



ANTONIO VAZQUEZ
CHAIRMAN
CALIFORNIA STATE BOARD OF EQUALIZATION

MEMORANDUM

Date: November 8, 2023

To: Sally J. Lieber, Vice Chair
Ted Gaines, Board Member, First District
Mike Schaefer, Board Member, Fourth District
Malia M. Cohen, State Controller

From: Antonio Vazquez, Chairman

Re: **November 14, 2023, Board Meeting Agenda Item 10. Board Member Matters, Board Governance: Proposed 2023 Updates to Board of Equalization Governance Policy.**

Pursuant to the annual update of our Governance Policy, I submit for your review and possible consideration three sections of proposed modifications that provide clarifying language, edits or additions relevant to functional best practices. Suggested below for your review are: (1) edits to Section VII. Role and Powers of the Board, Paragraph H. Board Work Group Policy and Charter (pages 11-12), to reflect present practices that have proven to be effective and efficient; (2) the addition of clarifying provisions under Section X. The Role of the Executive Director, (page 16); and (3) additional clarifying language regarding the communications parameters in Section IX, subsection F. Communications with Executive Director's Designated Staff and Assistance in Responding to Inquiries and Correspondence; *and Other Staff Communications* (page 16). I look forward to your input and suggestions and any other language submittals you may wish to propose.

SECTION VII. ROLE AND POWERS OF THE BOARD. (pages 11 -12)

Recommendation: Consider the edits in Section H. Board Work Group Policy and Charter, pages 11-12, to reflect present practices proven to be effective in conducting Board Work Groups and facilitating resultant policy recommendations. ([Board Work Group Charter](https://www.boe.ca.gov/meetings/pdf/2021/111621-111821M.pdf); <https://www.boe.ca.gov/meetings/pdf/2021/111621-111821M.pdf>)

Paragraph H. Board Work Group Policy and Charter.

Pursuant to the Board's authority under Gov. Code Section 15606(a) to prescribe rules for its own governance and the transaction of its business, and Section 15609 to hold meetings each

month at times and places in the state for performing its duties, the Board has established the following Board Work Group Policy and Charter as the governance structure to be used when the Board determines committees are necessary or useful in addressing specific issues or concerns:

1. Work Group Policy is Established to:

- Set forth policies that govern the Work Group structure consistent with the Board's constitutional and statutory responsibilities, all relevant law, Board Proceedings procedures, and this Governance Policy, requiring that the Board Members and the Executive Director shall be appropriately open in the way key decisions are made and publicly disclosed.
- Establish Board Work Groups as a sound structure of open public forums for the discussion and examination of complex and/or emerging issues relevant to the Board's leadership in public policy development, problem solving and addressing matters related to property tax, insurance tax and alcohol beverage tax administration.
- Guide the Board and provide policy direction for the Executive Director in establishing and convening Work Group meetings while upholding the effectiveness and integrity of the Board's processes, including oversight, accountability, transparency, efficiency, and decision-making, and the preservation of the supplementary or complementary interested parties' process conducted regarding proposed regulatory changes or rulemaking pursuant to the Board Reference Manual.
- ~~Identify and distinguish between the role of the Board Members and their team members as well as the Executive Director and Agency team members. This Work Group Policy applies to both Board Members and their staff. [addressed under 3 below]~~

2. Chair, Co-Chair, and Work Group Members:

- In proposing/establishing a Board Work Group, the Chair or the Board Member will state its specific purpose and who will serve as the Work Group Chair and Co-Chair. Once approved by the Board, each Board Member will serve as a full Member and participant of the Work Group.
- The Work Group Chair and Co-Chair shall perform these duties only to conduct and carry out the assigned purpose of the Work Group and shall not interfere with or assume the role of the Board Chair or Vice Chair in Section VIII of this Governance Policy.
- In performing the workload, the Chair and Co-Chair and their staff shall establish the Work Group meeting plan, agenda, supporting material, the list of—and invitations to—invited/scheduled presenters and participants including the Executive Director or designee, the location and facility, and the preparation of meeting minutes- and reports.

- ~~The Chair of the Board and Executive Director, or designated team member, will review the meeting plan for legal and technical purposes and transmit it to the Board Proceedings Division as appropriate. [moved under 3 (first bullet point), below]~~
- ~~The Chair and Co-Chair are responsible for conducting the Work Group meeting and drafting Work Group report(s) so that the information is available to the full Board and the public at a regular date-specific Board meeting. [moved under 3 (fifth bullet point) below]~~

3. Notice Requirements of Work Group Meetings.

- The Chair of the Board and Executive Director, or designated team member, will review ~~the~~ each *Work Group* meeting plan for legal/technical purposes and transmit it to the Board Proceedings Division as appropriate. ~~The Board shall publicly notice each Work Group meeting~~ consistent with public agenda notice (PAN) process and the Bagley-Keene Open Meetings Act to ensure the Board's stakeholders and the public of their opportunity to fully engage in the discussions, actions, and decisions of the Board and have a seat at the table.
- Board Work Groups may only discuss meeting items publicly noticed on the public agenda notice.
- The Board Work Group agenda, minutes, materials, and reports shall fulfill all Board Proceedings procedures and public meeting requirements.
- The Board shall schedule the Work Group adjacent to a regularly scheduled Board Meeting; or, if due to the urgency or importance of the matter or the demands and competing priorities of the BOE team members, the Board may schedule the Work Group meeting at different time.
- The Work Group Chair and Co-Chair are responsible for conducting the Work Group meeting and drafting Work Group report(s), *including policy recommendations*, so that the information is available to the full Board and the public at a regular date-specific Board meeting: *for discussion and Board action*.

