



University of Pittsburgh Board of Trustees

**Public Meeting of the Board of Trustees
February 24, 2023
11:00 a.m. – 12:30 p.m.
(In Person and Via Zoom)**

Agenda

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|------|---|-------------|
| I. | Welcome | Browning |
| II. | Approval of the September 23, 2022 Public Meeting Minutes | Browning |
| III. | Remarks of the Chair | Browning |
| IV. | Committee Reports: | |
| | A. Report of the Property and Facilities Committee | Varischetti |
| | B. Report of the Investment Commitment | Cestello |
| | C. Report of the Audit Committee | Brownlee |
| V. | Report of the Chancellor | Gallagher |
| VI. | New Business/Adjournment | Browning |

Minutes from the September 23, 2022 Public Meeting of the Board of Trustees

**MINUTES OF THE ANNUAL MEETING
OF THE BOARD OF TRUSTEES OF THE UNIVERSITY OF PITTSBURGH
(Public Meeting)
September 23, 2022**

Trustees Present

Alumni, Commonwealth, Special, and Term

Douglas M. Browning, Chair of the Board of Trustees

Louis R. Cestello, Vice Chair of the Board of Trustees

Patrick D. Gallagher, Chancellor and Chief Executive Officer

Madji B. Abulaban

Robert O. Agbede

John A. Barbour

G. Nicholas Beckwith III

SaLisa L. Berrien

Eva Tansky Blum

Sundaa Bridgett-Jones

Gary T. Brownlee

Hui Debra Cen

David C. Chavern

Vaughn S. Clagette

Jay Costa Jr.

James P. Covert

Bradley J. Franc

David C. Frederick

Deborah J. Gillotti

John P. Gismondi

Lisa A. Golden

Tamara Haddad

Dawne S. Hickton

Diane P. Holder

Sy Holzer

S. Jeffrey Kondis

William K. Lieberman

Thomas M. Kurtz

John A. Maher III

Erin W. McDowell

Jeffrey D. Martchek

Natalie Mihalek

Marlee S. Myers

Valerie T. Njie

John H. Pelusi Jr.

Bryan S. Salesky

Jeannie T. Schoenecker
Peter C. Varischetti
John J. Verbanac
Adam C. Walker
Michael G. Wells

Emeritus

Michael A. Bryson
Catherine D. DeAngelis
Herbert P. Douglas
J. Roger Glunt
Robert M. Hernandez
Robert G. Lovett
Alfred L. Moyé
Martha Hartle Munsch
Robert P. Randall
Charles M. Steiner
Burton M. Tansky
Sam S. Zacharias

Ex-Officio

Rich Fitzgerald, County Executive of Allegheny County
Tanya I. Garcia, representative of the Pennsylvania Secretary of Education

University Staff Present

Kenyon R. Bonner, Vice Provost for Student Affairs
David Brown, Vice Chancellor for Government Relations and Advocacy
Jeffer Choudhry, Chief Investment Officer
Ann E. Cudd, Provost and Senior Vice Chancellor
Kris Davitt, Senior Vice Chancellor for Philanthropy and Alumni Engagement
Dave N. DeJong, Senior Vice Chancellor for Business and Operations
Lina Dostillo, Vice Chancellor of Engagement and Community Affairs
Dawn Gould, Manager, Office Operations and Trustee Engagement
Carlos A. Villamarin, Administrator to the Board of Trustees/Office of the Secretary
Rosalyn E. Jones, Vice Chancellor and Secretary of the Board of Trustees
Paul Lawrence, Treasurer and Interim Investment Officer
Heather Lyke, Director of Athletics
Rob A. Rutenbar, Senior Vice Chancellor for Research
Hari Sastry, Senior Vice Chancellor and Chief Financial Officer
Anantha Shekhar, Senior Vice Chancellor for the Health Sciences and John and Gertrude Petersen
Dean of the School Medicine
Paul Supowitz, Vice Chancellor for Community and Governmental Relations
Geovette Washington, Senior Vice Chancellor and Chief Legal Officer
Kevin Washo, Senior Vice Chancellor for University Relations and Chief of Staff
Richard Sedory, President of the Pitt Alumni Association

The Annual Meeting of the Board of Trustees was held on Friday, September 23, 2022, at 11:00 a.m. with both in person and remote attendees.

