



California State Board *of* Equalization

Strategic Organizational Transformation 2017—Present

A Report on the Organizational Resilience of the State Board of Equalization



BOARD MEMBERS

TED GAINES
First District
Sacramento

SALLY J. LIEBER
Second District
San Francisco

ANTONIO VAZQUEZ
Third District
Santa Monica

MIKE SCHAEFER
Fourth District
San Diego

MALIA M. COHEN
State Controller

YVETTE M. STOWERS
Executive Director

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INTRODUCTION

This report offers a summary and insights into the strategic initiatives and implementation plans that have guided the State Board of Equalization's (BOE) rebuilding efforts from 2017 to the present. The report concludes with the specific results, outcomes, and achievements.

The BOE's major reorganization in July 2017, coupled with a surge in senior staff retirements, a complete turnover of the district-elected Board of Equalization Members (Board) in 2019, and the COVID-19 pandemic in 2020, presented significant challenges to the agency. Despite these obstacles, under the Board's strategic leadership, the agency was successfully rebuilt and revitalized, ensuring the BOE continues to thrive and serve as California's foremost property tax experts.

The legacy issues that led to the reorganization were effectively addressed through legislation, implementation of robust policies and controls, dedicated leadership from the Executive Management Team, and a professional workforce that continues to perform its duties with integrity. During the BOE's rebuilding efforts, the Board tirelessly guided and supported the agency. In turn, the agency overcame difficulties, strengthened our skills, and regained confidence to prepare us to handle future challenges more easily.

Over the past seven years, the BOE has undergone a remarkable transformation. The agency's reconfiguration from a large, traditional hierarchical state agency to an agile, efficient, and flat organization has fostered greater responsiveness, hands-on decision-making, enhanced and effective policy development, improved succession planning, and value-added management communications. The operational efficiencies achieved have facilitated an uninterrupted delivery of essential services to state and local governments. This success reflects the dedication of every BOE employee and the Board's unwavering support of the agency.



STATE BOARD OF EQUALIZATION

BOARD MEMBERS



Ted Gaines
First District

Sally J. Lieber
Second District

Antonio Vazquez
Third District

Mike Schaefer
Fourth District

Malia M. Cohen
State Controller

The State Board of Equalization (BOE) is constitutionally and statutorily responsible for overseeing the assessment practices of the state's 58 County Assessors, who establish values for over 13 million assessments each year. In addition, the BOE assesses the property of regulated railroads and specific public utilities and assesses and collects the private railroad car tax. Properties assessed by the BOE, and properties assessed locally by County Assessors comprise California's property tax base.

All Californians benefit from property tax revenues. In fiscal year (FY) 2022-23, the net statewide assessed value was \$8.1 trillion, resulting in \$89 billion of property tax levies, with schools getting more than half the revenues. In 2023, the BOE set the values of state-assessed properties, primarily privately-owned public utilities and railroads, at \$143.2 billion for the 2023-24 roll. This was a \$9.3 billion increase from 2022-23 values. State-assessed properties produced \$2.3 billion in local property tax revenues for the state's 58 counties in 2023-24. The BOE is also responsible for administering the Alcoholic Beverage Tax Program, which produced \$423 million, and co-administering the Tax on Insurers Program, which added \$3 billion to the state.

Members of the State Board of Equalization meet monthly in Sacramento and play a significant role in the assessment and administration of property taxes by issuing rules and regulations, and setting policy regarding the BOE's tax programs. The Board hears and decides taxpayer appeals from public utility assessments, audits related to property tax, and hearings regarding the Alcoholic Beverage Tax and Tax on Insurers Programs. The Board's monthly public meetings also offer interested parties the opportunity to participate in the formulation of rules and regulations adopted by the Board and to interact with the Members as they carry out their official duties.

The Board consists of five Members who serve concurrent four-year terms. One Member is elected from each of California's four Equalization Districts. The State Controller, elected at large, serves as the Board's fifth Member. The four elected Board Members represent approximately 9.5 million constituents in their respective districts. The Board appoints an Executive Director to head the agency and manage the activities of BOE staff.

AGENCY

In 1879, the BOE was established under the California Constitution to regulate county assessment practices, equalize county assessment ratios, and assess properties of intercounty railroads. Subsequent constitutional and statutory amendments directed the Board to administer tax, fee, and appellate programs to support state and local government. Today, the BOE focuses on its Constitutional responsibilities: Property Tax, Alcoholic Beverage Tax, and Tax on Insurers.

The Property Tax Program is concentrated in the following areas:

- Valuation of state-assessed public utility and railroad property. The total value for the state-assessed roll is approximately \$143.2 billion annually.
- Administration and collection of taxes for the Private Rail Car Tax Program. The total tax is approximately \$9.3 million annually.
- Mapping and assigning tax rate area numbers to each geographical area in the state with a different distribution of revenues among taxing jurisdictions.
- Co-administration of the Welfare Exemption with County Assessors.
- Administration of the Legal Entity Ownership Program.
- Providing guidance to County Assessors to promote uniformity and consistency in assessment throughout the state.
- Conduct assessment practices surveys (compliance audits) to ensure County Assessors' practices and procedures comply with all statutory and regulatory provisions and utilize proper appraisal practices. County Assessors produce an assessment roll for locally assessed property in each of the 58 California counties. The total value of the locally assessed roll is approximately \$8.1 trillion.

The Alcoholic Beverage Tax is a per-gallon excise tax collected on the sale, distribution, or importation of alcoholic beverages in California. The administration of this tax is closely related to the licensing of persons dealing in alcoholic beverages in this state, which is overseen by the California Department of Alcoholic Beverage Control (ABC). The BOE is responsible for all legal functions of the Alcoholic Beverage Tax, including disclosure issues such as Public Records Act requests and Information Practices Act, all adjudicatory functions, including appeals for claims for refund and petitions for redetermination denials, and BOE's Taxpayers' Rights Advocate assists taxpayers on matters regarding the Alcoholic Beverage Tax. BOE has entered into an Interagency Agreement (IAA) with the California Department of Tax and Fee Administration (CDTFA) to assist BOE in the program's administration, including registration, account maintenance, billing, collection, and audits.

The Tax on Insurance Program is jointly administered by the BOE, the California Department of Insurance (CDI), and the State Controller's Office (SCO). Insurance companies that have received authority from the CDI to transact insurance business in California are called "admitted insurers" and may be subject to as many as three California insurance taxes and the Tax on Insurers. The BOE is responsible for adjudicatory functions, including appeals for claims for refund and petitions for redetermination denials. Through an interagency agreement on behalf of BOE, CDTFA issues deficiency assessments and refunds and receives appeals.

BOE REORGANIZATION—JULY 1, 2017

The BOE's reorganization in 2017 was unconventional compared to the typical plan development and timeline for restructuring a state agency and establishing new departments. Typically, at a minimum, the process takes over a year to formulate a plan by determining and assessing the administrative and operation options, conducting public hearings, and implementing final plans.

Effective July 1, 2017, a budget trailer bill¹ reorganized the BOE in a matter of weeks and created two additional separate state entities, CDTFA and the Office of Tax Appeals (OTA). Overnight, the BOE was reorganized into a smaller state agency with fewer staff (approximately 200 employees), a reduction in tax programs, and left with a significant number of vacant or non-existent key organizational positions. Whereas in the past, the burden for mission-critical activities and operation functions was shared over multiple departments (i.e., a large agency with over 4,500 employees), the BOE was left to manage with minimal staff and limited assistance from a mandated service provider with their own demanding workload.

FACTORS

Several external and internal factors influenced the BOE's ability to drive change. While some challenges temporarily slowed our progress, others served as powerful motivators, ultimately fueling growth and empowering the agency to transform for the better.

Factor 1: Taxpayer Transparency and Fairness Act of 2017

Effective July 1, 2017, the Taxpayer Transparency and Fairness Act of 2017, Chapter 16, Statutes of 2017 (Assembly Bill (AB) 102 of 2017), reorganized the BOE into three separate entities: the State Board of Equalization (BOE), the California Department of Tax and Fee Administration (CDTFA), and the Office of Tax Appeals (OTA). CDTFA assumed most of the BOE's statutory tax and fee programs and retained all former BOE administrative functions, resources, and staffing. The law directed CDTFA to provide BOE's administrative, human resources, personnel, and information technology functions. The unintended consequence of this legislation was that BOE was left with little or no agency operational support staffing to oversee critical agency functions and responsibilities.

Factor 2: Loss of Delegation

The State Personnel Board (SPB) completed a special investigation of the BOE's personnel practices covering periods before the agency's 2017 reorganization. As a result of the investigation, the BOE was placed on permanent restriction for all personnel-related activities. The BOE was required to obtain additional approvals from the California Department of Human Resources (CalHR) for every personnel action, causing a considerable delay in our ability to hire much-needed appraisal and operations staff.

¹ *The Taxpayer Transparency and Fairness Act of 2017*, Chapter 16, Statutes of 2017 (Assembly Bill 102 of 2017).

Factor 3: Retirements

The reorganization of the BOE also contributed to the wave of retirements of senior staff and experienced managers, which negatively impacted the BOE. From 2018 to 2023, a total of 35 employees, representing approximately 18 percent of the BOE's remaining workforce, retired. This significantly contributed to the agency's high vacancy rate and resulted in a considerable loss of institutional knowledge.

Factor 4: Board Member Turnover

In 2019, Governor Newsom administered the oath of office to four newly-elected Board Members to represent the four Equalization Districts. This was the first time since 1882 that the Board had a complete turnover of district-elected Board Members.

Factor 5: COVID-19 Pandemic

In response to the COVID-19 pandemic, effective March 19, 2020, Governor Newsom issued a stay-at-home order for California with certain exceptions to maintain continuity of operations for critical infrastructure sectors. The BOE immediately implemented our Business Resumption and Continuity Plans, changing our business model from an office-centered tax administration to 100 percent remote telework. The monthly in-person public Board Meetings were first transitioned to telephone conferences and then to virtual Board Meetings using video-conferencing technology. In 2022, the Governor's orders were lifted.

Factor 6: Proposition 19 (2020)

On November 3, 2020, California voters approved Proposition 19, *The Home Protection for Seniors, Severely Disabled, Families, and Victims of Wildfire or Natural Disasters Act*, which significantly changed property tax laws. This constitutional amendment added new provisions for a base-year value transfer of a primary residence for persons at least 55 or severely disabled or victims of wildfires or natural disasters and changed provisions of the parent-child and grandparent-grandchild exclusions. Immediately after the passage of Proposition 19, the BOE began its statewide leadership role in the implementation process for this historic change.



BOE ORGANIZATIONAL PLANNING

Generally, organizational transformation can encompass a wide range of changes, such as reviewing roles and responsibilities, adopting new business models or technologies, or fostering a culture of continuous improvement.

Before establishing specific goals and objectives to rebuild the agency, the executive leadership first defined BOE's mission and created a vision statement to guide the agency's strategic direction. These ideals serve as BOE's guiding principles throughout all agency activities and the implementation of strategic initiatives.

MISSION

To serve Californians through fair, effective, and efficient tax administration supporting state and local governments.

