

BOARD OF REGENTS

May 2, 2025

APPROVAL OF APPOINTMENT OF AND COMPENSATION FOR JAMES B. MILLIKEN AS PRESIDENT OF THE UNIVERSITY OF CALIFORNIA AS DISCUSSED IN CLOSED SESSION

Background to Recommendation

Following a nationwide search, James B. Milliken has been nominated to become the 22nd President of the University of California. The Special Committee to Consider the Selection of a President recommends the appointment of James B. Milliken as President of the University of California, effective no later than August 1, 2025 for an initial term of five years, through July 31, 2030. In accordance with the academic personnel review process, Mr. Milliken will be recommended for appointment as a tenured, non-salaried professor at an above-scale rank at zero percent time at the University of California, Berkeley, and his faculty compensation after stepping down as President will be established by the academic review process at UC Berkeley.

Mr. Milliken is a national leader in public higher education with more than 30 years of experience and service. Since 2018 he has served as Chancellor of the University of Texas (UT) System and holds the Lee Hage and Joseph D. Jamail Regents Chair in Higher Education Leadership. As Chancellor, he oversees one of the largest public university systems in the United States, comprising 14 academic and health institutions, including seven medical schools and five Carnegie R1 research universities. UT institutions enroll more than 256,000 students and employ more than 160,000 faculty, healthcare professionals, researchers, and other staff. The total annual research expenditures across the UT institutions exceed \$4.8 billion, and the UT System ranks number one in Texas and number two in the nation in federal research expenditures among public higher education systems. During Mr. Milliken's tenure at UT, he led efforts to meet the needs of a growing and diversifying state and nation, including a commitment to increasing training, education, and research programs in information technology, cybersecurity, advanced manufacturing, public health, and medicine. Before joining the University of Texas System, he served as the chancellor of The City University of New York (CUNY), the largest urban university system in the country, where he was a tenured Distinguished Professor of Law, Public Policy, and Education. Prior to CUNY, he served as president of the University of Nebraska, where he was a tenured professor in the schools of law and of public policy. He also served as senior vice president of the 16-campus University of North Carolina system.

Mr. Milliken is a member of the Council on Foreign Relations and was elected to the American Academy of Arts and Sciences. He serves on boards of directors of the Permian Strategic Partnership, the American Council on Education, the University of Texas Investment Management Company, and the Robert B. Daugherty Water for Food Global Institute. He also serves on the Governor's Texas Economic Development Corporation's CEO Council.

During his career in public higher education, Mr. Milliken has received many awards and recognitions, including honorary degrees, the President's Award from One Hundred Black Men of New York, the Cather Medal from the University of Nebraska, the Nebraskan of the Year

award, the CUNY Dreamers Award, and the Lifetime Achievement Award from City & State, a media organization in New York.

Mr. Milliken earned a law degree at New York University, where he was a Root-Tilden Scholar and research assistant to Professor Norman Dorsen, then-president of the American Civil Liberties Union (ACLU). He earned a BA in English with distinction, with minors in economics and history, at the University of Nebraska, graduating Phi Beta Kappa.

In developing the recommendation, the Chair of the Board was mindful that the University of California stands as the nation's leading public research university, comprising 10 campuses, six academic health centers, three national laboratories, and an agriculture and natural resources research and extension network operating in all 58 California counties. With nearly 300,000 students and over 26,000 faculty, UC campuses are routinely ranked among the best in the world. UC research and innovation has resulted in an \$82 billion economic impact and contributed \$55.8 billion to California's gross state product. UC is awarded more NIH and NSF funding than any other institution in the country, with \$3.85 billion in federal research awards and \$7.49 billion in total research funding. The UC President oversees the system's annual \$53.6 billion operating budget, \$30 million endowment, \$157 billion in investments, and over 192,000 staff.

The Chair of the Board recommends that, contingent upon and effective with Mr. Milliken's appointment by the Regents as President of the University of California, his annual base salary be \$1,475,000, to be funded by State sources. This amount slightly exceeds the upper percentile of the Market Reference Zone (MRZ). It is consistent with Regents Policy 7701, Senior Management Group Appointment and Compensation, and reflects an appropriate level of compensation when considering the external market, scope and complexity of the position, and the breadth of Mr. Milliken's experience.