Welcome and Approval of the Minutes. Chairperson Douglas M. Browning convened the meeting at which a quorum was present. In keeping with the Sunshine Act, the meeting was duly advertised as a public meeting. Chairperson Browning welcomed the trustees to the meeting and acknowledged the presence of ex-officio trustees Dr. Tanya I. Garcia, and County Executive Rich Fitzgerald. Chairperson Browning also acknowledged and welcomed five trustees voted in at the annual meeting: first-time trustees David C. Frederick, Jeffrey D. Martchek, and Valerie T. Njie, and returning trustees former Board Chair Eva Blum and Dawne Hickton.

Moment of Silence. At the request of Chairperson Browning, the trustees observed a moment of silence in memory of all those in the University and local community who have passed away since the June Meeting of the Board.

Approval of Minutes. On a motion duly made and seconded, the minutes of the June 24, 2022, Annual Meeting of the Board of Trustees were approved.

Remarks of the Chair. Chairperson Browning noted that the University and the Board of Trustees have officially launched the search for the next Chancellor of the University of Pittsburgh with this week's announcement of the twenty-six-person search committee, composed of a diverse cross-section of Pitt community members. Chairperson Browning expressed his gratitude to all those who accepted the invitation to serve and devote the substantial time and effort necessary to the search, including Chancellor Search Committee Chair Eva Blum and Vice Chair Anantha Shekhar. He announced the selection of Storbeck Search as the firm to assist with the new search and noted that the Chancellor Search Committee has already begun to engage the University community and gather feedback through focus groups, listening sessions, and surveys. Trustee Blum will keep Chairperson Browning and the Board updated on their progress and updates as appropriate.

Report of the Pitt Alumni Association. Rich Sedory, President of the Pitt Alumni Association ("PAA"), and a two-time Pitt graduate, presented the report of the PAA. He thanked Valerie Njie, who stepped down as president in June and is now a trustee, for her mentorship and leadership.

Mr. Sedory began his report by sharing highlights from the past years and plans for 2023. He noted that the priorities of the Pitt Alumni Association align with those of the University: enrich the lives of alumni and students; strengthen the Pitt Network; and inspire current and future alumni to advance the University Mission through involvement, volunteerism, and philanthropy.

Mr. Sedory highlighted the enrichment of alumni and students through PAA's content-driven and signature programs such as the Women in Leadership Conference, PAA Presents, Send-Off and Panthers in the Field. He emphasized the importance of fostering a sense of belonging, personal growth, and career development, and noted the extensive offerings of the Pitt Alumni Career

Network and increased social media engagement. Mr. Sedory reported that the PAA will be hiring a Director of Alumni Career Solutions this year, who will work to further enhance career and professional development offerings and increase desired career outcomes for alumni.

Mr. Sedory next discussed the PAA Board's commission of an equity and social justice task force in 2020 to serve as a guidepost for its organization. He highlighted the recommendation to emphasize the advancement of Alumni Affinity Groups which consist of alumni with shared identities and experiences. In an effort to expand Alumni Affinity Networks and partner with others at the University to advance diversity, equity, inclusion, and justice, the Alumni Relations Team has launched a national search for a director of identity networks and special projects.

In closing, Mr. Sedory challenged everyone to become engaged and help build a network within a culture of trust, respect, and belonging.