VISION

To rebuild, revitalize, and modernize the BOE, to enrich its employees, and to strengthen its organizational capabilities to deliver gold-standard services.

INTERNAL STUDY

An internal study was conducted on the BOE's organizational structure and responsibilities, covering all aspects and segments of the agency. The study's initial focus was to fill vacancies and rebuild the agency. Within a short time, the study was expanded to determine how the BOE could also revitalize and modernize its operations to better align with our vision for efficient and transparent operations that can thrive in a rapidly changing environment.

The study resulted in the identification of two main challenges:

Challenge 1: Workforce Capacity

After the reorganization, the agency experienced a higher-than-normal vacancy rate and was adversely affected by a wave of senior leadership retirements. Recruitment and succession planning activities were stalled so time-sensitive mission-critical work could be completed. An immediate action plan was needed to develop, establish, and implement activities to recruit, hire, and train new staff and restore the agency's delegation of authority for personnel actions to reduce the time required to hire new employees. Long-term plans were also required to create a culture of professional growth, develop subject matter experts, and ensure continuity of knowledge.

Challenge 2: Agency Infrastructure

Soon after the BOE was reorganized, the Property Tax Department, select property tax attorneys, and the Executive Director were abruptly severed from critical infrastructure and support. As a result, key positions and duties needed for the essential operation of a constitutional agency were non-existent or vacant. While the BOE was assigned a service provider to provide services for human resources, payroll, technology, accounting, and the like, the BOE lacked the infrastructure and positions to perform essential operations support functions within the agency.

It was also imperative that the BOE fill key management positions within the Executive Office and establish an Operations Support Services Division with sufficient management and staffing to complete critical agency work.

In addition, BOE agency staff were temporarily housed in multiple locations without a true headquarters, which inhibited progress.

AGENCY STRATEGIC PLANNING

BOE's Strategic Plan was developed by utilizing fundamental building blocks to establish a strong foundation for the agency's revitalization. This plan was designed to address both immediate needs and long-term goals, setting forth clear objectives that focus on strengthening the agency's core operations.

The plan encourages innovation and continuous improvement by investing in professional development, leadership opportunities, and open communication to promote a long-term vision of sustainable growth for the agency and its staff.

It also aimed to cultivate a resilient and cohesive organizational culture deeply aligned with a shared purpose where every member of the team understands their role in driving the BOE's success. This ensures that the agency remains adaptable and resilient in the face of future challenges.



BOE STRATEGIC PLAN 2020 TO 2025

STRATEGIC PLAN GOALS

The agency's strategic plan goals for 2020 through 2025 focus on rebuilding, revitalizing, and modernizing the BOE to administer our constitutional and statutory tax programs successfully. These goals are:

Goal 1: Revitalize our workforce and rebuild our state agency infrastructure.

(A) Workforce Objectives:

- Improve our recruitment approaches to achieve better outcomes and accomplish more efficient and timely recruitment processes.
- Establish an employee retention program that utilizes proven best practices and policies for workforce development and career planning.
- Develop and implement succession plans for essential roles and subject matter areas that ensure continuity of knowledge and mitigate risks related to knowledge loss/gaps.
- Create a culture of professional growth and development for future property tax leaders.

(B) State Agency Infrastructure Objectives:

- Identify gaps in BOE's state administrative functions to develop a plan to restore essential functions and delegation levels.
- Collaborate with the State Personnel Board and CalHR to establish the corrective action plan for restored delegation (human resources and personnel).

Goal 2: Modernize our core tax administration functions and business processes by leveraging technology systems and process improvement opportunities.

- Improve data collection and management capabilities related to the survey program to leverage statewide system opportunities.
- Improve website functions and technologies to enhance capabilities and utility.
- Identify innovations to enhance survey relevance and value.

Goal 3: Establish our standards for subject matter expertise and training programs.

- Develop the next generation of property tax subject matter expertise to maintain the ongoing knowledge and skills needed for property tax administration and statewide oversight.
- Establish a coalition of property tax knowledge expertise to enhance the training programs needed for efficient and effective property tax administration.

STRATEGIC PLAN IMPLEMENTATION

Once target goals and objectives were identified in BOE's 2020-2025 Strategic Plan, a comprehensive approach was developed, encompassing specific strategies, actions, and initiatives. The plan was implemented to bridge the gap between BOE's current and future desired outcomes, ensuring alignment with long-term goals and strategic priorities.

ADDRESSING WORKFORCE CAPACITY

Filling vacant positions solves immediate concerns by meeting basic needs and workload. However, it was recognized that we must also think long-term and advocate for an improved organizational structure to mitigate risks and efficient and modern processes to meet the BOE's future needs.

We examined each unit's current condition and desired future, identified whether a quantifiable or qualitative gap exists, objectified possible solutions, implemented changes, and reviewed the outcomes. Below is a listing of the concurrent actions and efforts employed to improve BOE's workforce capacity:

1. Recruitment

- Creation of a recruitment team.
- Guidance and training from HR recruitment professionals.
- Development of online and printed recruitment materials.
- Attendance at career fairs and events (in person and virtual).
- Establishing a dedicated webpage focused on job opportunities.
- Use of social media to advertise positions and cast a wider net for potential candidates.
- Updated agency information on Cal Careers to spotlight the benefits of working for the BOE.

2. Vacancies

- Weekly vacancy meetings with HR professionals and BOE liaisons.
- Composition of an operations memo detailing hiring best practices and procedures.
- Supervisor training focused on hiring best practices.
- Standardization of hiring materials and processing of hiring packets.
- Requested approval from SPB to reinstate BOE's delegated hiring authority.
- Hired an independent consultant to perform a classification study of our appraiser and auditor appraiser positions.
- Commenced a request for alteration of BOE's property tax appraiser classifications.
- Submitted justifications for use of alternate entry-level and senior-level auditor classifications.

3. Staff and Manager Development

- Created an onboarding program for all new BOE staff.
- Automated the tracking and notification of probationary reporting.
- Established a yearly employee performance appraisal policy and tracking system.
- Instituted a training schedule for all state-mandated training.
- Increased soft skills and diversity, equity, and inclusion (DEI) training for all employees.
- Began rotational assignments for managers and critical employee roles.
- Mentoring of supervisors and managers.
- Shadow training and cross-training of staff.
- Use of retired annuitants to fill gaps and knowledge transfer of skillsets to staff.
- Implemented regular unit, section, and division meetings to ensure clear communication channels.
- Policy decisions made as a team rather than from the top down.
- Ensure current employees receive the tools, skills, and competencies to maximize their strengths.

4. Staff Allocation and Levels

The deployment of staff and vacant positions to units with workload backlogs was initiated. Additional staffing was provided to the Legal Department, units within the Property Tax Department, the Taxpayers' Rights Advocate Office, and the Operations Support Services Division.

Examining our workforce capacity also revealed that higher classification levels were necessary to perform needed functions. Upgrades of positions in the Property Tax and Legal Departments were initiated with CalHR and the Department of Finance.

ADDRESSING AGENCY INFRASTRUCTURE

At the time of the reorganization, the BOE was left with a severe deficit of essential operations functions and a permanent loss of delegation authority. As part of implementing the agency's strategic plan, the BOE identified the existing gaps and carried out specific actions to restore essential functions. Once complete, the agency successfully instituted plans to augment and improve BOE's operational and constitutional functions.

1. Facilities

Agency Headquarters

At the time of the reorganization, agency staff were housed in separate locations throughout Sacramento. One of the first steps needed was to create a true headquarters location for the agency. With the approval of the Department of General Services (DGS), a construction project was initiated. In early 2021, the BOE moved into our consolidated headquarters in Sacramento, California. The construction project was completed under budget, and we further reduced costs by repurposing and utilizing existing and surplus furniture and equipment.

Board Member Offices

After the new Board Members took office in 2019, the Board quickly decided that the then-Board Member office space exceeded their current needs. With the assistance of the Executive Director and DGS, the Board Members considerably reduced their office footprint by 56 percent and corresponding lease costs by 39 percent to better suit their individual needs while still allowing them to serve their constituents.

2. Delegation Authority

A special investigation by the SPB covering periods before the July 2017 agency reorganization placed the BOE on permanent restriction for all personnel-related activities. The Executive Management Team immediately developed and established safeguards and best practices to remedy past inappropriate hiring actions and personnel practices.

For over four years, the BOE was required to obtain approval for all personnel transactions by both our service provider and CalHR's Personnel Management Division. This dual review process added considerable time to the hiring process and delayed BOE's ability to fill much-needed positions. The BOE provided CalHR with a multi-year analysis and supporting documentation of 94 appointment requests, demonstrating that the BOE consistently adhered to all merit-based hiring rules and laws. In March 2022, CalHR recommended to SPB that BOE's delegated authority be reinstated. As a result, SPB adopted a resolution, and BOE's delegation was fully restored.

3. Process Improvement

The BOE initiated an agencywide process improvement project, which included the following activities:

- Process mapping to define and document each step.
- Collection of data and metrics.
- Analyzing and reviewing existing processes for bottlenecks, needed improvements, unnecessary reviews, approvals, and whether modernization would produce better results.
- Sought feedback from stakeholders.
- Development of solutions and alternatives.
- Implementation of improvement initiatives.
- Review of resulting metrics.
- Update of process maps, manuals, and policies.

At the conclusion of these activities, multiple processes within the agency were streamlined and modernized, resulting in faster and better results for taxpayers and the public we serve. The Welfare Exemption Unit, LEOP Unit, Training and Certification Unit, Assessment Practices Survey Division, and Board Proceedings Division achieved notable improvements.

4. Key Staff

Executive Management Team

Several key management positions within the Executive Management Team became vacant due to various factors, including a significant wave of retirements. Addressing this issue was a key priority, as it was crucial to promptly recruit and fill these pivotal roles to ensure the restoration and continuity of fundamental agency functions.

Agency Operations

Before the reorganization, the Executive Office and the Property Tax Department included minimal clerical and operations support staff because the administration was conducted through separate specialized units with over 1,000 employees tasked with handling human resources, payroll, facilities management, accounting, budgeting, procurement, technology, asset management, external affairs, etc.

Following the BOE's reorganization, CDTFA was required to support and deliver administration services to the BOE. However, the BOE was not provided sufficient staffing to perform the internal operational support services necessary to function as an independent state agency. Establishing a new Operations Support Services Division with sufficient management and staffing was essential to complete the agency workload and required filings.

Property Tax Department

For over 16 years, the BOE's property tax functions have been administered by two divisions:

- State-Assessed Properties Division—Administers the assessment program of California state assessees under the BOE's jurisdiction.
- County-Assessed Properties Division—Responsible for establishing policies and standards for proper assessment practices statewide and measuring statewide compliance and uniformity in county assessment procedures and practices.

Within the County-Assessed Properties Division (CAPD) are separate units dedicated to the administration of the Legal Entity Ownership Program (LEOP) and the Welfare Exemption Program (WEP). Additionally, the Training and Certification Unit trains and certifies County Assessors and their staff, and the Assessment Services Unit provides guidance to the County Assessors in the form of responses to inquiries, Letters to Assessors, and the creation and maintenance of detailed appraisal instructional guidelines contained in the BOE's Assessors' Handbooks. Lastly, an Assessment Practices Survey Unit performed mandated compliance audits of County Assessors' practices and procedures to ensure the Assessors comply with all statutory and regulatory provisions and utilize proper appraisal practices for the locally assessed rolls.