4. Report Out on Work Group Information.

- Following the adjournment of the Work Group meeting, the Work Group Chair and Co-Chair shall prepare the meeting minutes and related tasks, including compiling *the recommendations and* materials received ~~or~~ *and* report(s)s needed for the full Board's consideration.
- The Work Group Chair will submit the draft minutes to the Chair of the Board and the Executive Director for *technical* approval and ~~upon approval, transmit to Board Proceedings for posting to the BOE website for Board approval at a regularly scheduled Work Group or Board Meeting~~ *will submit a written report reflecting the Work Group's discussions, findings, policy recommendations and action items. Upon technical approval, the Board Chair will transmit both the minutes and the report to* Board Proceedings for posting to the BOE website for Board approval at a regularly scheduled Work Group or Board meeting.
- ~~The full Board will direct the Work Group's schedule of updates and reports.~~

- The Work Group Chair shall report out at the Board’s next regular meeting, accompanied by a written report reflecting the Work Group’s discussions, policy recommendations, and findings.
- Conclusion. The Board shall determine and publicly announce the conclusion and final adjournment of the Work Group, including the outcomes, report(s) and/or Board policies and actions resulting from its efforts.

SECTION X. THE ROLE OF THE EXECUTIVE DIRECTOR. (Page 16)

Recommendation: Consider adding the italicized sentences below to clarify the pivotal role of the Executive Director in relationship to the Board and the department staff, to ensure a well-defined leadership criterion complementing the governance framework.

Paragraph A. Policy Implementation.

The Executive Director is appointed by the five-member Board. The Executive Director is responsible for implementing policies adopted by the Board and *for the administration of the day-to-day operations of the agency. Through a Resolution Conferring Powers ~~conferring powers resolution~~, the Executive Director performs all acts and things enjoined by law ~~or~~ *and* required by the Board, which means that *the Executive Director embraces and respects the policies, initiatives and values established by the Board and facilitates their implementation for the organization. Board policy direction is provided in a variety of ways, including but not limited to directives, initiatives or concept proposals to amend rules or statutes, recommendations or proposals for addressing critical or emerging issues, adoption of findings, conclusions, or options for resolving problems, proposals to develop public guidance and educational materials, and initiatives to provide training, webinars, and other educational efforts as appropriate regarding all matters under the Board’s jurisdiction.**

Paragraph B. Supportive Relationship

The Executive Director holds the office at the pleasure of the Board. If the Board is not satisfied with the performance of the Executive Director, the Board may discipline or replace him or her, ~~but will not otherwise get involved in the details of day-to-day operations.~~ *In conferring powers on the Executive Director, the Board and the Executive Director understand that the Board of Equalization is one agency under the state constitution and that they function together in collaborative roles and share the same mission: with the elected Board Members dedicated to and focused on setting statewide policy and making judgments on behalf of the people, and with the Executive Director, dedicated to and focused on implementing the Board’s policies and delivery of services. As stated in this Governance Policy, both the Board and the Executive Director are responsible for creating and maintaining through their governing style an atmosphere that encourages mutual trust both at the Board and as between the Board and executive management.* [page 3]

Paragraph C. Accountability

Consistent with the Resolution Conferring Powers, “all of the authority delegated to the Executive Director is to be exercised under the general direction of the Board and in accordance with policies enunciated by the Board,” including this Governance Policy, and “such delegation

shall not constitute the relinquishment of any power, jurisdiction or responsibility of the Board Members;” *with the result that the Executive Director is accountable to the Board to administer the powers delegated.* [042622-11-Powers-on-ED-Approved \(ca.gov\)](#)

IX. BOARD MEMBER ROLES, RESPONSIBILITIES, AND CONDUCT

Recommendation: Consider adding the language below to clarify the policy on Board Member and B staff communications that require the Members to follow Operations Memo 0001, and Board Member and BOE staff communications that are not under the protocol and should be encouraged.

F. Communications with Executive Director’s Designated Staff and Assistance in Responding to Inquiries and Correspondence; and Other Staff Communications (Page 16)

The Board Members and their staff will follow the communications protocol ~~for the Board Members and their staff~~ with the BOE Executive Management Team and their staff *in Operations Memo 0001 whenever the Board Members and their staff have specific inquiries or correspondence related to workload assignments or work-related requests to be discussed with the BOE Executive Management Team.*

Consistent with this Governance Policy, “the Board and the Executive Director are responsible for creating and maintaining an atmosphere that encourages frank and collegial discussions both at the Board and as between the Board and management and staff.” [page 14] Accordingly, the Board Members and the Executive Director recognize that in informal, non-work related or social conversations or communications among themselves and their respective staffs, they are committed to mutual respect for the qualities, experiences, and roles of each person, and seek to ensure that individuals of all backgrounds, identities, abilities, perspectives, and beliefs have an equal opportunity to belong, to achieve and to contribute. Such communications strengthen our organization by promoting and sustaining the values of diversity, equity and inclusion and inspiring innovative solutions that further the Board of Equalization’s mission. As stated in this Governance Policy, “The Board Members and the Executive Director share values about what is important and work together with mutual respect in a constructive partnership. Together, the Board Members and the Executive Director set the tone at the top that permeates the organization. The Executive Team, which is selected and directed by the Executive Director, also embraces the same values of respect and partnership.” [page 3]