Report of the Budget Committee: On behalf of Budget Committee Chair Larry Merlo who was unable to attend, Budget Committee member Majdi B. Abulaban reported on the July 14, 2022 joint meeting of the Executive and Budget Committees. The Budget Committee recommended that the Executive Committee approve the University's proposed \$2.7 billion fiscal 2023 operating budget, including a tuition increase well below the rate of inflation, along with modest salary increases for faculty and staff. The Budget Committee also recommended the approval of the proposed \$667.1 million capital budget which included several proposed capital projects, including a new Arena and Sports Performance Center, core and shell construction for a new building on the corner of Fifth Avenue and Halket Street, the purchase of Bridgeside Point II, Phase 4 of the Hillman Library Renovation, and Hazelwood Green, among others. The Budget Committee's recommendations were later approved by the Executive Committee.

Report of the Property and Facilities Committee: Property and Facilities Chair Peter C. Varischetti reported on the September 13, 2022 public meeting of the Property and Facilities Committee. Mr. Varischetti shared that the Committee approved a proposal to upgrade the Posvar chilled water plant. He stated that the work is required to support campus growth, address aging equipment, and expand and upgrade the campus chilled water distribution system, noting that the new equipment will capture and reuse stormwater to reduce the University's impact on the city's stormwater infrastructure. Mr. Varischetti stated that the committee approved the project in the amount of \$18,800,000 and noted that it was projected to generate 93 construction jobs and 37 support jobs for the state and regional economies.

Report of the Chancellor. Chancellor Patrick Gallagher congratulated Chairperson Douglas Browning on presiding over his first public meeting, thanked Mr. Sedory for his remarks for PAA, and welcomed the new trustees to the Board. He thanked the PAA, senior leadership, alumni, faculty, and students as well as the Board for their commitment to the University and dedication to make Pitt a better place.

The Chancellor observed that the September Board Meeting is historically when he delivers his Annual Report, and noted that with the current chancellor search on-going, this is likely his last

Annual Report. He stated that rather than simply reviewing the past year, he will look at the progress that the University has been made over the past decade.

Academic Mission: Calling the high demand for a Pitt education a clear indicator of success in its Academic Mission, Chancellor Gallagher noted that although the numbers for the Fall 2022 are not yet finalized, the Pittsburgh campus has seen an extraordinary 92% increase in the number of applicants since 2013, and a 53% increase in applications from last year, one of the highest year to year jumps in the nation. International applications benefitted from a post-pandemic rebound, with Fall 2022 applications up 73%. First-year applications received from residents living outside of Western Pennsylvania jumped 43%. Racial and ethnic diversity among Pitt's student population increased from 17% to 27% since 2014. The Chancellor also noted the extraordinary quality of students with the incoming class at the Pittsburgh campus having the highest-ever weighted GPA at 4.16.

Chancellor Gallagher noted the large investments made during his tenure in student support, specifically in financial aid, which has gone up 114% and is more than double the total dollar investment that was available when he arrived as chancellor. The number of students receiving financial aid has doubled since 2013 and is the largest single area of growth of over the past decade in the University budget. The average dollar amount per student has also doubled, increasing dramatically, up 117% since 2013. The amount of unmet need for students has been steadily dropping, falling more than 15%. Chancellor Gallagher highlighted Panthers Forward, an innovative program Pitt launched in 2018 to address access and affordability particularly at the debt level. To date over 600 graduating seniors have participated in this program which provides \$5,000 in student debt relief loan forgiveness in return for a non-binding pledge to Pay It Forward by giving back to the University of Pittsburgh as they can. The average debt in this cohort has been reduced by 20% and as a cohort they are continuing to engage as alumni.

Placement Rate and Rankings: Chancellor Gallagher next spoke on an early indicator of success, the placement rate, which occurs approximately six months after graduation and measures what percentage of students are placed in employment, service, the military, or starting a business. This year, the placement rate rose from an already impressive 94% to 97%.

The Chancellor also noted the significant number of awards won by students over the last decade including Fulbright, Marshall, Rhodes Truman, Goldwater, and National Science Foundation Graduate Research Fellowships. He also highlighted Pitt's placement in several 2022 rankings, including #8 public institution, #10 in primary care and #14 in research with its School of Medicine, and #1 in physical therapy. In international studies, the U.S. Department of Education has recognized all six of Pitt's global and areas studies centers with an unprecedented 12 awards totaling more than \$11 million of revenue coming to the University to support these programs.