To materialize BOE's vision for revitalizing and modernizing all property tax programs, an analysis of the Property Tax Department's functions revealed that an organizational restructuring and reallocation were needed to align functions more effectively within the divisions and units. One of the major accomplishments was the establishment of a separate division headed by a new chief to manage the Assessment Practices Survey Program.

5. Technology

Program

The Property Tax Department's technology infrastructure and functions were outdated and required frequent workarounds, and the number of staff with the required experience and knowledge of the technology was dwindling. The BOE determined that we needed to leverage technology for short-term solutions while developing a formal technology plan to develop a solution. A solution that is user-friendly, can be built upon as needed, incorporates e-services to create streamlined services for taxpayers, constructs a data warehouse, and provides analytical tools, reporting systems, and querying mechanisms to convert information into business intelligence.

Agency

Technology updates were needed to provide timely and clear information to the public. BOE's public website needed functional, optimized updates to showcase, reinforce, and build the Board's online presence and establish public trust. The website also needed to include quality content regarding BOE programs and authorities, legislative changes to BOE tax programs, secure online submission of questions or comments, Google Translate, and data analytics.

The creation of an intranet site was also crucial to providing a centralized digital repository for agency staff to access policy, forms, handbooks, and other important information, increasing employee productivity and proficiency. An intranet site was also needed to ensure an engaged and connected workforce and improve new employee onboarding, communication, and secure information sharing.



RESULTS

The implementation of the agency's strategic plan has led to a paradigm shift, transforming the BOE to greater heights than imagined. Through the dedicated efforts of our management team, all constitutional functions have continued to be met, and necessary improvements delayed since 2019 have now been addressed. By strategically aligning with the Board's vision, the agency has moved beyond outdated practices, embraced the advantages of a more agile organizational structure, and reaffirmed our commitment to revitalizing and modernizing BOE's expert services to California.

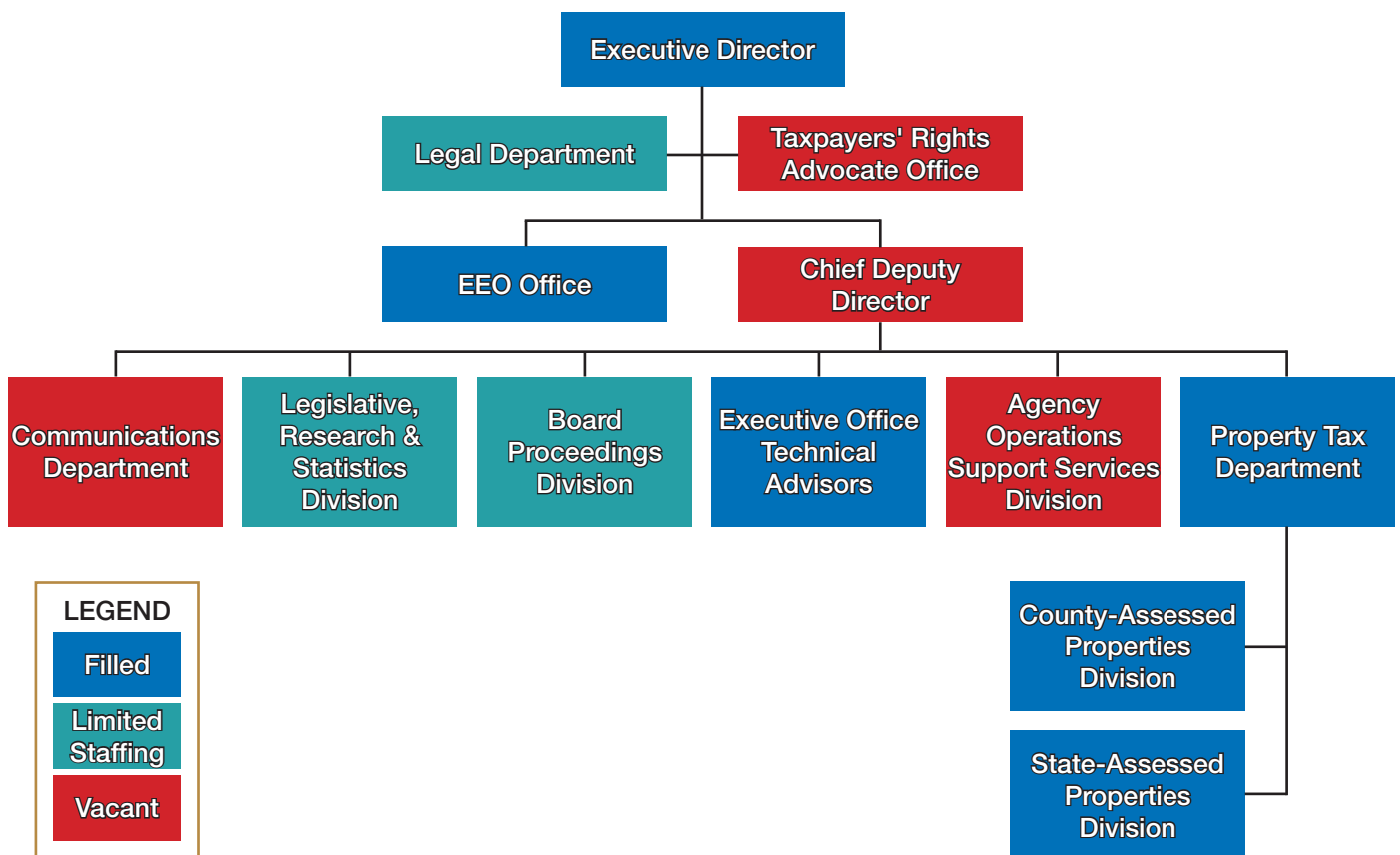
The following sections offer comprehensive insights into the outcomes of strategic analysis, plan implementation, and the results achieved for each BOE department, division, and unit.

EXECUTIVE OFFICE

Where We Were

After the agency's reorganization, multiple critical positions within the Executive Management Team and Executive Office were vacant. The limited remaining staff were tasked with performing functions previously completed by other departments, with staff well-versed in the intricacies of the processes and duties. As a result, team members took on additional roles and responsibilities to ensure we fulfilled all duties promptly.

2018 ORGANIZATIONAL CHART AFTER THE REORGANIZATION OF BOE



Needs Analysis

- Fill critical executive and management positions in the Executive Office and throughout the agency.
- Recruit and fill subject matter experts for BOE's tax programs to support the Executive Office.
- Prepare and implement a plan for onboarding and transitioning newly elected Board Members and their staff.
- Establishment of district and Sacramento offices for Board Members.
- Create a new headquarters to house all BOE staff in one central location.
- Implementation of the agency's Business Continuity and Resumption Plans due to the COVID-19 pandemic and mandatory stay-at-home orders.
- Planning and reporting methodology to implement legislation, including the historic Proposition 19 (2020), *The Home Protection for Seniors, Severely Disabled, Families, and Victims of Wildfire or Natural Disasters Act*.
- Allocate duties and responsibilities for the agency's administrative and operation functions to appropriate department leaders and/or a newly created and staffed Operations Support Services Division.
- Develop an agency calendar to ensure timely completion of all required filings and adequate recordkeeping for routine audits.
- Implement a holistic, comprehensive approach to reduce the agency's vacancy rate.
- Composition, publishing, and implementation of agencywide policies, including significant changes to the long-standing telework policies.
- Plan and prepare for mandated audits and timely responses to control agencies.
- Reestablish the Advisory Council to obtain feedback from key stakeholders.
- Restore BOE's delegation of hiring authority with the State Personnel Board.
- Short-term and long-term Workforce and Succession planning.

Results—Where We Are Today

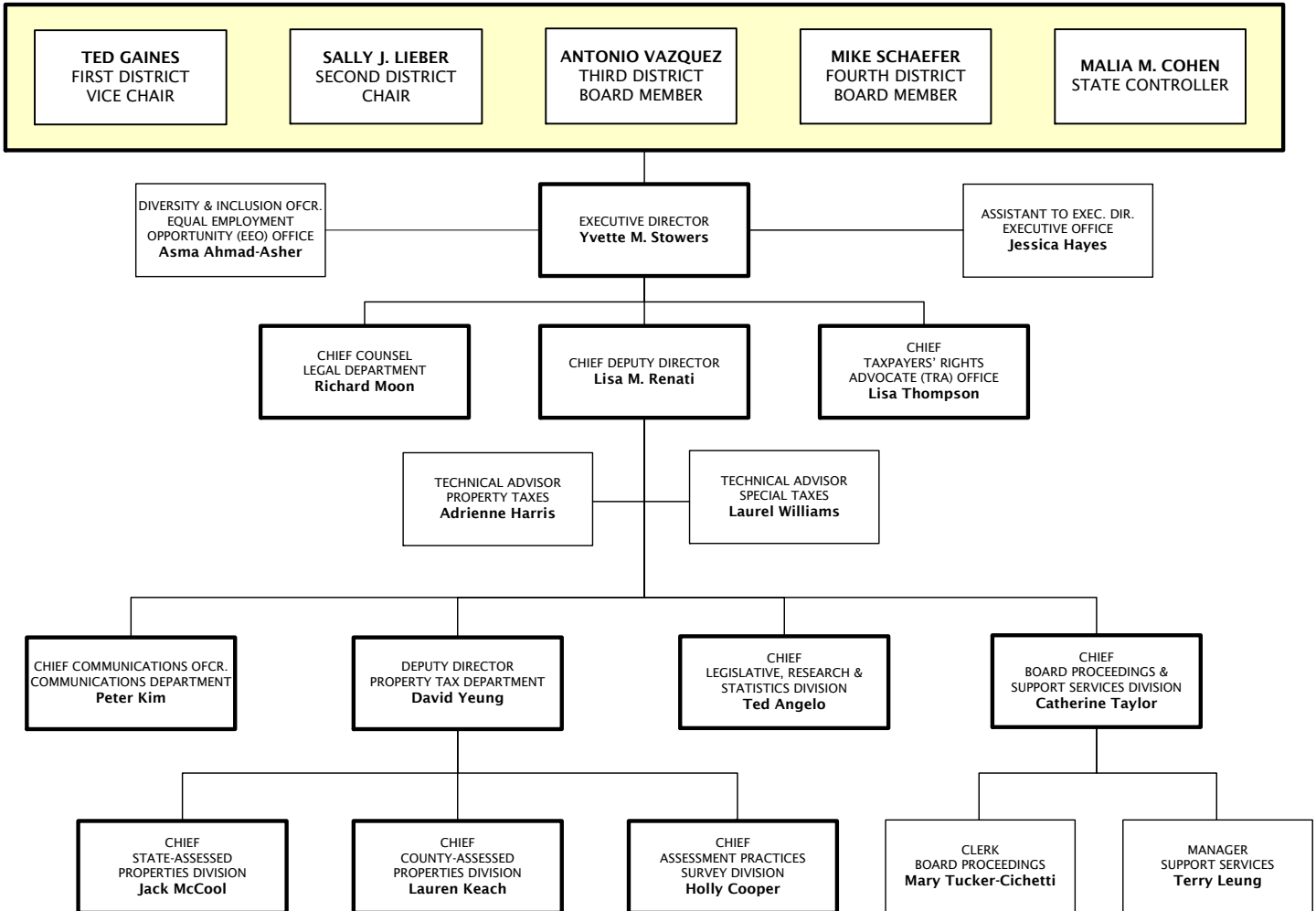
- Hired experienced professionals to serve in the following crucial executive and manager roles:
 - Executive Director
 - Chief Deputy Director
 - Chief Communications Officer
 - Chief of the Taxpayers' Rights Advocate Office
 - Equal Employment Opportunity Office DEI Manager (*augmented position*)
 - Technical Advisor for Property Tax

