction inside an area bounded by Memorial Union and Regent Street on the north and south, with Park and Murray streets forming the two long borders.

Specific projects include expanding the Elvehjem Museum of Art and adding skywalk connections to surrounding buildings. The Peterson Office Building

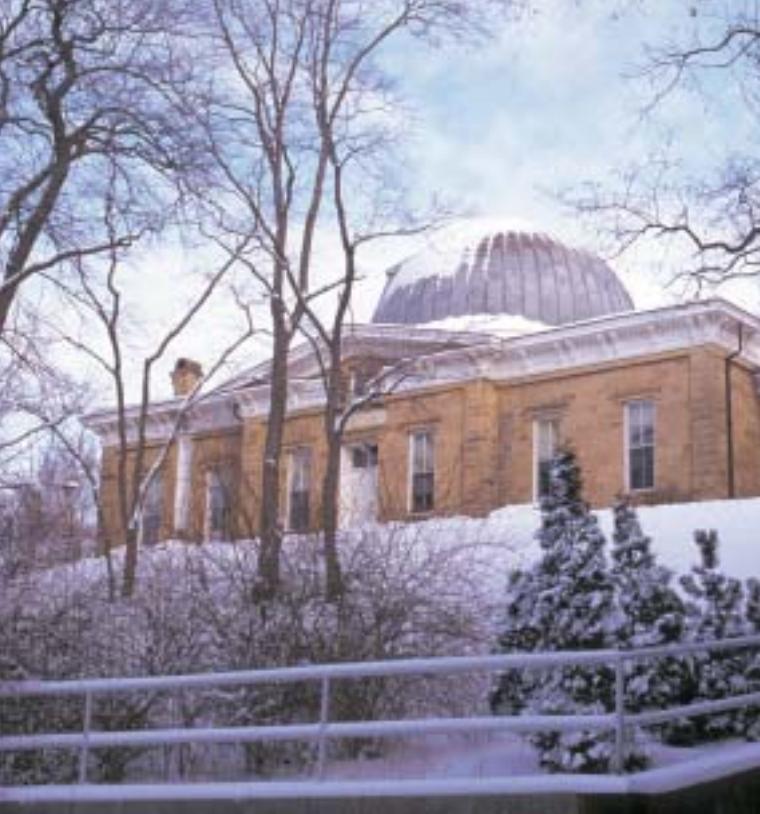
A 15-year East Campus Development Master Plan, unveiled in fall

and UW Extension Building will be demolished and replaced by academic space and performing space for the School of Music. The current University Square shopping area will become a combination of parking, retail, student services and student housing space.

The Humanities Building will be razed in two phases and rebuilt to accommodate the history department and other humanities centers. The 39-year-old Ogg Tower will give way to recreational green space. Two new student residences with between 850 and 1,000 beds will provide student housing west of the Kohl Center. The art department will be consolidated from ten sites around campus to a single new building. There will be additions to the Education Sciences building and to Grainger Hall for the School of Business graduate programs. Chancellor John Wiley calls the proposed revitalized east campus "a vibrant center for performing, creating, learning and living."

Vietnam— different battle with different warriors

Diabetes is a worldwide epidemic, rising at alarming rates even in developing countries. In Vietnam, the prevalence of the disease has doubled in the past 20 years and now affects at least 10 percent of the adult population. However, there has been little progress in helping the Vietnamese people learn about diabetes and make appropriate lifestyle changes. Nurse educators Linda Baumann ('82 MS L&S, '85 PhD L&S), professor, School



of Nursing, and Dory Blobner ('73 MS EDU, '98 MA L&S), diabetes education coordinator for the Dean Health System, traveled to Vietnam to teach nurses about the care and education of patients with diabetes.

Baumann, a former Peace Corps volunteer, has been working with nurses in Vietnam since 1989, making several trips to the small country, which is about the size of Wisconsin. Like Wisconsin, Vietnam also has a nursing shortage. With one doctor for every one-and-one-half nurses, Dr. Ta Van Binh, director of the Hospital of Endocrinology in Hanoi, welcomed the interest and expertise of Bauman and Blobner.

Native Americans embrace tradition and technology

The UW-Madison chapter of the American Indian Science and Engineering Society (AISES) grew to more than 20 students from freshmen up to graduate students. Their interests include everything from genetics to mechanical engineering and a range of non-science/technology fields as well. AISES served as co-producer of the "Health is Our Future: American Indian Health and Science Symposium," which included presentations from various health and science fields as well as a student panel and scholarship opportunities.

In 2002, AISES invited a group of high-school age Native American students from throughout the United States to campus for a weekend to explore the idea of

attending UW-Madison. Out of the ten attendees, seven enrolled as freshmen in 2003.

The bridges of a Wisconsin county-strong, economical, enduring

Three professors in the College of Engineering are working with the Wisconsin Department of Engineering on an innovative construction material

for bridges. Under the direction of Lawrence Bank, Jeff Russell and Michael Oliva, all in the Department of Civil and Environmental Engineering, a team of researchers developed a new bridge deck system that uses a fiber-reinforced polymer (FRP) grid to replace traditional concrete and steel reinforcement.