This recommendation reflects both the exceptional qualifications of the nominee, and the unique challenges associated with filling this critical position. The nominee has a unique combination of deep subject matter expertise, proven leadership experience, and a strong record of success in complex, high-profile public institutions similar to the University of California. Candidates who have experience leading multi-campus systems with medical centers, national laboratories, and several campuses rated as R1, the highest tier for research activity in the Carnegie Classification of Institutions of Higher Education, are exceedingly rare. UC's scale, organizational complexity, and substantial operational budget set it apart, leaving it without a true peer for comparison. Moreover, this search is taking place at a time when there is a highly competitive national market. At the same time that UC is conducting this search, there were over 20 active recruitments for University Presidents and Chancellors at R1 Universities. In the last three years, of the 187 R1 institutions in the country, over 60 Presidential searches were conducted, half of which are members of the AAU. Recent market data shows increasingly higher compensation levels, particularly for individuals with the skill set and strategic vision required at complex institutions. In this context, this approach not only recognizes market realities but also protects the University's long-term interests.

Recommendation

- A. The Regents' Special Committee to Consider the Selection of a President intends to recommend that James B. Milliken be appointed as President of the University of California, at 100 percent time, effective no later than August 1, 2025, for an initial term of five years, from the effective date through July 31, 2030. Upon completion of the initial term, Mr. Milliken's employment will convert to an indefinite term that will continue until terminated by either Mr. Milliken or the Regents. In accordance with the academic personnel review process, Mr. Milliken will be recommended for appointment as a tenured, non-salaried professor at an above-scale rank, at zero percent time, at the University of California, Berkeley, and his faculty compensation after stepping down as President will be established by the academic review process at UC Berkeley.
- B. The Governance Committee recommends to the Regents that, contingent upon and effective with Mr. Milliken's appointment by the Regents as President of the University of California, the following items be approved in connection with that appointment:
- (1) Per policy, an annual base salary of \$1,475,000, which will be funded by State sources.
 - (2) Per policy, University-provided housing while Mr. Milliken serves as President of the University of California.
 - (3) Per policy, reimbursement of actual and reasonable moving and relocation expenses associated with relocating Mr. Milliken's primary residence and professional/scholarly books, records, and equipment in connection with the relocation to the San Francisco Bay Area, subject to the limitations under policy.
 - (4) Per policy, when Mr. Milliken leaves the position of President of the University of California, reimbursement of actual and reasonable moving and relocation expenses associated with relocating household goods and personal effects from University-provided housing to a location of his choice in California, subject to the limitations under policy, except in cases where he voluntarily resigns to accept full-time employment elsewhere, or otherwise voluntarily ends his appointment with the University, or is terminated for cause.
 - (5) As an exception to policy, reimbursement of actual and reasonable travel expenses for Mr. Milliken and his spouse for up to four business-related visits to the UC Office of the President or other UC locations before Mr. Milliken's official start date, subject to all other limitations under policy, except for the specific exception to policy listed in section B (6) below.
 - (6) Per policy, an administrative fund will be established for official entertainment and other purposes permitted by University policy. Adjustments may occur annually as allowed by policy. Notwithstanding the provisions of University Policy G-28, Mr. Milliken and his spouse shall be authorized to utilize his preferred class of air travel at his discretion, including for business-related travel

prior to his start date. Such expenses after his start date will be managed within the administrative fund budget provided that the travel is otherwise authorized by policy.

- (7) Per policy, standard health and welfare benefits and eligibility for standard senior management benefits, including Senior Manager Life Insurance (eligible upon appointment) and Executive Salary Continuation for Disability (eligible after five consecutive years of Senior Management Group service).
- (8) As an exception to policy, eligibility to participate in the University's fully insured retiree healthcare plans under the following accelerated schedule subject to statutory or regulatory changes in applicable law: Mr. Milliken will receive 33.33 percent of the maximum University contribution towards medical and dental premiums for each full year of University of California Retirement Plan (UCRP) service credit as President and will be eligible for the maximum University contribution towards medical and dental premiums after earning three full years of UCRP service credit as President.
- (9) As an exception to policy, and as an amendment to the UCRP, Mr. Milliken will be eligible to participate in UCRP and receive a Supplemental Retirement Benefit (SRB) established under the UCRP. In lieu of the basic UCRP benefit for the first five years of University employment as President, his retirement benefit will accrue at the end of each year of service under the schedule set forth in the SRB.

The SRB will provide the following lifetime annual benefits as of the end of Years 1 to 5: Year 1 – \$50,000; Year 2 – \$100,000; Year 3 – \$150,000; Year 4 – \$200,000; Year 5 – \$250,000. Mr. Milliken will be required to make mandatory employee contributions as required under the UCRP and the Defined Contribution (DC) Plan supplement.