- Technical Advisor for the Alcoholic Beverage Tax and Tax on Insurers (*created*)
- Chief of State-Assessed Properties Division
- Chief of Assessment Practices (Audit) Survey Division (*created*)
- Chief of County-Assessed Properties Division
- Chief of Board Proceedings and Operations Support Services Division (*created*)
- Board Proceedings Manager/Board Clerk
- Principal of Unitary Valuation and Auditing Unit
- Principal of Real Property Appraisal, Board Roll Support, and Tax Area Services Unit
- Principal of Assessment Services, Training and Certification Unit
- Principal of LEOP and Welfare Exemption Section Unit
- Principal of Assessment Practices Audit Survey Unit
- In 2019, four new Members of the State Board of Equalization and their staff were successfully onboarded.
- Assisted the newly elected Board Members in establishing Sacramento and district offices with considerably reduced office footprint and reduced costs to the state.
- Established a single headquarters in Sacramento, consolidating staff housed in multiple locations throughout the Sacramento area. Included in the facility is a state-of-the-art training facility with capabilities to hold in-person, virtual, and hybrid training sessions.
- Created an interagency agreement with our service provider detailing processes, responsibilities, and communication protocols to ensure mandated administrative services meet the ever-changing needs of our agency.
- Formed a recruitment team, attended multiple in-person and virtual career fair activities, and developed strategic recruitment alliances with diverse communities to attract more qualified applicants.
- Through proactive recruitment and dedicated hiring, the agency's vacancy levels reduced from over 27 percent to approximately 11 percent.
- In March 2022, the SPB, with the support of CalHR, approved the restoration of BOE's delegated hiring authority.
- Composition and publication of BOE's:
 - Strategic Plan for 2020-2025
 - Business Continuity and Resumption Plan
 - Workforce and Succession Plan

- State Leadership Accountability Act Reports
- COVID-19 Prevention Plan
- Telework Policy and Plan
- Workforce Violence and Bullying Prevention Plan
- Injury and Illness Prevention Plan
- Updates to the State Board of Equalization Administrative Manual (BEAM)
- Introducing the State Board of Equalization (Publication 406)
- Developed a holistic agencywide plan and timeline to implement Proposition 19 (2020).
- Established an Advisory Council, facilitating regular meetings garnering valuable feedback and innovative ideas.
- Received a perfect 100 percent compliance report in all areas most recently examined (September 3, 2024) by the State Personnel Board's (SPB) Compliance Review Unit. SPB noted that the BOE is one of only a few departments throughout state government that has ever achieved a perfect score.



2024 ORGANIZATIONAL CHART—BOE MEMBERS AND EXECUTIVE MANAGEMENT TEAM



As of August 12, 2024

COMMUNICATIONS DEPARTMENT

Where We Were

The agency's Chief Communications Officer position was vacant, and all BOE external and internal communication functions and duties fell to the Executive Office to perform with little or no assistance. Additionally, after the reorganization of the BOE, access to the agency intranet was immediately removed from Board Member Offices and was no longer updated for agency staff, making the site obsolete.

Needs Analysis

- Recruit an experienced and dedicated Chief Communications Officer to serve as the agency's principal spokesperson with the media.
- Coordinate and oversee the preparation of the BOE's Annual Report, and other BOE publications and materials.
- Ensure the public website and all materials meet ADA requirements.
- Enhance and update the public website to provide current and relevant information about the BOE's tax programs, Proposition 19 (2020), disaster relief, Taxpayers' Rights Advocate, Board Members and their districts, and available career opportunities at the BOE.
- Create and maintain a social media presence to inform the public of BOE programs and career opportunities.
- Create and maintain an intranet site to distribute information and necessary tools for all BOE staff, including Board Member Offices.
- Improve internal communication channels and employee engagement.
- Standardize the style guide for all external communication via email, letters, memos, presentations, and forms.
- Develop and prepare presentations and materials regarding agency programs (such as the implementation of Proposition 19) for use by Board Members and their staff.
- Create and update BOE publications for use by the public and stakeholders.
- Develop relationships with the press and other members of the media community.
- Translate of BOE publications as needed based on requests and language accessibility.

Results—Where We Are Today

- The Communications Department is headed and staffed by an experienced Chief Communications Officer with state agency and legislative experience. The Chief serves as the principal spokesperson for the agency with the media, external stakeholders, and the general public to ensure all BOE audiences receive accurate, consistent, and timely information.
- Numerous news releases have been issued to disseminate important information to the press and stakeholders.

- Since September 2020, BOE's social media accounts have been reactivated and verified, and over 70 posts have been made annually to engage with followers. BOE's LinkedIn account was also reactivated to promote career opportunities and engage with job seekers and current employees. Various new social media graphics were created to communicate BOE policies and updates.
- Updated and enhanced the BOE website to include additional graphics and a prominent banner, refreshed Board Member webpages, launched dedicated Careers and Proposition 19 webpages, and implemented a "Translate" button for non- or limited-English speaking audiences.
- New and updated publications were published, including the *State Board of Equalization Fact Sheet* (Pub 1), *Introduction to the California State Board of Equalization* (Pub 21-G), various fact sheets and information sheets (several translated into Spanish and simplified Chinese), refreshed newsletters and bulletins, and Annual Reports.
- Enhanced outreach efforts for the Taxpayers' Bill of Rights Hearing, including public service announcements and improved electronic communications.
- The Communications Department collaborated closely with the Taxpayers' Rights Advocate Office to develop a comprehensive Proposition 19 presentation and accompanying materials. These resources were specifically designed to support elected Board Members and their staff in outreach efforts, ensuring they could effectively engage and inform their constituents about the key aspects and implications of Proposition 19.
- MyBOE was established as a new intranet site for all BOE employees, including Board Member Offices.
- Bi-yearly publication of *BOE Connect*, an employee newsletter with information regarding recent employee promotions, retirements, awards or recognition, important updates at the BOE, career and training opportunities, personal milestones, features of BOE's departments, and tips for employees.

AGENCY OPERATIONS SUPPORT DIVISION

Where We Were

After the agency was reorganized, the BOE was not provided with any additional staffing for the operation of our constitutional state agency. The agency's existing resources were capable of providing basic support for the property tax program. Still, they lacked the staff with the expertise needed to deliver a full range of services to all units and departments in the agency.

Needs Analysis

Human Resources

Tracking, coordinating, preparing, and submitting request-to-hire packages and HR forms for job postings; onboarding of staff; planning, developing, and implementing recruitment activities for the agency; maintaining agency organization charts. Attendance and payroll coordination. Manage telework policies, maintain forms, and ensure compliance. Compliance management of mandated employee training.

Facilities

Tracking, submission, and follow-up of facility issues and needs. Planning and coordinating office decommissioning, preparing program data for new office locations, and planning and coordinating office relocations. Office security reconciliations and alarm programming.

Contracts/Procurement

Tracking, coordination, research, preparation, agencywide approvals, and submission of procurement and contract requests for procurement and acquisition. Office supply management. Print production tracking, submission, and follow-up.

Budget/Accounting

Reviewing, tracking, and managing the agency budget. Planning, developing, and obtaining agencywide approvals on Budget Change Proposals (BCP). Preparing requests for and monitoring the out-of-state travel blanket.

Asset Management

Tracking, coordination, and management of physical inventory and management of agency assets. Tracking, reporting, and ensuring maintenance on BOE fleet assets.

Information Technology

Researching, planning, and creating business analyses for proposed IT activities; requesting IT software changes as business needs change; implementing IT changes; tracking, coordinating, preparing, and submitting paperwork and changes.

Results—Where We Are Today

- Established an Operations Support Services Division to oversee all aspects of operation support for the agency regarding Human Resources, Contracting, Budgeting, Facilities Management, and many other areas. The division acts as a liaison between the agency and the BOE's service provider and provides data needed to address various other standard agency requirements, including state-mandated reporting.
- Hired a Chief of Operations Support Services and Board Proceedings to lead the newly created Operations Support Services Division.
- Obtained approval to create and hire three (3) senior analyst positions with staff experienced in:
 - Human Resources
 - Contracts, Procurement, and Facilities Management
 - Budgets and Accounting
- Realignment of existing resources for agencywide operations support activities.
- Issuance of operations memos regarding attendance timekeeping, use of wellness rooms, recruitment, hiring, onboarding, and retention of hiring documents.

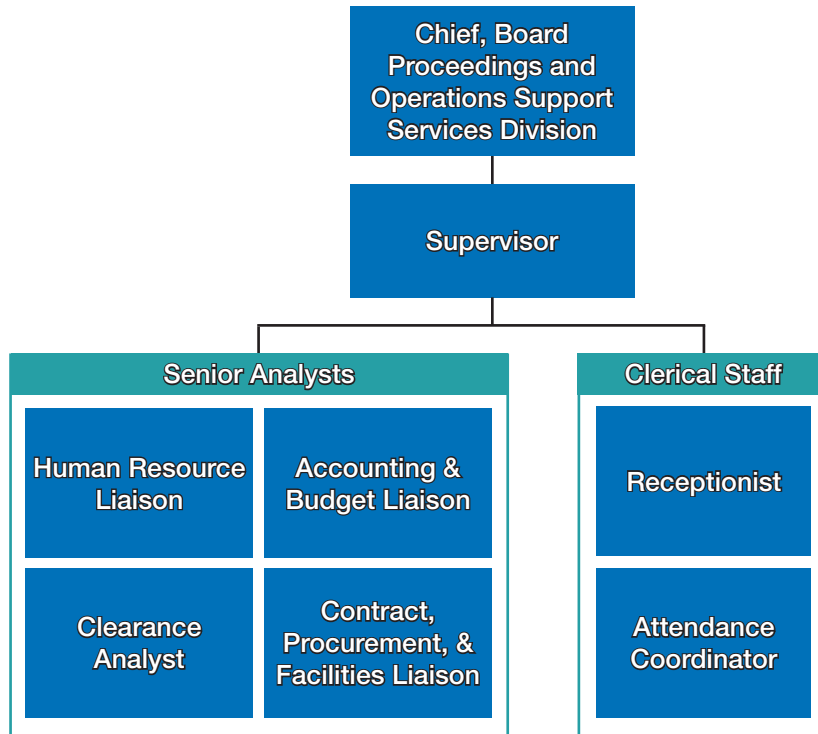
- Dissemination and archival of administration bulletins, operation memos, and updates to BEAM.
- Establishment of BOE's recruitment policies, procedures, tracking, and reporting.
- Transitioned our telephone service from old technology with equipment tethered to a physical office location to Voice Over Internet Protocol (VoIP) saving substantial money each year and continued facilitation of effective remote teleworking.
- Lead for agency technology and equipment needs, including collaboration with all units across the agency to assess and summarize current and future technology needs. This comprehensive effort also includes developing long-term plans to ensure sustainable and innovative solutions aligned with the agency's evolving goals and objectives.
- Initiated a technology project to replace the State-Assessed Properties Division's antiquated Board Roll Program. This project is expected to last several years and will integrate with plans for other units in the agency.
- Agencywide standardization of completion of hiring packages using proven merit-hiring principles has achieved consistent results and increased compliance.