The new material does not crack, rust or corrode due to the effects of salt during harsh winters. The relatively lightweight FRP grid can be preassembled and transported to the work site, which saves money both in construction and bridge-closing delays.

A bridge utilizing the new deck system was built at the intersection of state highways 151 and 26, near Waupun in central Wisconsin. There are side-by-side bridges here for north- and south-bound traffic. One uses FRP, the other concrete and steel. Time will write the story of the bridges of a Wisconsin county.



On fields, ice, courts, tracks, links and in the water-solid performances all around

Coach Bo Ryan's men's basketball team advanced to the NCAA "Sweet Sixteen" thanks to the biggest comeback in school history. Freddie Owens' three-pointer with one second left gave the UW a 61-60 win over Tulsa. The team eventually lost to Kentucky. The Badgers celebrated back-to-back Big Ten championships, their first since 1923-24.

New head coach Lisa Stone took the helm of the Wisconsin women's basketball team. The former Drake University head coach is a Wisconsin native who played collegiate ball at the University of Iowa. The team took a 5-4 record into the new year led by the six-foot-plus junior/senior sister team of Lello and Ebba Gebisa.

The Badger men finished second in Big Ten cross country competition, their best finish under head coach Jerry Schumacher. Simon Bairu was named Big Ten Athlete of the Year.

Golf welcomed two new head coaches: Jim Schuman for the men's program and Todd Oehrlein for women's golf. Junior Kevin Tassistro set an individual 36-hole record 139 at the Xavier Invitational in Cincinnati, while senior Malinda Johnson placed among the top five in four fall tournaments.

Mike Eaves ended his first season as men's hockey head coach with a 13-23-4 overall record, 7-17-4 in WCHA play. The start of the 2003 season looked completely different as the icemen carried a record ten-game winning streak into the new year and were ranked second nationally. Senior Rene Bourque and freshmen

The year 2003 began on a high note in basketball and ended on a slightly lower, but nonetheless positive note in football. There was plenty of harmony in between.

Ryan Suter and Jeff Likens were heating up the ice for the Badgers.

First-year women's hockey coach Mark Johnson added WCHA co-coach of the year to his many honors including Olympic gold medalist in the 1980 "miracle on ice" game. The Badger women skated to a third-place finish in both regular season and WCHA tournament play. Senior Kerry Weiland became the UW's first four-time All-WCHA pick.

Men's rowing, the UW's oldest athletic program, sailed to a fourth-place finish in the country and took second in the all-points trophy at the national champion regatta. Eleven members of the women's openweight rowing team earned academic All-Big Ten awards, which requires a minimum 3.0 GPA and letter-winner designation.

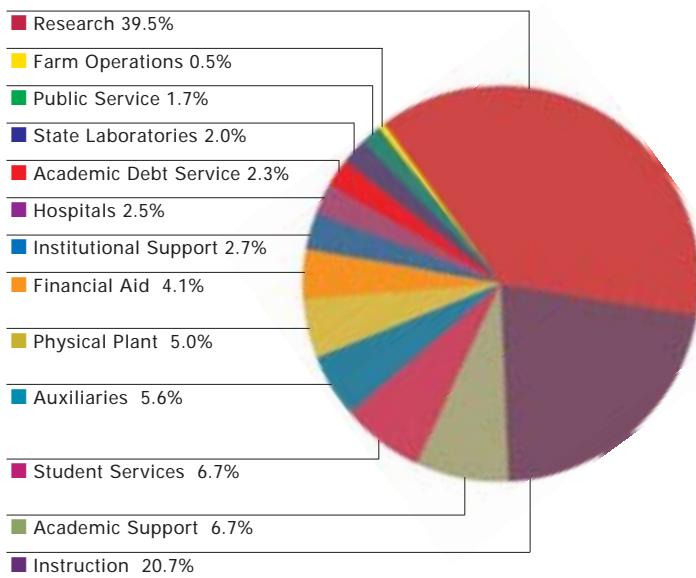
In softball, the Badger women posted their 200th victory and set a new home run record of 23. Senior Andrea Kirchberg ended her career as the UW record holder in ERA, wins, appearances, complete games, innings pitched, strikeouts and winning percentage.

Both men's and women's soccer teams made it to the semifinals in their respective Big Ten tournaments but eventually lost. The UW hosted the women's Big Ten tourney.

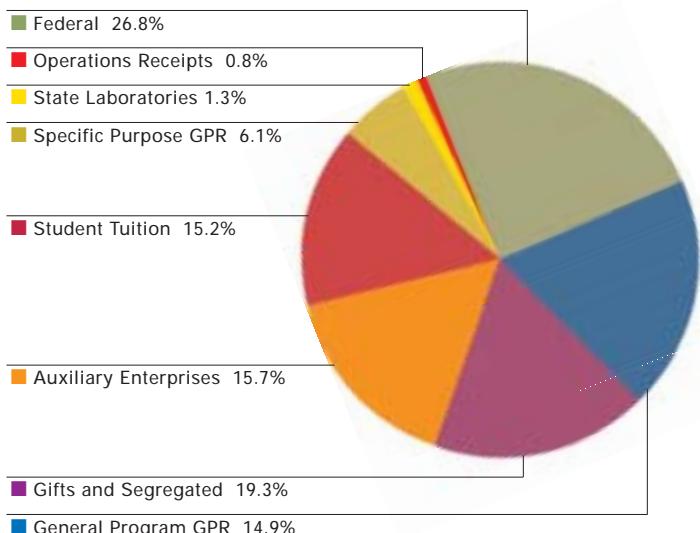
Finally, two fourth-quarter TDs gave Auburn University a 28-14 victory over the Badgers in the Gaylord Hotels Music City Bowl presented by Bridgestone on the last day of 2003. The loss also deprived Barry Alvarez of his 100th victory as head coach, although it was only the second bowl defeat in nine games under Coach Alvarez. It also was the last time senior standouts Lee Evans, Ryan Aiello, Jim Sorgi, Jerone Pettus, Anthony Davis, Jeff Mack and James Erasmus wore Badger red and white.

