



Meeting Book - Public Meeting of the Compensation Committees

Agenda

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| 1. Welcome and Approval of Minutes | Richards |
| Minutes of the May 26, 2020 Public Meeting | |
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| 2. Resolution Approving the Salary of the Senior Vice
Chancellor for Business and Operations | Gallagher |
| Resolution - David N. DeJong | |
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| 3. New Business/Adjournment | Richards |

**MINUTES OF THE PUBLIC MEETING
OF THE COMPENSATION COMMITTEE
OF THE BOARD OF TRUSTEES
OF THE UNIVERSITY OF PITTSBURGH**

May 26, 2020

A public meeting of the Compensation Committee of the Board of Trustees was held on Tuesday, May 26, 2020, at 9:30 a.m. Committee members in attendance were Eva Tansky Blum (Chairperson of the Board of Trustees and Committee Chairperson), William K. Lieberman, Thomas E. Richards (Chairperson-Elect of the Board of Trustees), and Herbert S. Shear. University Officers attending included Patrick Gallagher (Chancellor and Chief Executive Officer) and Geovette Washington (Committee Liaison). University personnel attending the meeting included Kimberly L. Honath.

Welcome. Chairperson Eva Tansky Blum convened the meeting of the Compensation Committee, which was duly advertised as a public meeting in accordance with the Sunshine Act. A quorum of Committee members was present for the transaction of business. She announced that due to the restrictions in place in response to the Covid-19 pandemic, all University facilities were closed; and therefore, the meeting is being streamed on YouTube and also being recorded.

Resolution of the Compensation Committee Approving the Salary of the Senior Vice Chancellor for the Health Sciences and John and Gertrude Petersen Dean of the School of Medicine. Chairperson Blum reminded the members of the Committee that at the Winter Meeting of the Board of Trustees, held on February 28, 2020, the Board elected Dr. Anantha Shekhar to serve as Senior Vice Chancellor for the Health Sciences and John and Gertrude Petersen Dean of the School of Medicine, an Officer of the University. As permissible under the Sunshine Act, the Compensation Committee previously convened in Executive Sessions for the purpose of discussing the compensation for Dr. Shekhar; however, no actions were taken at those meetings.

Chairperson Blum asked Chancellor Patrick Gallagher to provide his salary recommendation for this Officer position. Chancellor Gallagher began his comments by reviewing the primary responsibilities of the Senior Vice Chancellor for the Health Sciences and John and Gertrude Petersen Dean of the School of Medicine, which includes: (i) leading one of the largest academic health centers in the country (ii) oversight of the academic and research programs of all six schools within the University's health sciences division; and (iii) integrating those schools within the broader University and its clinical partner, UPMC. Chancellor Gallagher highlighted Dr. Shekhar's professional experience, including his most recent service as Executive Associate Dean for Research Affairs at the Indiana University School of Medicine, as a Distinguished Professor and Associate Vice President for University Clinical Affairs and Research at Indiana University, and as Executive Vice President of Academic Affairs for Clinical Research at Indiana University Health.

Chancellor Gallagher reviewed Dr. Shekhar's proposed compensation, which includes a base salary of \$1,000,000. Dr. Shekhar will also be eligible for an annual performance bonus, with the minimum amount for satisfactory performance being \$300,000, up to a maximum of 40% of his then-current salary. In addition, he will receive five annual deferred retention incentive payments of \$100,000 that will vest only if he does not voluntarily leave his University position, or is not

dismissed from that position for cause, prior to May 31, 2025. Chancellor Gallagher stated that for this position, the University benchmarked Dr. Shekhar's compensation against a peer group of academic leaders at public and private universities with medical schools that are ranked among the top recipients of funding from the National Institutes of Health. Within that group, the median total compensation is \$1.65 million. In that regard, Dr. Shekhar's total compensation is slightly below the median of that peer group. Chancellor Gallagher announced that Dr. Shekhar has joined with the other senior leaders and pledged to donating 10% of his salary back to the University.