Hiring Activities Performed by the Agency Operations Support Services Division

Hiring Activity	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2023-24	Total
Hiring Packages Created and Processed	37	33	31	96	29	226
Number of New BOE Employees Onboarded	9	7	17	31	17	81



**2024 ORGANIZATIONAL CHART—OPERATIONS SUPPORT
SERVICES DIVISION**



BOARD PROCEEDINGS DIVISION

Where We Were

By statute, the BOE is required to hold monthly Board Meetings open to the public. These meetings offer the public the opportunity to provide input regarding the formulation or amendment of rules and regulations administered by the Board. The Board also serves as the appellate body, reviewing and deciding determinations of certain Property Taxes, Taxes on Insurers, and Alcoholic Beverage Tax cases.

After the agency's reorganization, the Board Proceedings Division's staffing was cut by over 73 percent, with most existing staff transferred to the newly created Office of Tax Appeals. While the number of appeals handled by the BOE may have decreased, the workload associated with coordinating and executing a monthly public Board Meeting that fulfills all mandates of the Bagley-Keene Open Meeting Act and the Kopp Act remains the same. In addition, new statutes affecting the Board required changes in implementing Board Meetings and appeals processes.

The already limited staff, required to perform numerous duties within strict monthly deadlines, faced increased challenges due to the COVID-19 pandemic. Additionally, the impending loss of a dedicated Boardroom, specifically built to serve the Board's needs decades prior, further compounded challenges for the team.

Needs Analysis

- Comprehensive tracking system to replace IT infrastructure and databases used to manage and report on petitions, appeals, contribution disclosure, ex parte notifications, campaign statements, and Board assignments.
- Review and update the Board Meeting Notice, agenda template, meeting minutes, and forms used by the Board Proceedings Division to ensure the information conveyed or requested is user-friendly and meets all operational and statutory requirements.
- Standardize messaging and due dates to ensure timely submission of all public agenda items.
- Prepare for the onboarding of new Board Members.
- Ability to conduct virtual and hybrid Board Meetings with transparent public access and satisfying Bagley-Keene Open Meeting Act requirements and BOE's Rules for Tax Appeals.
- Replacement of aging hearing reporter equipment.
- Records organization and retention.
- Find a suitable location and manage all logistical changes for monthly Board Meetings to replace the long-standing Board Meeting facilities.

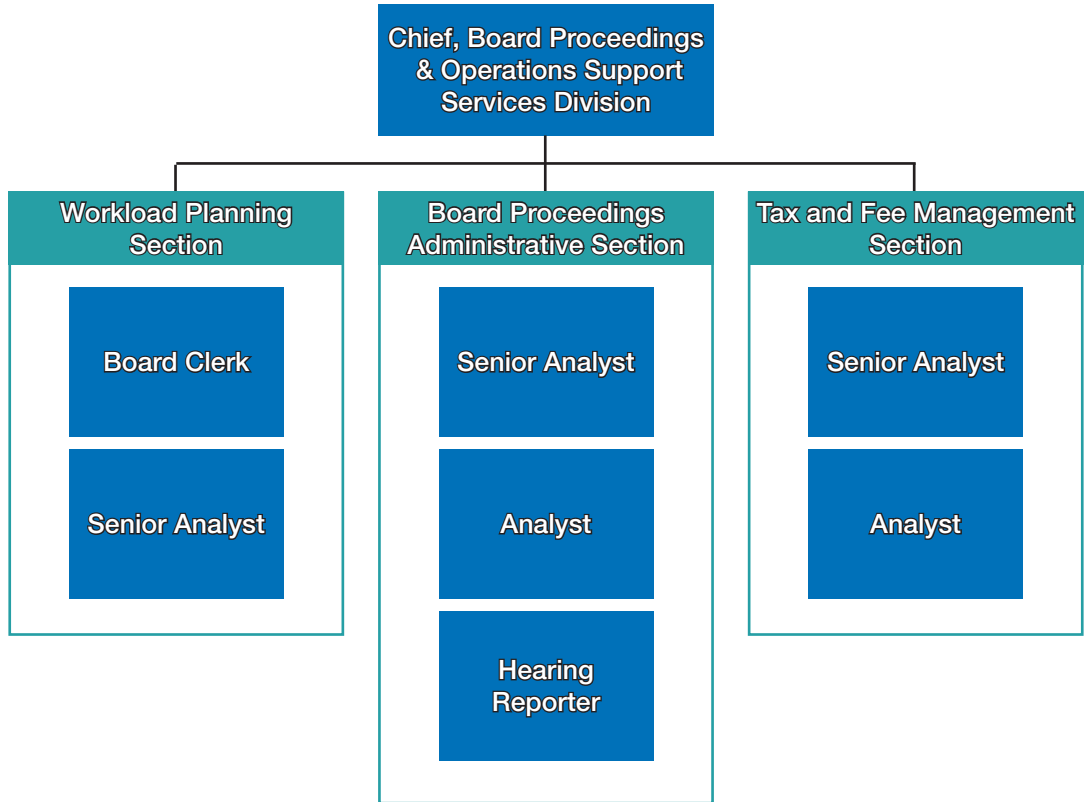
Results—Where We Are Today

- Hired a Chief to lead the existing Board Proceedings Division and the newly created Operations Support Services Division.
- Hired a dedicated Board Clerk to lead the Board Proceedings Unit and ensure the record of Board Meetings is maintained and retained.

- Right-sized staffing and workload for the monthly Board Meetings and appeals case management with increased efficiencies and productivity, eliminating the need for overtime pay.
- Updated and modernized the processes and tracking systems for contribution disclosures, appeals, and ex parte notifications.
- Updated retention policy and created processes to ensure Board Meeting materials are organized and securely stored in an effective and compliant manner.
- Conducted business process analysis for a future case management system.
- Refreshed the Board Meeting Notice, agenda template, and meeting minutes to provide the public with contemporary, simple, and accurate information.
- Developed a hybrid live-streamed Board Meeting process that provides transparency and allows all parties, including the public, to participate in-person, virtually, or telephonically.
- Successfully transitioned Board Meetings from an old facility to a new, state-of-the-art facility managed by DGS by coordinating with multiple external partners.

Board Meeting Summary					
Calendar Year	In-Person Meeting <i>No Remote Participation of the Public. 100% in person.</i>	Teleconference Meeting <i>Remote Participation by Members and Public by Telephone Only.</i>	100% Remote Meeting <i>Remote Participation by Members and the Public via Telephone and Video Conference.</i>	Hybrid Meeting <i>Members in Person with an Option for Public to Participate Remotely via Video or Telephone Conference.</i>	Total
2018	12	0	0	0	12
2019	16	0	0	0	16
2020	2	3	15	0	20
2021	0	0	20	0	20
2022	0	0	7	13	20
2023	0	0	0	16	16
2024	0	0	0	16	16
Total	30	3	42	45	120

2024 CURRENT ORGANIZATIONAL CHART – BOARD PROCEEDINGS DIVISION



EQUAL EMPLOYMENT OPPORTUNITY OFFICE

Where We Were

State law requires every agency to appoint, at a managerial level, an Equal Employment Opportunity (EEO) Officer who reports directly to the Executive Director. The EEO Officer enforces BOE's nondiscrimination and sexual harassment prevention policies, promotes a work environment free from discrimination, harassment, retaliation, and sexual harassment, conducts fair and impartial investigations of internal employee complaints of discrimination, sexual harassment, and retaliation, and responds to external EEO complaints filed with the state and federal civil rights agencies.

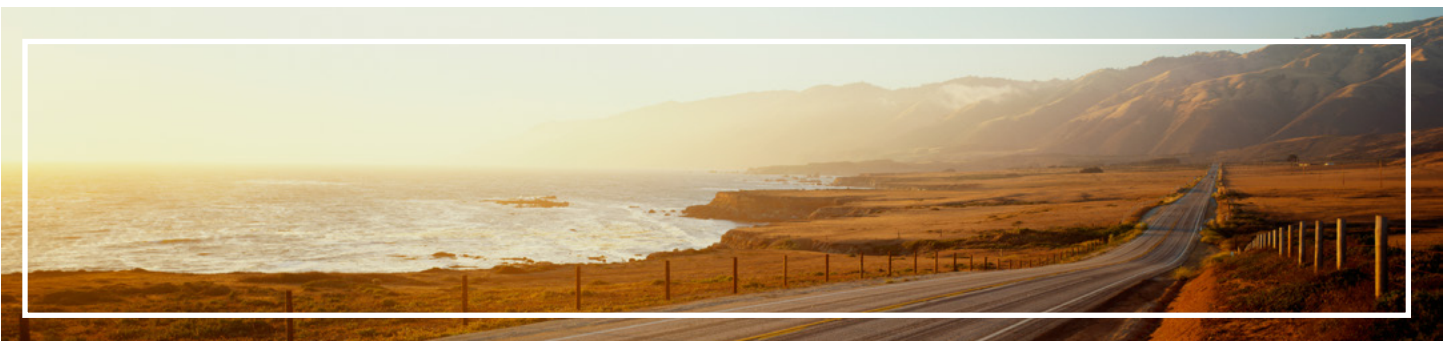
In 2019, BOE's prior EEO Officer left the agency to pursue another opportunity, resulting in a vacancy for this essential and mandated position.

Needs Analysis

- Hire an experienced EEO Officer.
- Expand the EEO Officer's duties to include additional responsibilities and roles temporarily handled by the Executive Office.
- Compliance and accountability tracking and reporting.
- Formation of a Disability Advisory Committee (DAC).

Results—Where We Are Today

- An experienced EEO Officer was hired with an enhanced role incorporating diversity, equity, and inclusion (DEI) principles.
- Review and update all existing EEO policies aligned with DEI advocacy.
- Performs training coordinator duties for all state-mandated agency, leadership, and DEI training.
- Implemented a training cycle and tracking system to ensure compliance.
- Established a DAC that meets all state requirements, featuring active participation from committee members and multiple successful agencywide events.
- Review and update recruitment materials and hiring practices to ensure and highlight BOE's EEO and DEI values.
- Timely reporting of data and reports as required.