UW Financial facts

2003-04 UW-Madison Budget by Program—
\$1,807,656,876



2003-04 UW-Madison Revenues—
\$1,807,656,876



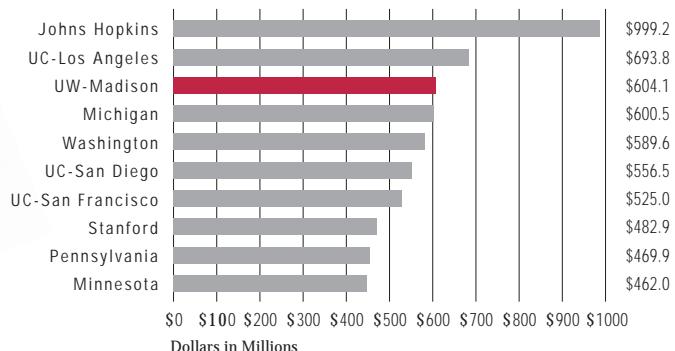
UW-Madison Budget with State Support

Year	Total Budget	State Support	% of Total
2003-04	\$1,807,656,876	\$380,441,492	21.0
2002-03	\$1,696,085,152	\$399,057,361	23.5
2001-02	\$1,614,677,390	\$408,314,049	25.3
2000-01	\$1,511,681,813	\$399,324,792	26.4
1999-00	\$1,406,440,162	\$366,749,233	26.1
1998-99	\$1,290,957,373	\$350,731,642	27.2
1997-98	\$1,252,001,325	\$337,256,744	26.9
1996-97	\$1,206,728,296	\$329,280,665	27.3
1995-96	\$1,129,262,548	\$327,381,439	29.0
1994-95	\$1,109,218,829	\$333,997,065	30.1

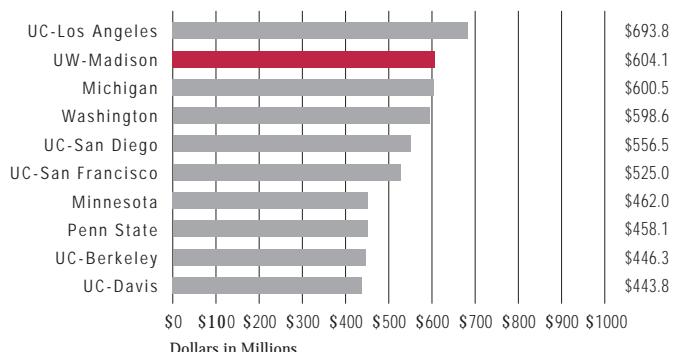
2003-04 UW-Madison Tuition Peer Group Resident Undergraduate Tuition and Fees



2000-01 Total Research & Development Expenditures* Top Ten Institutions



2000-01 Total Research & Development Expenditures* Top Ten Public Institutions



Source: National Science Foundation *Latest figures available

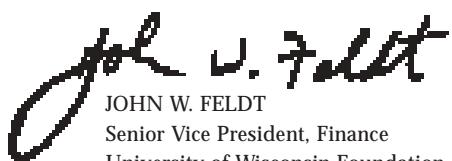


We must thank our generous
donors, dedicated Board of Directors
and committed staff for their
continuing support.

The year 2003 proved to be an exceptional year for the University of Wisconsin Foundation. Increases of 47 percent in assets under management, 11 percent in contributions and 6 percent in the number of gifts received capped off one of our most exciting years ever. The Create the Future: The Wisconsin Campaign announcement highlighted what we hope will be the most successful campaign ever for the University of Wisconsin. We must thank our generous donors, dedicated Board of Directors and committed staff for their continuing support. It is because of the generous donation of their time, as well as the financial support we receive, that we are able to manage our assets to fulfill the needs of the University of Wisconsin.

At the end of 2003, assets under management were \$1.7 billion, up from \$1 billion just five years ago. Contributions increased to \$145.1 million from \$130.9 million in 2002. Our total number of gifts received reached a new record high of almost 117,000 gifts, surpassing our 2002 high of more than 110,000 gifts.

This year's financial report provides the current and prior year's balance sheet and income statement, 2003 gift reports including historical gift numbers, administrative expenses and reports on endowment funds, deferred giving and assets under management. The financial report was drawn from the University of Wisconsin Foundation audit completed by an independent accounting firm. Copies of the complete audit are available upon request. The University of Wisconsin Foundation complies with all applicable federal and state reporting requirements.