Campus Plan: Chancellor Gallagher remarked that Pitt's master plan prioritized fourteen projects between 2019-2026, with seven already completed or underway. Chancellor Gallagher also commented on specific commitments to use sustainable landscape design, reduce food waste, reduce energy use intensity, reduce greenhouse emissions (including a commitment to reduce

greenhouse emissions by 50% by 2030) and reduce net carbon emissions on the Pittsburgh campus entirely by 2037.

Campus Safety and Life: Chancellor Gallagher acknowledged the Pittsburgh campus has long enjoyed very strong workplace safety — well below the OSHA recordable rate national average, which is the number of employees per 100 full time employees that experience a reportable illness or injury. Since 2014 this rate has been in steady decline, a very significant achievement. In addition, the crime rate on the Pittsburgh Campus has fallen 80%.

In terms of campus resources, Chancellor Gallagher highlighted the number of students and employees registered for disability resources and services, which has jumped 189%, and the availability of University counseling services with a doubling of employees, diverse staff, and a reduction of wait times to near zero. The Chancellor also noted the increasing engagement of the University community with Title IX programs that support education, information compliance and advocacy.

Staff Diversity: Chancellor Gallagher noted the 58% increase in racial and ethnic diversity among Pitt employees over his tenure, with increased representation and inclusion a continued priority not only in recruiting faculty and staff, but in retention and career progression in all areas.

Research: Reviewing research productivity and output, the Chancellor noted that in FY22 Pitt's research expenditures exceeded a billion dollars for the first time, with an increase of 53% since 2014. Federal support is the largest contributor to University research funding, but industry funding has risen more than 119% during this period. Since 2015, Pitt researchers have submitted more than 300 invention disclosures annually, with patent issuances up 42%. This last year, Pitt ranked 18th in the world with 104 such patents, rising from 28th two years earlier. The Chancellor also noted the University's community engaged scholarship which has garnered national recognition.

Pitt Economic and Community Impact: The Chancellor highlighted the direct economic impact of the University of Pittsburgh in the region. In 2014, the University generated about \$3.7 billion in overall economic impact while last year the estimated economic impact reached \$5.2 billion, a 41% increase. Chancellor Gallagher also reported that the jobs supported and sustained from University activity are up 70%, essentially supporting more than 47,000 jobs in the region and generating more than \$271 million in local and state taxes. Pitt alumni inject \$17.9 billion into the state's economy every year. Approximately 1 in 32 workers in Pennsylvania is a Pitt alum. He noted that Pitt projects have fueled a 59% uptick in construction-related jobs, 95% of which are performed by union labor.

Chancellor Gallagher showcased the growth in University spending to women-owned and minority-owned businesses, and the 114% increase in our Small Business Development Corporation client pool. He noted that the Small Business Development Center and institute for Entrepreneurial Excellence with its purpose of supporting and advising local entrepreneurs was

named in 2020 as the number one such program in the United States by the U.S. Small Business Administration.

Chancellor Gallagher also provided examples of the Pitt community adapting to the challenges of the pandemic and helping its surrounding community. In 2021, the University expanded the ability of students to spend their meal plan funds off campus, which saw spending at local businesses jump 185%. The Chancellor spoke on the community impact in which 1,800 volunteers, led by our health science schools, were essential to maintaining and operating the many vaccination clinics in our region. The University also trained health workers and brought computing services to communities around the University. The Chancellor remarked that since 2014, the University community has contributed more than \$6.3 million dollars to United Way.

The Chancellor also thanked all members of the University who have worked hard to expand a variety of plans and programs within the University.