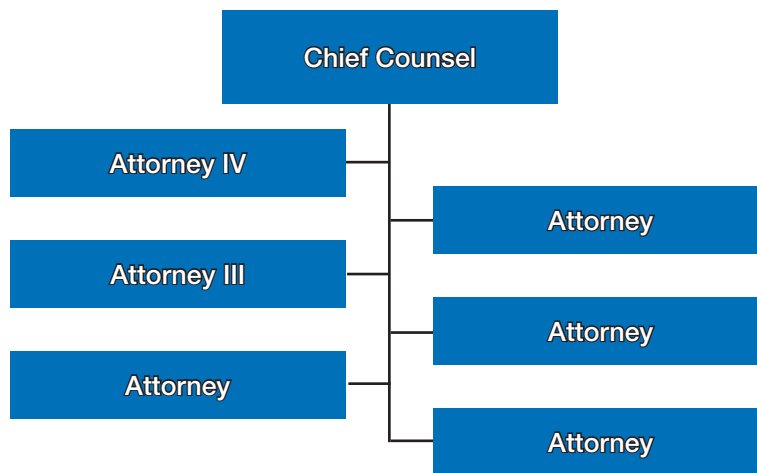


LEGAL DEPARTMENT

Where We Were

After the agency's reorganization, the Legal Department was allocated a Chief Counsel position, four experienced property tax attorneys, and two newly hired attorneys. This limited staff was to perform all legal services for the agency, including legislation, regulations, litigation, subpoenas, contracts, administrative tax appeals, tax controversy, disclosure, personnel matters, Board governance, advice, and guidance to tax program staff, County Assessors, other county officials, and other administrative issues. It was apparent that additional staffing was needed to support the BOE's legal needs.

2018 ORGANIZATIONAL CHART – LEGAL DEPARTMENT



Needs Analysis

An analysis of the current workload for the Legal Department and the agency, combined with strategic forecasting of future needs to revitalize the department and increase productivity, resulted in the identification of five informal “units” needed to perform all necessary functions of the Legal Department:

- **Tax Programs**—Provides legal services to the Agency, Board, County Assessors, and officials, the Legislature, governmental agencies, and local and district taxing authorities concerning property tax, the Tax on Insurers, and the Alcoholic Beverage Tax. The department’s attorneys also appear before the Board and present oral arguments supporting the agency's position at hearings, support the regulatory process, and provide technical expertise to the BOE’s tax program litigation efforts.
- **Disclosure and Governance**—Manages disclosure inquiries, public records act requests, and Information Practices Act requests related to BOE records, as well as any Governance inquiries that arise from the Executive Office, the Board Proceedings Division, or from the Board Members, individually as directed by the Executive Director, or collectively by Board request. Attorneys also provide support at Board Meetings.

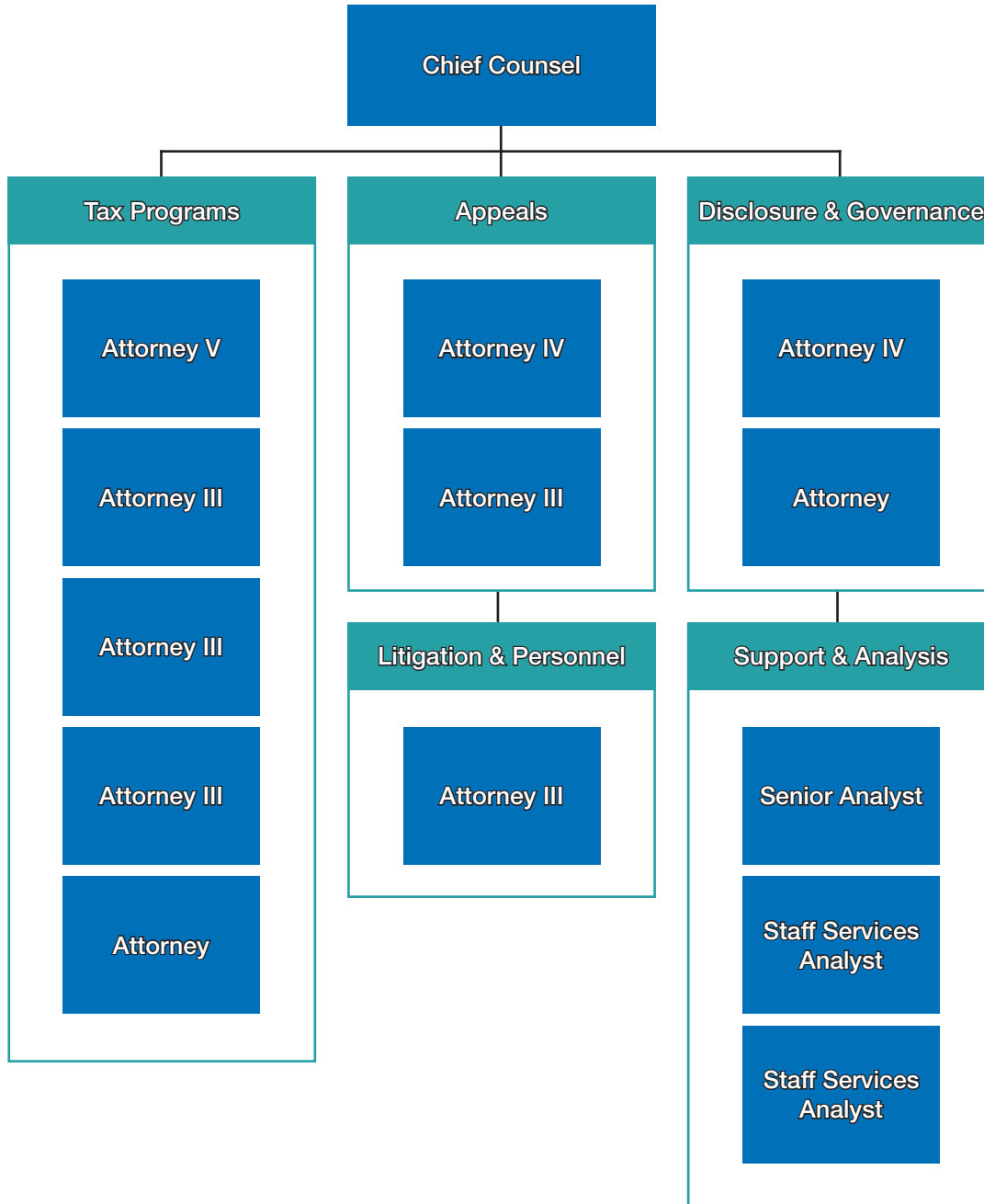
- Appeals—Designated appeals attorneys serve as neutral conference holders of disputes between taxpayers and the BOE tax programs. The BOE’s appeals process allows both parties to provide evidence, documents, and arguments. The appeals attorney conducts a neutral, objective analysis of the dispute and then prepares a recommendation to the Board for decision or hearing, as appropriate. The appeals attorney also assists the Board in memorializing decisions as the law requires.
- Litigation—Advises and represents the BOE in litigation related to the Board’s constitutional and statutory responsibilities, including but not limited to challenges of the Board’s legal opinions, regulations, administrative or hearing processes, and personnel actions. Department staff also report to the Board periodically on the status of litigation through written reports and/or closed sessions at a Board Meeting, at the direction of the Chief Counsel. Department staff may advise on the agency’s active personnel matters before litigation. In most litigation cases, the Department of Justice formally represents the agency in collaboration with agency legal and subject matter staff. Attorneys also provide support related to personnel matters and agency administration.
- Support and Analysis—Technical staff provide analytical and administrative support to the legal team.

Results—Where We Are Today

- Using existing resources, the Legal Department has expanded by 100 percent from 2018 to the present with four additional attorneys and three analysts, for a total of eleven attorneys and three support staff.
- Multiple attorney positions were upgraded to account for the experience and expertise needed to provide legal guidance on complex property tax law, appeals, governance, and litigation.
- The increased staffing has allowed the Legal Department to develop subject matter experts for the agency’s specific needs.
- Cross-training of staff on all legal functions.
- Nimble flow of work without the constraints of a typical legal unit structure with silos.
 - Implementation of Proposition 19—On November 3, 2020, California voters approved *Proposition 19, The Home Protection for Seniors, Severely Disabled, Families, and Victims of Wildfire or Natural Disasters Act*. Proposition 19 made significant changes to specific property tax laws. The Legal Department collaborated with the Property Tax Department to immediately begin the BOE’s statewide leadership role in the implementation process. The accomplishments include partnerships with CAA, stakeholders, and Legislature to draft implementation, legislation, multiple Letters to Assessors (LTA), and the rulemaking process to adopt two new Property Tax Rules.

2024 CURRENT ORGANIZATIONAL CHART—LEGAL DEPARTMENT

The BOE’s legal team now includes a Chief Counsel, ten attorneys of multiple levels (high-level and journey attorneys), and three analyst positions to support the team. The Legal Department staff is informally allocated by legal units; however, as workloads fluctuate, the attorneys are rotated in and out, as needed.



LEGISLATIVE, RESEARCH, AND STATISTICS DIVISION

Where We Were

The Legislative, Research, and Statistics Division (LRSD) is responsible for all aspects of the BOE's legislative, research, and statistics work for the tax programs that the BOE administers. This includes reviewing, analyzing, computation of revenue estimates, and preparing and distributing detailed analyses for all legislative bills introduced, amended, or under consideration. Additional duties include researching and reporting data on the open data portal for all BOE tax programs, computation of the 4-R Act Equalization Ratio and Private Railroad Car Tax Rate, collection and summarization of reports from County Assessors, property tax statistical sampling, and the compilation of data for the annual report.

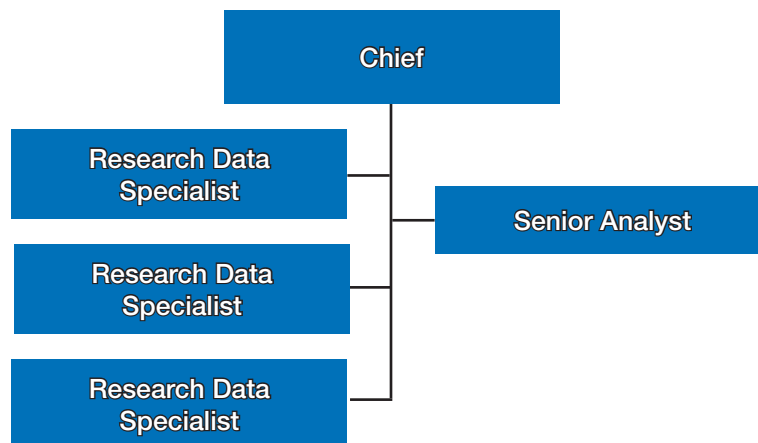
Needs Analysis

- Comprehensive tracking system for legislative bills and analyses.
- Skilled staff with capabilities to perform complex bill analyses, data analysis, and research.
- Workforce capacity to handle workload demand within time constraints.
- Knowledge transfer for critical work.

Results—Where We Are Today

- Augmented the team to include a senior analyst to track and compose detailed legislative analyses.
- Cross-training of the team to ensure critical knowledge is retained and workload demands are met within deadlines.
- Comprehensive tracking system for legislative bills and analyses.
- Skilled staff with capabilities to perform complex bill analyses, data analysis, and research.