JOHN W. FELDT
Senior Vice President, Finance
University of Wisconsin Foundation



JENNIFER DE KREY
Controller
University of Wisconsin Foundation

Statements of Assets and Liabilities and Fund Equities Arising from Cash Transactions

Years ending December 31

ASSETS	2003	2002
Cash and receivables		
Cash and money market funds	\$185,091,475	\$8,515,252
Notes and land contracts receivable	1,454,862	1,905,767
	<hr/>	<hr/>
186,546,337		10,421,019
Investments—at cost		
Alternative Investments—Non-Marketable		
Limited Partnerships	175,498,781	159,361,243
Alternative Investments—Marketable Hedge Funds	81,456,530	67,649,743
Barclays Alpha Tilts Fund B	176,932,411	100,018,028
Barclays Equity Value Fund	—	87,588,084
Barclays U.S. Equity Fund	19,056	—
Bonds and debentures	115,234,577	115,132,447
Capital Guardian International Equity Fund	64,071,801	68,598,052
Common stocks	429,593,152	253,527,471
Federal agencies	52,844,121	42,776,941
Hilldale, Inc. common stock	210,000	210,000
Morgan Stanley International Small-Capital Equity Fund	4,101,614	4,481,057
Morgan Stanley Offshore Emerging Markets Fund	3,488,266	909,823
Morgan Stanley Offshore International Equity Fund	38,339,831	42,798,772
PIMCO Bond Total Return Fund	148,101,017	145,555,601
PIMCO StocksPLUS LP Fund B	24,901,072	24,901,072
Russell 2000 Index Fund	5,178,240	6,389,525
S&P 500 Index Fund	14,494,666	15,936,383
S&P Mid-Cap 400 Index Fund	7,820,284	9,154,164
U. S. Government securities	46,225,230	39,029,866
University of Wisconsin Foundation		
Collective Bond Fund	17,453,151	20,392,649
	<hr/>	<hr/>
	1,405,963,800	1,204,410,921
Real estate—at cost or assigned value		
Building, land, office furniture and equipment, net of accumulated depreciation of \$2,833,825 in 2003 and \$2,520,570 in 2002	8,341,101	7,019,992
Other assets		
TOTAL ASSETS	\$ 1,612,311,236	\$ 1,233,429,734
 LIABILITIES		
Long-term debt	\$ 2,792,467	\$ 2,905,930
Due to University of Wisconsin Hospital and Clinics Authority	172,191,255	163,901,803
Amounts held in trust for Wisconsin United for Health Foundation	292,197,127	—
Other	1,901,504	1,888,989
TOTAL LIABILITIES	469,082,353	168,696,722
 FUND EQUITIES		
General Fund	54,806,312	66,819,174
Funds subject to restriction specified by donor	315,222,739	267,246,422
Principal of trust funds and life income and life estates	773,199,832	730,667,416
TOTAL FUND EQUITIES	1,143,228,883	1,064,733,012
TOTAL LIABILITIES AND FUND EQUITIES	\$ 1,612,311,236	\$ 1,233,429,734

Statements of Cash Receipts and Disbursements and Changes in Fund Equities

Years ending December 31

RECEIPTS	2003	2002
Contributions	\$145,129,355	\$130,943,570
Net income from investments	20,206,711	23,068,394
Net income from investments—final distributions	7,469,773	917,273
Gain (loss) on sale of investments	33,674,450	(82,330,544)
Net income from real estate	364,505	222,269
Interest income on notes and land contracts receivable	98,210	102,270
Loss on sale of real estate	(66,857)	(226,405)
Miscellaneous income	159,623	40,486
Tax refund on sale of short-term securities	1,816	665
	207,037,586	72,737,978
DISBURSEMENTS		
Payments to or for University of Wisconsin	98,586,868	109,546,055
Distributions to University of Wisconsin Foundation from life income and life estates	7,469,773	917,273
Distributions to beneficiaries of life estates	3,590,622	3,770,761
Administrative expenses and investment fees	18,894,452	17,370,349
	128,541,715	131,604,438
EXCESS OF RECEIPTS OVER (UNDER) DISBURSEMENTS	78,495,871	(58,866,460)
Fund equities at beginning of year	1,064,733,012	1,123,599,472
Fund equities at end of year	\$1,143,228,883	\$1,064,733,012

2003 Gift Report

2003 Gifts by Source

Corporations and Foundations	\$ 73,962,050	51.0%
Individual Alumni and Friends	40,971,302	28.2%
Bequests	24,379,742	16.8%
Campus Organizations, Friends and Alumni Group Gifts	4,331,923	3.0%
Corporate Matching Gifts	1,484,338	1.0%
TOTAL	\$145,129,355	100.0%