If Mr. Milliken steps down as President prior to the end of Year 5, the annual retirement annuity will not increase further, and he will be entitled to the earned annuity specified in the SRB applicable to the number of years he serves as President, as well as any additional years of UCRP service credit earned after he steps down, which will be calculated using standard UCRP benefit provisions under the UCRP 2016 Tier. Similarly, if Mr. Milliken continues as President beyond five years, there will be no further increases in the SRB, and he will be entitled to the earned annuity specified in the SRB as well as any additional years of UCRP service credit earned, which will be calculated using standard UCRP benefit provisions under the UCRP 2016 Tier.

To fund the SRB, the University will make supplemental employer contributions to the UCRP for each of the first five years that Mr. Milliken serves as President to ensure that the retirement system is funded. These supplemental employer contributions are in addition to the regular employer contributions to the UCRP for the UCRP 2016 Tier.

- (10) As an exception to policy, eligibility to participate in the UC Employee Housing Assistance Program while serving as President to assist with the purchase of a private secondary residence in conjunction with the University-provided housing, and subject to all applicable program requirements. When stepping down as President, if he assumes a tenured faculty position at a UC campus, Mr. Milliken will continue to be eligible to participate in the UC Employee Housing Assistance Program, in accordance with all applicable policies and program requirements.
- (11) Per policy, and contingent upon campus approval of Mr. Milliken's tenured academic appointment, eligibility to accrue sabbatical credits as a tenured faculty member, consistent with academic personnel policy.
- (12) For any outside professional activities, Mr. Milliken will comply with applicable Outside Professional Activity policies and reporting requirements. As an exception to policy, Mr. Milliken's compensated board position with Valmont Industries, Inc. is approved for the term of his presidency and no annual approvals shall be required, provided that there are no conflicts of interest at the time of his appointment or at any time afterward. Mr. Milliken shall disclose any material changes in the activity per policy requirements.
- (13) As an exception to policy, eligibility for a severance payment if the Regents terminate Mr. Milliken's employment as President without cause during the initial five-year term. The severance payment shall be equivalent to one year's salary at the then-current rate, discounted to present value, as liquidated damages in lieu of any other remedies so long as Mr. Milliken signs a separation agreement and release of claims using a form approved by the General Counsel.

COMPARATIVE ANALYSIS

Recommended Compensation

Effective Date: No later than August 1, 2025

Title: President of the University of California

Base Salary: \$1,475,000

Incentive Compensation: N/A

Target Cash Compensation*: \$1,475,000

Funding: Partially or Fully State-Funded

Current Incumbent Data

Title: President of the University of California

Annual Base Salary: \$1,308,000

Incentive Compensation: N/A

Target Cash Compensation*: \$1,308,000

Funding: Partially or Fully State-Funded

*Target Cash Compensation consists of base salary and, if applicable, incentive and/or stipend.

COMPETITIVE ANALYSIS**PRESIDENT OF THE UNIVERSITY OF CALIFORNIA
(MRZ TITLE: PRESIDENT OF THE UNIVERSITY)**

| Percentiles | MARKET REFERENCE ZONE FOR BASE SALARY | | | | |
|--------------|---------------------------------------|------------------|------------------|------------------|------------------|
| | 25 th | 50 th | 60 th | 75 th | 90 th |
| Market Data | \$868,800 | \$1,077,200 | \$1,124,600 | \$1,218,000 | \$1,470,900 |
| % Difference | 69.8% | 36.0% | 31.2% | 21.1% | 0.3% |

Survey Source: College and University Professional Association (CUPA) survey. CUPA reports base salary

The compensation described above shall constitute the University's total commitment until modified by the Regents and shall supersede all previous oral and written commitments. Compensation recommendations and final actions will be released to the public as required in accordance with the standard procedures of the Board of Regents.

Special Committee to Consider the Selection of a President vote: Anguiano, Beharry, Chu, Elliott, Hernandez, Matosantos, Reilly, Robinson, and Salazar voting "aye."

Board vote: Regents Anguiano, Batchlor, Beharry, Chu, Drake, Elliott, Hernandez, Lee, Leib, Makarechian, Matosantos, Myers, Pack, Park, Reilly, Robinson, Salazar, Sarris, and Sures voting "aye" and Regent Kounalakis abstaining.