2024 CURRENT ORGANIZATIONAL CHART—LEGISLATIVE, RESEARCH, AND STATISTICS DIVISION

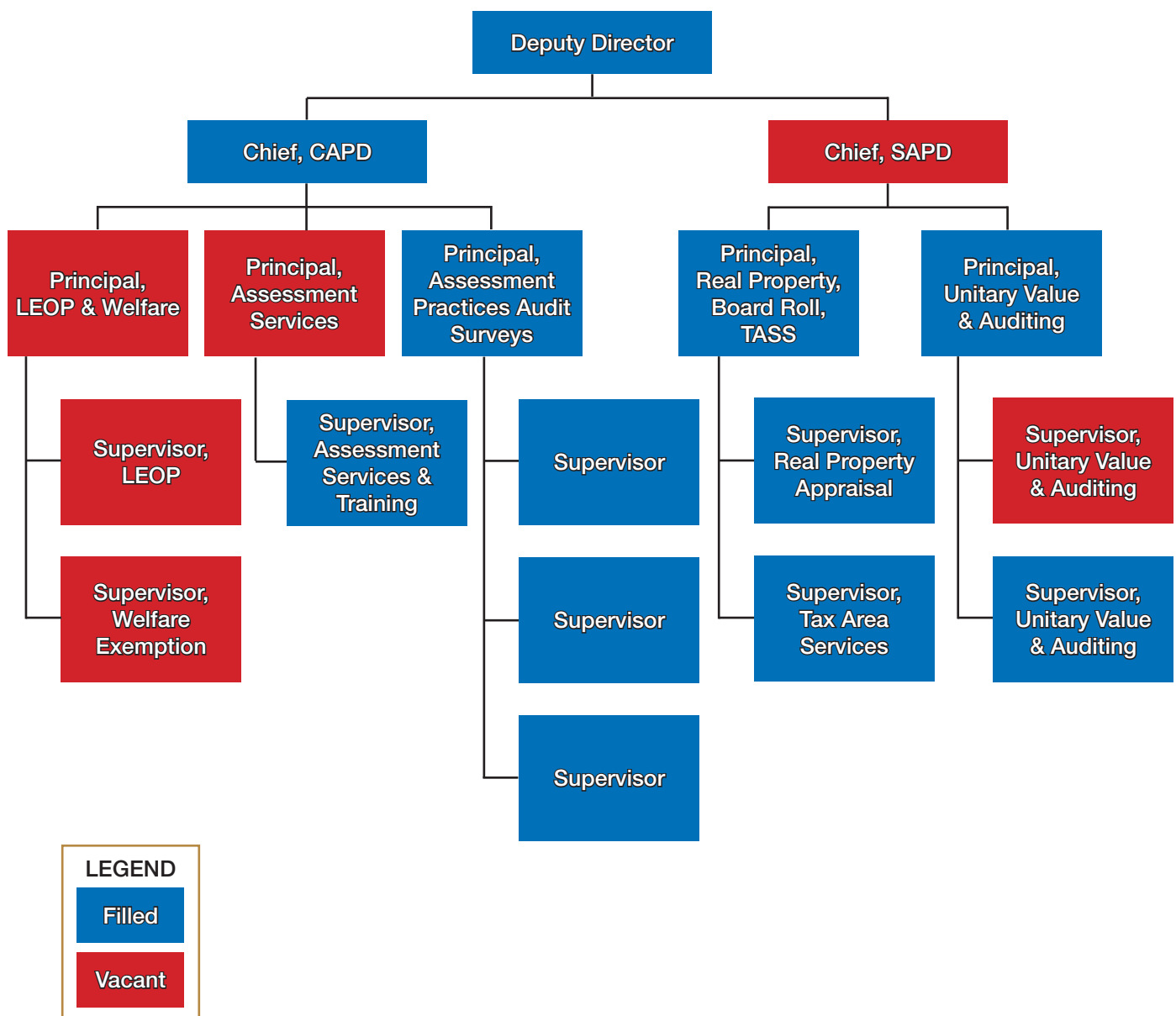


PROPERTY TAX DEPARTMENT

Where We Were

Following the reorganization, the staffing levels within the Property Tax Department remained unchanged. However, a significant number of retirements among senior staff and management had a notable impact on the department's operational capacity. The department struggled to allocate resources toward innovative projects or improvements as the focus shifted to maintaining essential operations. To break the cycle of low staffing levels hindering progress and limiting the ability to modernize and adapt effectively, the Property Tax Department created a needs analysis as a foundational tool to identify and assess gaps to be addressed to achieve desired outcomes and ensure initiatives are responsive, relevant, and aligned with organizational goals.

FY 2018-19 ORGANIZATIONAL CHART – PROPERTY TAX DEPARTMENT



Needs Analysis

An analysis of the Property Tax Department's functions and organization revealed needed changes to materialize the BOE's vision for revitalizing and modernizing all property tax programs.

- Fill key management positions.
- Augment training courses to meet ongoing demand from County Assessors.
- Supervisor, manager, and employee training.
- Fill vacant positions and prepare the next generation of property tax experts.
- Address property appraiser and auditor property appraiser classification issues.
- Process improvement for the Legal Entity Ownership Program (LEOP) and Welfare Exemption Units to reduce response time and case backlog.
- Improve the BOE's state-mandated Assessment Practices (compliance audit) Survey Program and reduce delayed publication of audit reports.
- Tackle long-standing technology limitations and challenges for the State Assessed Properties' Board Roll.
- Update handbooks and property tax publications.
- Implementation of Proposition 19 (2020), *The Home Protection for Seniors, Severely Disabled, Families, and Victims of Wildfire or Natural Disasters Act*.

Results—Where We Are Today

- An analysis of the Property Tax Department's functions and organization revealed needed changes to materialize the BOE's vision for revitalizing and modernizing all property tax programs. These changes included additional staffing, process mapping and implementation of process improvement, quality reviews, and modernization using technology. It was anticipated that many of the planned activities and goals noted in the BOE Strategic Plan would be completed by the end of December 2025 or be ongoing projects. However, due to the innovative ingenuity of the Property Tax Department team, many of the goals have already been met. The following narrative describes some of the highlights and metrics achieved by each division.



Assessment Practices Survey Division (APSD)

In 2023, the BOE established a separate division headed by a separate chief to manage the Assessment Practices Survey Division, which provides the BOE and the 58 County Assessors with a more independent and transparent compliance audit program. A dedicated chief for the division ensures the BOE is prepared for an increased workload, enhanced coordination and management of all functions and policies of the survey program, and more focus on modernization efforts of the BOE's audit practices.

The audit team reviewed and improved processes, updated best audit practices to include remote and hybrid audit examinations, and created standardized templates to ensure consistency. As a result, audit completion and report issuance have been reduced by 25 percent, and travel costs have decreased.

Assessment Surveys (Compliance Audits) Completed						
FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	Total
8	3	10	8	12	10	51

County-Assessed Properties Division (CAPD)

Training and Certification Unit

The BOE is responsible for certifying persons engaged in performing the duties of an appraiser or an assessment analyst for property tax purposes, monitoring yearly training requirements, and providing training on appraisal-related topics.

- *Additional Staffing*

A significant change for the Property Tax Department was upgrading and allocating additional training positions in BOE's Training and Certification Unit. This allowed for the creation and implementation of new and upgraded training courses to meet the ongoing demand for more training courses. In addition, the BOE created a new supervising property appraiser position to provide more dedicated oversight of the BOE's critical training effort.

- *New and Updated Training Courses*

- Expanded course content by adding six (6) new courses, including specialized appraisal topics and microlessons.
- Developed web-based training courses, virtual training, and blended learning.
- Additional self-study learning courses made available.
- Utilization of cohort format curriculum to leverage specialized topic expertise throughout the state.
- Increased course frequency by augmenting the number of courses offered.
- Creation of training studios for virtual training.
- A dedicated online class enrollment webpage for County Assessor staff.

Augmented the Number of Students Trained to Higher Numbers than Pre-Pandemic and Pre-Reorganization Levels

Fiscal Year	BOE Classroom & Virtual Training	BOE Web-Based Training	BOE Instructor-Led Courses at American River College	CSUS Continuing Education BOE Courses	Total
FY 2018-19	469	876	55	100	1,500
FY 2019-20	523	933	125	147	1,728
FY 2020-21	141	1,232	73	103	1,549
FY 2021-22	727	855	69	218	1,869
FY 2022-23	1,125	948	89	155	2,317
FY 2023-24	1,016	983	107	146	2,252
Total	4,001	5,827	518	869	11,215

Increased and Accelerated the Certification of Appraisers and Analysts

Fiscal Year	Number of Temporary Certificates Issued	Number of Permanent Appraiser Certificates Issued	Number of Advanced Certificates Issued	Number of Assessment Analyst Certificates Issued	Total
FY 2018-19	190	127	116	6	439
FY 2019-20	162	153	110	5	430
FY 2020-21	212	115	42	7	376
FY 2021-22	215	160	97	18	490
FY 2022-23	387	254	94	5	740
FY 2023-24	237	248	52	8	545
Total	1,403	1,057	511	49	3,020

Assessment Services Unit

The BOE's Assessment Services Unit is responsible for establishing policies and standards for proper assessment practices statewide and promoting uniformity in assessment practices statewide. This is done through the Technical Services Program, Clearinghouse Programs, Forms, Letters to Assessors (LTA), County Assessor Only (CAO) information, and Assessors' Handbooks. This unit achieves high results due to continued staff enrichment, knowledge transfer, and an open and transparent collaborative working relationship with Assessors and stakeholders.

Fiscal Year	LTAs Issued	CAOs Issued	Responses to Written Inquiries	Responses to Telephone Calls	Total
FY 2018-19	62	24	4,546	11,222	15,854
FY 2019-20	58	22	5,088	9,655	14,823
FY 2020-21	64	19	9,352	10,349	19,784
FY 2021-22	68	27	6,204	12,381	18,680
FY 2022-23	58	25	6,701	13,021	19,805
FY 2023-24	56	21	5,090	11,236	16,403
Total	366	138	36,981	67,864	105,349

Legal Entity Ownership Program (LEOP)

The BOE's Legal Entity Ownership Program (LEOP) is responsible for discovering changes in control and changes of ownership of legal entities (such as corporations, limited liability companies, and partnerships) statewide and disseminating the information each month to County Assessors. LEOP is concerned with transfers of ownership interests in a legal entity (i.e., corporate voting stock), not property transfers. As part of its review, LEOP analyzes the transaction to determine if it is subject to reassessment or is otherwise excluded based on specific law provisions. The County Assessor is responsible for reassessing the entity's real property as of the date of the change or, in the case where an exclusion applies, noting the excluded transfer in their real property records.

Process improvement planning, including analyzing and refining each step of the LEOP process, reduced the process duration to approximately 30 days. This achievement ensures faster turnaround times, has improved resource allocation, and has increased overall productivity.