2003 Designation of Gifts

	Number of Gifts	Total
College of Agricultural & Life Sciences	5,649	\$ 4,585,832
Arboretum	391	645,026
Division of Intercollegiate Athletics	28,864	12,797,384
School of Business	6,044	11,531,216
Division of Continuing Studies	212	52,791
School of Education	4,965	1,734,768
College of Engineering	7,325	14,180,161
Graduate School	317	2,169,912
School of Human Ecology	1,769	675,271
UW Hospitals and Clinics	3,531	5,834,284
Gaylord Nelson Institute for Environmental Studies	471	246,592
International Studies and Programs	31	17,692
College of Letters & Science	18,976	11,415,508
Law School	2,696	2,058,829
Libraries	8,689	715,612
Medical School	7,524	56,932,640
Minority Program	1,118	251,251
Memorial Union	1,186	487,771
School of Nursing	1,648	1,664,556
School of Pharmacy	1,786	1,326,586
Student Services	840	1,382,010
School of Veterinary Medicine	3,702	2,395,861
Miscellaneous Restricted	4,395	9,461,243
Unrestricted	4,331	685,941
UW-Green Bay	433	1,880,618
TOTAL	116,893	\$145,129,355

Historical Gift Report

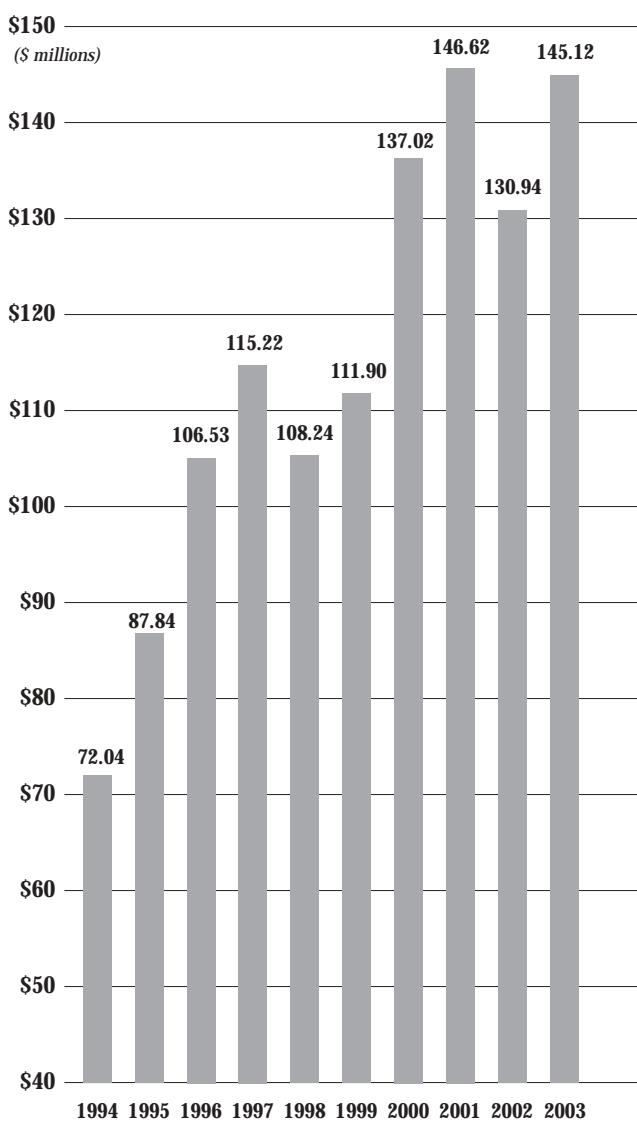
Total Gifts by Year 1945–2003

Year	Total Gifts
1945	\$ 95,378
1946	203,726
1947	277,732
1948	639,815
1949	363,542
1950	168,069
1951	313,862
1952	239,994
1953	173,882
1954	351,587
1955	234,378
1956	301,958
1957	317,207
1958	304,526
1959	515,226
1960	449,610
1961	448,284
1962	572,265
1963	1,233,633
1964	1,157,030
1965	1,297,219
1966	1,336,499
1967	934,646
1968	1,264,857
1969	1,745,026
1970	2,056,138
1971	2,330,404
1972	3,397,461
1973	3,440,969
1974	4,119,169
1975	5,705,695
1976	6,058,298
1977	6,959,410
1978	9,934,040
1979	10,196,098
1980	12,976,888
1981	16,521,529
1982	18,225,273
1983	20,097,153
1984	22,376,830
1985	28,141,975
1986	30,491,012
1987	35,229,223
1988	42,471,375
1989	52,797,210
1990	55,058,731
1991	59,588,859
1992	67,205,834
1993	69,603,286
1994	72,045,515
1995	87,849,468
1996	106,532,842
1997	115,224,440
1998	108,246,679
1999	111,902,746
2000	137,029,236
2001	146,624,593
2002	130,943,570
2003	145,129,355
TOTAL	\$1,761,451,255

UW Foundation Stewardship Report 1945–2003

Total Gifts Received	\$1,761,451,255
Net Income and Gains on Investments	<u>824,740,885</u>
Total Receipts	\$2,586,192,140
Funds Transferred to the University	\$ 1,204,401,138
Expenses	<u>238,562,119</u>
Total Disbursements	\$1,442,963,257
Funds Held for the University	<u>\$1,143,228,883</u>

1994–2003 Total Gifts



2003 Expenses

The University of Wisconsin Foundation staff and Board of Directors believe strongly that expense management is a top priority in achieving good stewardship. An important part of stewardship for a charitable organization is the ratio of administrative expenses to contributions.