Chairperson Blum referred the Committee members to the resolution included as pages 3 through 4 of these minutes, recommending establishing the salary of the Officer as set forth therein.

Upon motion duly made and seconded, the Resolution of the Compensation Committee Approving the Salary of the Senior Vice Chancellor for the Health Sciences and John and Gertrude Petersen Dean of the School of Medicine was unanimously approved.

Chairperson Blum thanked the members of the Compensation Committee for participating in today's meeting.

New Business/Adjournment. There being no new business or discussion, Chairperson Blum adjourned the meeting.

Geovette Washington, Senior Vice
Chancellor and Chief Legal Officer

The foregoing minutes were reviewed and approved by the Compensation Committee on February 26, 2021.

Rosalyn E. Jones, Esq., Associate Vice
Chancellor and Deputy Secretary of the
Board of Trustees

**RESOLUTION OF THE COMPENSATION COMMITTEE
OF THE BOARD OF TRUSTEES
APPROVING THE SALARY OF THE
SENIOR VICE CHANCELLOR FOR THE HEALTH SCIENCES
AND
JOHN AND GERTRUDE PETERSEN DEAN OF THE SCHOOL OF MEDICINE**

- WHEREAS, the Compensation Committee of the Board of Trustees has been delegated authority and responsibility for, among other things, determining upon the recommendation of the Chancellor and Chief Executive Officer, the compensation of the officers of the University except for the assistant treasurers and associate and assistant secretaries; and
- WHEREAS, the Senior Vice Chancellor for the Health Sciences and John and Gertrude Petersen Dean of the School of Medicine is responsible for: (i) the oversight of the academic and research programs of all six schools within the University's health sciences division; (ii) integrating those schools within the broader University and its clinical partner, UPMC; (iii) shaping the careers of more than 6,000 faculty and staff; and (iv) nurturing the academic success of approximately 5,000 students annually; and
- WHEREAS, the Senior Vice Chancellor for the Health Sciences and John and Gertrude Petersen Dean of the School of Medicine is also responsible for: (i) supporting the University's position as a top-ranked institution for federal funding dollars awarded by the National Institutes of Health; and (ii) ensuring that the University continues to contribute to research and innovations that will advance the cause of human health; and
- WHEREAS, the Senior Vice Chancellor for the Health Sciences and John and Gertrude Petersen Dean of the School of Medicine makes invaluable contributions to growing the already robust relationship with the University's clinical partner UPMC and plays a key role in the efforts of the University and UPMC to transition from volume to value-based care and the transition of University-generated research into products or therapies that will improve the lives of countless individuals around the world; and
- WHEREAS, at its Winter Meeting on Friday, February 28, 2020, upon the recommendation of Chancellor Patrick Gallagher, the Board of Trustees elected Anantha Shekhar to serve as Senior Vice Chancellor for the Health Sciences and John and Gertrude Petersen Dean of the School of Medicine, effective June 1, 2020; now therefore be it
- RESOLVED, that upon recommendation of the Chancellor and consistent with the University's Policy on Executive Compensation, the Compensation Committee hereby approves the base salary of Senior Vice Chancellor for the Health Sciences and John and Gertrude Petersen Dean of the School of Medicine Anantha Shekhar at \$1,000,000, effective June 1, 2020; in addition, Dr. Shekhar will also be eligible for an annual performance bonus, with the minimum amount for satisfactory performance being \$300,000, up to a maximum of 40% of his then-current salary; and be it further

RESOLVED, that to ensure the extraordinary progress of the academic and research programs of the University's health sciences division is sustained, retention of the Senior Vice Chancellor for the Health Sciences and John and Gertrude Petersen Dean of the School of Medicine is a priority of the University and the Board; therefore, Dr. Shekhar will receive five annual deferred retention incentive payments of \$100,000 that will vest only if he does not voluntarily leave his University position, or is not dismissed from that position for cause, prior to May 31, 2025.