Financials and Operations: Chancellor Gallagher addressed the importance of state appropriation which helps fund in-state discount for Pennsylvania students and their families with an average of \$60,000 of benefit over the course of a Pitt education. The Commonwealth support has risen 13% over his tenure although in inflation-adjusted dollars, it now represents about 6% of our total budget, contrasted with 7% when the Chancellor started. Pitt investment in financial aid jumped 62%, a move that has limited revenue growth from net tuition and fees to 17%. Chancellor Gallagher spoke on another major source of revenue: the distributions from the University endowment, which now return \$187 million to the budget each year, an 83% increase since 2014. The beneficiaries of those funds are predominantly students through scholarships, aid, academic support, and faculty positions.

Fundraising: Chancellor Gallagher remarked on the strengthening and expansion of fundraising engagements between 2014 and 2022 with the number of new gifts and commitments up 138% overall, and athletics fundraising alone jumping 294%. He noted that another measure of future success is the number of first-time donors and new donors; Pitt Day of Giving and other initiatives have helped grow the number by 56%. The number of major gifts to Pitt (\$100,000+) has risen 43%, with Pitt recording nine transformative gifts (\$10M+) since 2014, with seven taking place over the last two years.

Chancellor Gallagher concluded his Annual Report by emphasizing that the current forward momentum of the University would not have been possible without the Board and the enormous collection of talent, energy, creativity, and resources of a major university making the world a better place through knowledge. On behalf of the University, the Chancellor thanked everyone in the Pitt family, and expressed his gratitude for having the privilege to serve and to be a part of the University of Pittsburgh.

New Business/Adjournment. There being no new business to come before the Trustees, Chairperson Browning adjourned the meeting.

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

New Trustee Bios

Robert Ritson Jr.

Robert Ritson currently serves as the Chief of Staff to PA Senate President Pro Tempore Kim Ward (R-Westmoreland). Robert has spent over 26 years professionally committed to public administration. He has worked directly with Senator Ward for over 20 years dating back to 2002 when he was hired to be the first township manager for Hempfield Township, Westmoreland County PA. In 2008, Robert left Hempfield Township to become Senator Ward's Chief of Staff, where he oversaw district and legislative operations for the Senator. In 2020, upon her ascension to Majority Leader, he shifted his primary work location to Harrisburg where he manages senate republican caucus operations, leads state budget negotiations, and assists Sen. Ward with legislative priorities and statewide economic development initiatives.

He is a 1993 graduate of the University of Pittsburgh with a degree in Political Science. In 2003, he received the *Alumnus of Distinction Award* from the University of Pittsburgh – Greensburg Campus. Robert obtained his M.P.A. in Public Administration from Anna Maria College in 2021.

Throughout his career, he has volunteered as a board member to the Westmoreland Chamber of Commerce, the Economic Growth Connection of Westmoreland County, and served as President for the Westmoreland County Drug and Alcohol Commission. Robert also served for four years as an elected Township Supervisor for his home municipality of Hempfield Township.

Robert has been married to his wife Maureen for 26 years, and has two children, Taylor (23) and Megan (19). Megan is a freshman at the University of Pittsburgh Johnstown campus.

John P. Surma

John P. Surma is the retired chairman and chief executive officer of United States Steel Corporation.

Mr. Surma began his career with United States Steel as vice chairman and chief financial officer in January 2002. He was named president in March 2003, president and chief operating officer in June 2003, president and chief executive officer in 2004, and chairman in February 2006.

Mr. Surma was previously a partner at Price Waterhouse LLP and held senior management positions at Marathon Oil Company, Speedway SuperAmerica LLC and Marathon Ashland Petroleum LLC (MAP).

In 1983, Mr. Surma participated in the President's Executive Exchange Program in Washington, D.C., where he served as executive staff assistant to the vice chairman of the Federal Reserve Board.

Mr. Surma is Chairman of the board of directors of Marathon Petroleum Corporation, a member of the Board of Directors of MPLX, Trane Technologies, and PSEG Services. He is also Chairman of the board of directors of UPMC. Mr. Surma was appointed by President Barack Obama to the President's Advisory Committee for Trade Policy and Negotiations and served as vice chairman. He has served as Chairman of the Board of the National Safety Council and the Federal Reserve Bank of Cleveland.