Figures here show the Foundation's administrative expenses, contributions and revenues for the past five years. Administrative expenses, excluding investment expenses, are compared to contributions to reflect the cost of raising a dollar.

Total administrative expenses include investment expenses incurred by the Foundation's external investment activity. These expenses are paid from the total return of the investment funds.

Over the past five years, the UW Foundation's average cost of raising a dollar has been 8.0 percent, well below national averages.

Total Administrative Expenses

	2003	2002
Salaries	\$ 7,362,799	\$ 6,541,762
Retirement plan contribution	768,720	427,970
Administrative expense—payroll	16,936	15,548
Brochures and printed matter	850,725	632,392
Computer equipment and software	235,848	367,599
Computer maintenance and supplies	112,518	86,451
Computer programming and processing	169,949	128,413
Consulting expense	21,019	17,158
Contracted services	135,144	130,858
Credit card fees	78,104	66,055
Depreciation expense—building	234,314	232,304
Depreciation expense—furniture and equipment	78,941	78,939
Equipment purchased	44,758	74,634
Insurance for employees	782,885	639,144
Insurance—general	63,526	75,346
Interest expense—building	118,286	199,667
Investment and administrative expenses		
Endowment Fund	4,255,186	4,552,524
Life Estates	372,475	388,204
Short-term investments	796,652	577,760
Mailing expense	58,957	101,992
Meeting expense	114,993	141,604
Miscellaneous expense	4,878	1,557
Moving expense	1,096	26,121
Postage and express	378,394	278,868
Professional services—accounting	46,270	35,645
Professional services—legal	28,249	15,926
Promotion and premiums	72,047	46,681
Purchased labor	23,628	29,863
Repairs and maintenance	43,204	8,262
Social Security taxes	510,704	453,708
Special events	245,069	108,723
Stationery and office supplies	116,887	138,221
Telephone	129,000	115,505
Travel and subsistence	507,829	530,573
Unemployment compensation	120	6,858
Utilities	114,342	97,514
TOTAL	\$18,894,452	\$17,370,349

Administrative Expenses (excluding investment expenses)	Total Contributions	Administrative Expenses (excluding investment expenses) as % of Contributions	Total Administrative Expenses
2003	\$13,470,139	\$145,129,355	9.3%
2002	11,851,861	130,943,570	9.1%
2001	10,360,586	146,624,593	7.1%
2000	9,110,186	137,029,236	6.6%
1999	8,625,737	111,902,746	7.7%
5-year totals		\$671,629,500	8.0%
			\$77,547,029

Endowment Funds

Endowment funds represent an important source of permanent assets invested to provide current and future revenues to the University of Wisconsin.

The University of Wisconsin Foundation staff, with outside consultants, an investment committee and an alternative investment committee, continues to manage the endowment fund investments emphasizing a total return concept.

Investments are made to provide appreciation of principal and realized earnings with an acceptable level of risk. The Foundation allocates income to the endowment funds based on a spending plan rate of 4.75 percent. This rate, reviewed by the Foundation's Board of Directors each year, is multiplied by the average market value of the total endowment fund for the most recent 12 quarters.

Current investment managers include nine domestic equity, two international equity and 32 alternative investment managers. During the last five years, the total endowment fund grew from approximately \$617 million on December 31, 1998 to approximately \$776 million on December 31, 2003.

The charts to the right show the total return figures and asset allocation of the UW Foundation endowment fund as of December 31, 2003. The long-term asset allocation target for the University of Wisconsin Foundation endowment fund is 50 percent domestic equities, 10 percent international equities and 40 percent

alternative investments. The endowment fund asset allocation targets have been established to ensure overall portfolio diversification while providing the return necessary to meet the investment objectives.

It is important to remember when comparing these figures to other investment results (mutual fund returns, for example) that actual earnings (dividends and interest) are not reinvested in the endowment pool. They are used to supplement the quarterly income allocated to the endowment fund.

Performance

Average Annual Total Returns

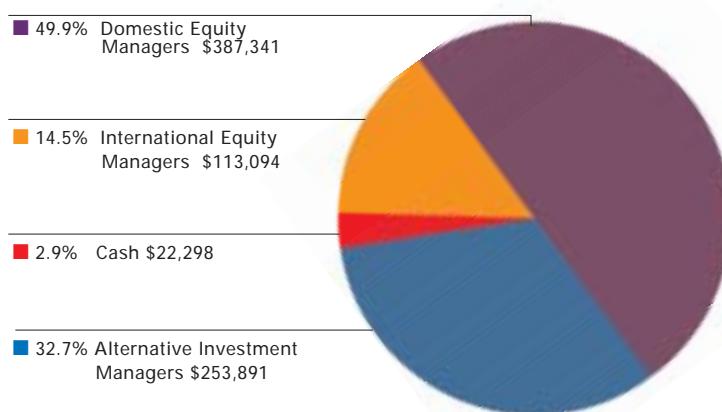
1 Year = 22.7%

5 Years = 3.2%

10 Years = 8.6%

Inception**= 12.9%

Asset Allocation as of December 31, 2003
Total Endowment Fund Assets: \$776,624,000



Investment Manager Dollar Amounts Shown in Thousands

***Date of Inception 1/1/84*

Assets Under Management

The recovering economy and the ongoing generosity and commitment of our donors helped to improve the University of Wisconsin Foundation's bottom line in 2003. Your generosity alone totaled \$145.1 million and represents a \$14.2 million increase from 2002. There also was a notable increase in the number of gifts received. Almost 117,000 gifts were made in 2003, compared to 110,000 in 2002. This represents an increase of more than 6 percent.