**RESOLUTION OF THE COMPENSATION COMMITTEE
OF THE BOARD OF TRUSTEES
APPROVING THE SALARY OF THE
SENIOR VICE CHANCELLOR FOR BUSINESS AND OPERATIONS**

WHEREAS, the Compensation Committee of the Board of Trustees has been delegated authority and responsibility for, among other things, determining upon the recommendation of the Chancellor and Chief Executive Officer, the compensation of the officers of the University except for the assistant treasurers and associate and assistant secretaries; and

WHEREAS, the Senior Vice Chancellor for Business and Operations provides oversight direction and leadership of certain administrative functions and is responsible for Human Resources; Facilities Management; Planning, Design and Real Estate; Public Safety and Emergency Management, Auxiliary Services, and Sustainability; and

WHEREAS, the Senior Vice Chancellor for Business and Operations is responsible for the effective management and efficiency of facilities and service operations to best support and serve the University, its mission and strategic priorities; and

WHEREAS, at its Winter Meeting on Friday, February 26, 2021, upon the recommendation of Chancellor Patrick Gallagher, the Board of Trustees elected David DeJong to serve as Senior Vice Chancellor for Business and Operations, effective immediately; now therefore be it

RESOLVED, that upon recommendation of the Chancellor and consistent with the University's Policy on Executive Compensation, the Compensation Committee hereby approves a base annual salary of \$410,000 for the Senior Vice Chancellor for Business and Operations, effective March 1, 2021.

**BACKGROUND STATEMENT FOR
RESOLUTION ELECTING DR. DAVID N. DEJONG
AS SENIOR VICE CHANCELLOR FOR BUSINESS AND OPERATIONS**

The senior vice chancellor for business and operations is charged with providing oversight, direction, and leadership for the certain administrative functions at the University of Pittsburgh, ensuring effective management and efficiency of facilities and service operations to best support and serve the University.

Dr. David N. DeJong has been selected by the Chancellor Patrick Gallagher to serve as the University's new senior vice chancellor for business and operations. Dr. DeJong served as the acting senior vice chancellor for business and operations for the past 10 months, as well as the vice chancellor of human resources since September 2019, where he provided strategic leadership for the acquisition, retention, development and support of a diverse, highly qualified and high-performing workforce at the University of Pittsburgh. The Office of Human Resources will be moving back under the auspices of Business and Operations, and a search will be conducted for a director of human resources.

Dr. DeJong previously served at the University as executive vice provost, with primary responsibility for coordinating academic planning with resource allocation. He managed budgets and space within the provost's area and contributed to University-wide strategic planning, budgeting and capital planning for both academic and student life facilities.

Dr. DeJong joined the University in 1989 as an assistant professor in the Department of Economics within the Kenneth P. Dietrich School of Arts and Sciences. He was promoted to professor in 2001, and served as department chair from 2006 to 2010. He has also served as a visiting professor at the Institute for Advanced Studies in Vienna, Austria; Torcuato Di Tella University in Buenos Aires, Argentina; and the Kiel Institute for the World Economy in Kiel, Germany.

Dr. DeJong has a broad range of research interests spanning macroeconomics, econometrics and transition economics. He has published more than 40 journal articles and co-authored the book "Structural Macroeconometrics" (Princeton University Press, 2007 and 2011). His work has been supported by grants from the National Science Foundation and the National Council for Eurasian and East European Research.

Dr. DeJong has earned numerous awards and recognition for his achievements in teaching and research. He holds a bachelor's degree in economics from Central College and Ph.D. in economics from the University of Iowa.

The Bylaws of the University identify the officers of the Corporation and specifically provide that the Board may elect a senior vice chancellor as an officer of the University. Chancellor Patrick Gallagher is recommending that David N. DeJong be elected Senior Vice Chancellor for Business

and Operations, an Officer of the Corporation, effective immediately. A resolution effecting this election is attached.