John (Jack) T. Tighe III

Jack is the retired Founder, President and CEO of TMG Health Inc., a leading national provider of expert business processing outsourcing solutions for Medicare Advantage, Medicare Part D and Managed Medicaid health plans.

A Villanova, PA resident, Jack is no stranger to Pitt or to our Board. An active alumnus, he is a 1978 graduate of the University of Pittsburgh School of Pharmacy, with a master's in business administration from Villanova University. He has served as a member of the Pharmacy Board of Visitors since 2009. He previously served as Governor Robert P. Casey's official designee to the Pitt Board of Trustees from 1992 to 1994.

He began his career working for several pharmaceutical associations in Washington, DC, including ASHP, National Community Pharmacist Association and Parenteral Drug Association. He then served in PA Governor Robert Casey's administration as the youngest ever Secretary of Administration at that time. He later served as Deputy Chief of Staff to the Governor when he spearheaded one of the Governor's signature initiatives: Pennsylvania's Children's Health Insurance Program (CHIP), which later served as the model for the popular Federal program. Upon leaving the Governor's office, Tighe worked as the Senior Vice President of Government Programs for Independence Blue Cross (IBC), where he was responsible for the development and operation of IBC's Medicare and Medicaid HMO businesses, having developed the nation's first Medicare PPO health plan.

Then, in 1998, Tighe started TMG Health, Inc. with the idea of providing specialized technology-enabled services to government healthcare plans. Under Tighe's leadership, the start-up company grew organically to become the largest independent administrator of the Medicare Part D drug program and brought economic prosperity to its local communities through the creation of more than 2,300 jobs, mostly in his hometown area of Scranton, PA.

Tighe's career achievements have won him accolades from several organizations, including Ben Franklin Technology Partners; Deloitte Technology 50 & 500; Inc. 500; and Philadelphia 100. He received the Entrepreneur of the Year Award from both Ernst & Young and the Mid-Atlantic Capital Alliance, and he was accepted into both Ernst & Young and NewSpring Capital's CEO Hall of Fame.

Jack Tighe's is active in charitable work as he served on the Board and chaired the investment committee of the Scranton Area Foundation and recently ended three terms as Chairman of American Society of Health System Pharmacist Foundation. He has been honored with the University of Pittsburgh's as a "Legacy Laureate" for his outstanding contributions to his

profession and the progress of the university and its students. He is a Distinguished Alumni of the Pitt School of Pharmacy. He has also been recognized by the United Way of Lackawanna County and received its "Spirit of Caring Chairman's Award" for his community outreach. He is a past chairman of the Pennsylvania Business Council, and past board member and finance committee chairman of Marywood University.

Jack's wife Mary Grace Tighe is a 1977 summa cum laude graduate of the Pitt's School of Nursing and his daughter, Maggie is a 2011 graduate of Pitt's College of Business Administration.

William (Bill) Ward Jr.

Bill was born and raised in Blair County. He graduated from Bishop Guilfoyle High School in 2007 before earning an appointment to the United States Naval Academy in Annapolis, MD. Upon graduation from the Naval Academy with a degree in Economics, Bill was commissioned as a Naval Surface Warfare Officer. He served 6 years during which he deployed twice to the Middle East.

Upon leaving the Navy in 2017, Bill returned to Blair County to accept a management role with his family's company, Ward Transport and Logistics Corp. He now serves as the 4th generation President of the company. He now serves as the 4th generation President of the company. Founded in 1931, by William W. Ward, Ward Transport and Logistics provides less than truckload, brokerage, dedicated and warehousing solutions across the Northeast, Mid-Atlantic and Midwest. Bill and his wife, Ehrin, reside in Hollidaysburg, PA. He is active with local boards and charities to include Mount Aloysius College, Nason Hospital and the ARC of Blair County. Bill also serves on the board of the PA Chamber of Commerce.