Additionally, the performance of our investments in 2003 was important in our overall increase in assets under management. Total assets under management have grown from \$1.0 billion as of December 31,

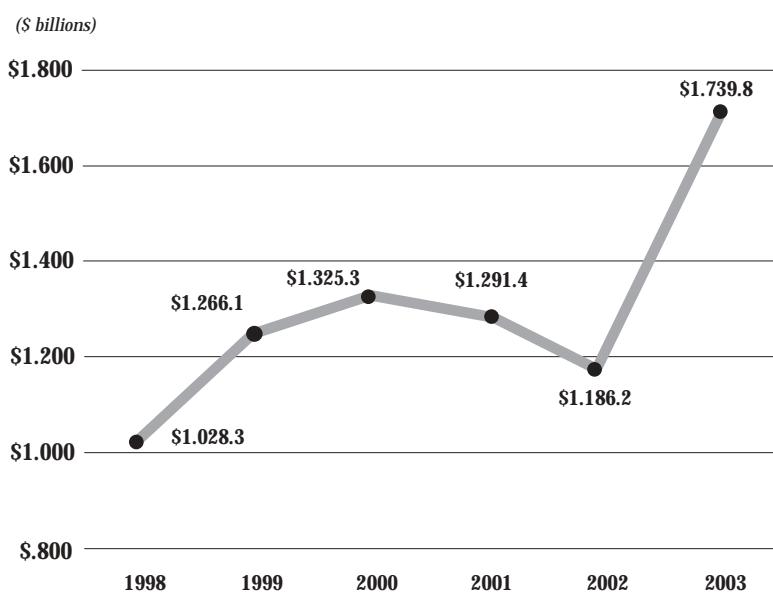
1998, to approximately \$1.7 billion as of December 31, 2003.

General and expendable funds are invested with a shorter time horizon, an emphasis on current income and retention of the principal. These funds account for 31.3 percent of investments. Other assets, which include real estate and notes receivable, account for 0.9 percent while assets totaling 16.8 percent are held in trust. The remaining UW Foundation assets consist of the endowment fund investments (47.3 percent) and the life income and life estates investments (3.7 percent).

The UW Foundation uses Jeffrey Slocum & Associates, Lyster Watson Company Investment Advisors and

Cambridge Associates, Inc., to assist in the asset allocation decisions, manager selection process and review of investment performances over extended periods of time. They also assist the Foundation's Investment Committee and staff in establishing investment objectives that are designed to meet the immediate and long-term needs of the UW Foundation. These objectives are: to maximize total return, to provide a consistent earnings stream to the University and to minimize risk over a long-term horizon.

Assets Under Management 1998–2003



Deferred Gifts

A deferred gift is, quite simply, a gift commitment that is made today with actual gift proceeds received at some future date. The most common form of deferred gift is a bequest in a will or a trust provision in a revocable trust. This simple form of deferred giving usually accounts for more than 90 percent of all deferred gifts received by the Foundation, but other deferred giving opportunities are available.

When planning a deferred gift, you must first consider your goals. For some, it is simply an opportunity to support the University with a gift to be used for its greatest needs. For many, however, there is a desire to accomplish a more specific purpose, and this often results in the creation of a permanent endowment fund.

Endowment funds represent gifts in which the donated principal is held and only annual distributions are used to support the designated University programs.

It is always advantageous for the Foundation to be involved in the planning of such gifts. Foundation staff can assist in identifying the correct legal names of departments and the various divisions of the University. They also work with you on an individual basis as well as the University to ensure that your gift can and will be used in a way that will carry out your goals as well as the mission of the University.

In working with individuals, the Foundation also wants to appropriately recognize the contributions. This may be through the LEGACY honor club, membership in the Bascom Hill Society or by other means.

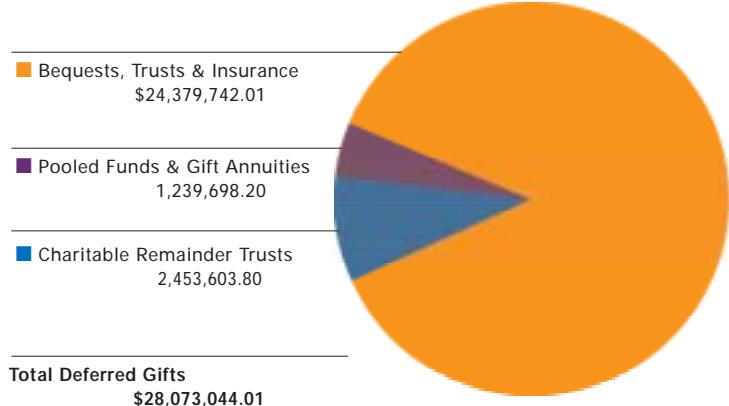
The chart on this page details the planned giving results for 2003. The Bequests, Trusts and Insurance category indicates cash and assets received from individuals who have passed on and left gifts to the Foundation. The other categories all refer to various forms of life income gifts through which someone has made a gift, but continues to receive income.

Members of the Planned Giving staff are available to discuss various deferred gift opportunities with you and your advisors. Some of these

arrangements offer the opportunity to make a gift using highly appreciated assets without recognizing capital gain, maintaining an income interest and getting a charitable deduction for a portion of the current fair market value.

Over the past ten years, the Foundation has received more than \$263 million in deferred gifts. This total includes bequests, gifts from simple trusts, matured insurance policies and contributions to life income gift plans that are managed by the Foundation. The chart on the next page shows the year-by-year total of these gifts.

2003 Deferred Gifts



When considering a deferred gift that will benefit the University, an individual has a number of choices. The gift may be for a specific item of property, a specific dollar amount through a will or trust, a percentage of the total value of the remaining estate, or even a gift that is contingent and would only be made if specific conditions were met.

Many gifts are intended to benefit some specific area of the University. The office of planned giving can assist donors and their advisors in the process, including providing sample will language to help define the way in which a gift is to be used.

It is important that the gift is directed to the University of Wisconsin Foundation. The University has long preferred that the Foundation receive, receipt, invest and

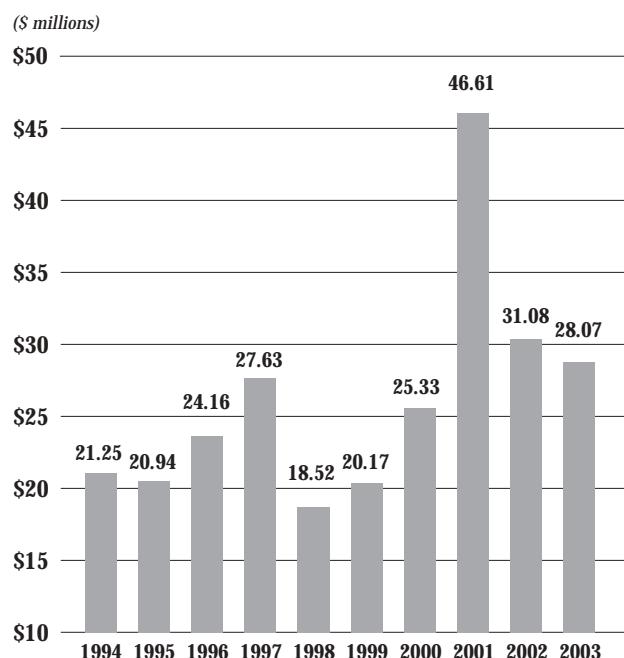
manage all gifts. In addition, the Foundation is committed to carrying out each donor's wishes. The Foundation reviews all requests for expenditures from gift funds to ensure that gifts are used for the purposes intended.

For a general gift to the University, we suggest language along the following lines:

I hereby give, devise and bequeath to the University of Wisconsin Foundation, a nonprofit, non-stock Wisconsin corporation with principal offices in Madison, Wisconsin, _____ percent of the rest, residue and remainder of my estate (or alternately "the sum of \$_____") for the general benefit of the University of Wisconsin-Madison.

The Foundation can supply sample language for other gift situations that require more specificity.

History of Deferred Gifts 1994–2003



Continuing Your Support

Your gift does make a difference. Every gift, whatever its size, is needed and appreciated by the University of Wisconsin-Madison.

The University of Wisconsin Foundation, established in 1945, raises, invests and distributes funds for the benefit of the UW-Madison and other donor-designated units of the UW System. An elected board of directors oversees the assets and activities of this independent, nonprofit, non-stock Wisconsin corporation.

The manner by which you choose to make a gift is a matter of personal preference and situation. The Foundation offers a variety of gift options you may wish to explore. Careful planning can maximize the positive effects of outright contributions such as cash, appreciated securities, life insurance policies, real estate and gifts of personal property, as well as deferred gifts such as bequests, testamentary trusts and life income trusts. A member of the UW Foundation staff would be happy to meet with you, at no obligation, to answer your questions about charitable contributions.

In addition to Foundation assistance, we recommend that you consult with your attorney or accountant for the legal and tax implications of any gift you make to charity.

For those contributors whose level of support represents a special commitment to the University, the Foundation provides recognition through its annual giving honor clubs. For exceptional support, the Foundation recognizes donors through the Bascom Hill Society. The basic eligibility for membership in the Society is a total of \$25,000 in gifts or \$50,000 in irrevocable deferred gifts, paid over any time period. The Foundation's LEGACY honor club recognizes those donors who have made a deferred gift to benefit the University.

Another important expression of alumni support for the University is membership in the Wisconsin Alumni Association. Membership dues in WAA, entirely separate from contributions to the Foundation, cover the cost of alumni club activities, special events and projects. To complement your gift support of the University, the UW Foundation encourages your participation in other organizations that advance the mission of the University of Wisconsin.

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2003 UW Foundation Board of Directors

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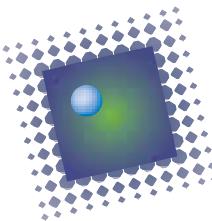
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