Legal Entity Ownership Program							
	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	Total
Changes in Control or Ownership Discovered	1,008	581	677	792	1,010	1,291	5,359
Parcels Subject to Reappraisal	3,859	7,433	5,249	9,513	18,063	10,442	54,559

Welfare Exemption Unit

The BOE jointly administers the Welfare Exemption with the 58 County Assessors. The Welfare Exemption Unit reviews claim form applications and supporting documentation to determine whether an organization is qualified for the Welfare Exemption or the Veterans' Organization Exemption. Qualifying organizations are issued an Organizational Clearance Certificate (OCC) or Supplemental Clearance Certificate (SCC). The unit also conducts periodic verifications to determine organizations' continued eligibility.

A remarkable result of process improvement planning was streamlining workflows, eliminating inefficiencies, and using online, paperless claim filing. These improvements reduced the claim process timeline from an extended six months to one year to just 30 days or less.

Welfare Exemption Unit							
	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	Total
Exemption Certificates Issued	945	1,118	699	1,078	1,493	1,168	6,501
Verification of Existing Exemption Processed	1,884	856	1,101	1,758	1,850	1,965	9,414

State-Assessed Properties Division (SAPD)

This division assesses property owned or used by certain public utilities, railroads, and other specified companies operating in California each year, enabling counties to use those values to collect local property taxes.

Along with process improvement activities, this division made many inroads to ensure they have the workforce capacity needed in the future.

- *Use of Alternate Classifications and Adjustment of BOE Classifications*—When the agency was reorganized, CalHR restricted the BOE's Property Tax Department from using certain long-standing classifications. This has been detrimental to the BOE's ability to recruit auditor-appraisers and has removed a path for the BOE to retain highly trained technical staff. Attempts to solely utilize BOE-specific classifications revealed multiple insurmountable obstacles and recruitment challenges.

To address these issues, the BOE is actively engaged in discussions to obtain approval to restore our ability to utilize long-standing entry-level auditor and highly technical specialist positions and to adjust and update our BOE classifications. These possible changes will require various reviews and approvals, and we expect this to be a long-term project. We are confident that these endeavors will serve the agency well.

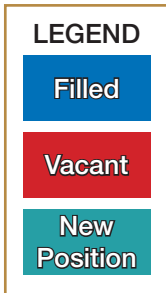
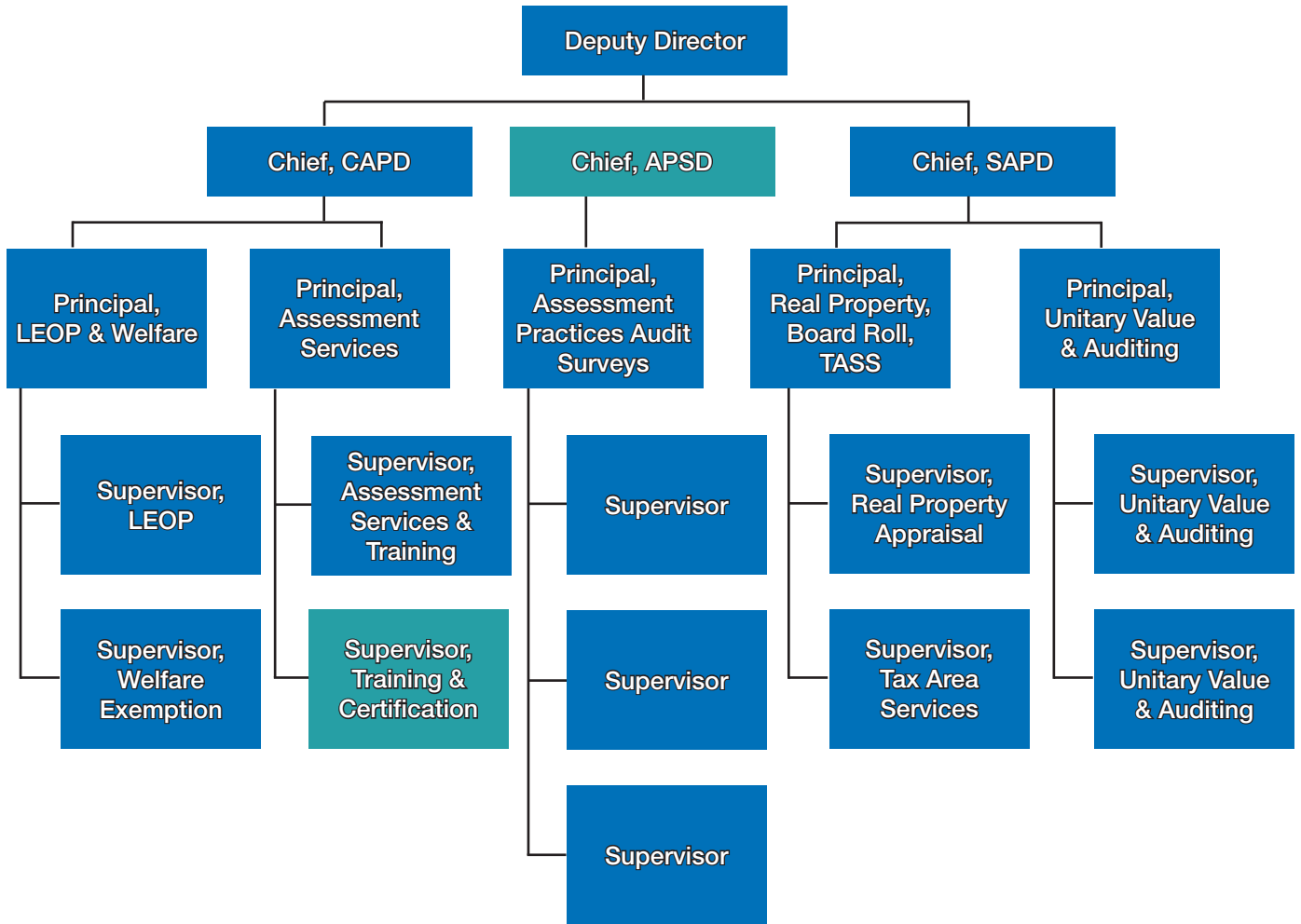
- *Additional Training*—SAPD broadened the training provided to the BOE’s appraisers by incorporating courses and workshops from the International Association of Assessing Officers (IAAO). The BOE’s collaboration with the IAAO has enhanced our team's knowledge and skill sets, ensuring our appraisal practices are more accurate and defensible. Moreover, the BOE’s increased engagement with the association has strengthened our advocacy for modernized assessment practices, positioning us at the forefront of industry advancements.
- *Board Roll Technology Project*—SAPD has conducted comprehensive process mapping and prepared the necessary documentation to support the launch of a long-term information technology modernization project. This initiative will focus on designing, developing, and implementing a new Board Roll system. The primary objective is to replace the legacy system that has been in place for decades, with plans to integrate case management and programs used in other units and departments into a seamless and cohesive information technology system for the agency.
- *Implementation of Proposition 19*—On November 3, 2020, California voters approved Proposition 19, *The Home Protection for Seniors, Severely Disabled, Families, and Victims of Wildfire or Natural Disasters Act*. Proposition 19 made significant changes to certain property tax laws, and the entire Property Tax Department immediately began its statewide role in the implementation process.

Accomplishments of the Property Tax Department’s role in the implementation of Proposition 19 include:

- Issued 30 Letters To Assessors (LTA) related to Proposition 19, providing guidance to County Assessors and stakeholders.
- Established a webpage as a one-stop shop dedicated to Proposition 19, which is updated in real time. The webpage includes frequently asked questions, comparison charts, guidance, related legislation, and additional resources for County Assessors, stakeholders, and the public.
- Prescribed new Proposition 19 forms and amended existing forms in consultation with the California Assessors’ Association (CAA).
- The County-Assessed Properties Division answered thousands of telephone calls and email inquiries related to Proposition 19.



2024 CURRENT ORGANIZATIONAL CHART – PROPERTY TAX DEPARTMENT

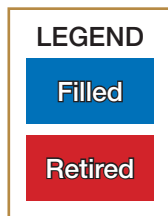
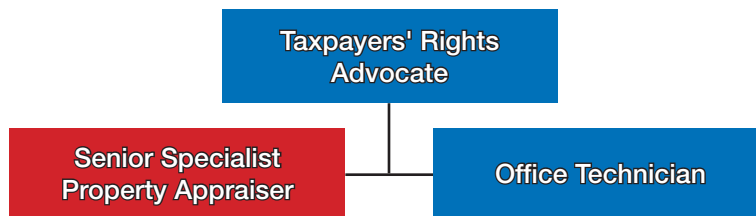


TAXPAYERS' RIGHTS ADVOCATE OFFICE

Where We Were

Before the agency's reorganization, the Taxpayers' Rights Advocate (TRA) Office was supported by a large team of professionals trained to investigate and resolve taxpayer issues and complaints. In 2018, the BOE established a new TRA Office, appointing a new Chief of the Taxpayers' Rights Advocate Office experienced in BOE's property tax programs, a single Senior Appraiser position, and a clerical position borrowed from the Executive Office. However, in late 2019, the Senior Appraiser retired.

DECEMBER 2019 ORGANIZATIONAL CHART – TRA OFFICE



Needs Analysis

- Recruit and hire an experienced appraiser.
- Develop a taxpayer education program focused on property tax topics to enhance public understanding and awareness.
- Create a system for tracking and managing constituent cases.
- Develop relationships with County Assessors and their teams.
- Augmentation of staff to answer and address the influx of constituent issues due to changes in property tax laws, disaster relief, and questions on valuations performed by County Assessor offices.
- Compose and issue the *Taxpayers' Rights Advocate Annual Report*.
- Hold annual public hearings in accordance with the Morgan Property Taxpayers' Bill of Rights and the California Taxpayers' Bill of Rights.

Results—Where We Are Today

- Taxpayer Education

Under the Morgan Property Taxpayers' Bill of Rights, the BOE's Taxpayers' Rights Advocate provides education and instruction to taxpayers to promote understanding of property tax laws. It is important that California taxpayers are aware of various exclusions and exemptions available to them.

- Information Sheets

The TRA Office has published information sheets on property tax savings, available exclusions from reassessment, exemptions, and other topics. The information sheets are written in simple, non-technical terms and designed specifically for taxpayers. The Publication 800 series Information Sheets were issued beginning in July 2018, totaling 12 through June 2024.

- [Publication 800-1](#), *Property Tax Savings: Transfers Between Parents and Children*
- [Publication 800-1a](#), *Property Tax Savings: Transfers Between Parents and Children Occurring on or Before February 15, 2021*
- [Publication 800-2](#), *Property Tax Savings: Transfers Between Grandparents and Grandchildren*
- [Publication 800-2a](#), *Property Tax Savings: Transfers from Grandparents to Grandchildren Occurring on or Before February 15, 2021*
- [Publication 800-3](#), *Property Tax Savings: Transfer of Property Tax Base to Replacement Property—Age 55 and Older*
- [Publication 800-3a](#), *Property Tax Savings: Transfer of Property Tax Base to Replacement Property—Age 55 and Older Occurring on or Before March 31, 2021*
- [Publication 800-4](#), *Property Tax Savings: Transfer of Property Tax Base to Replacement Property—Disabled Persons*
- [Publication 800-4a](#), *Property Tax Savings: Transfer of Property Tax Base to Replacement Property—Disabled Persons Occurring on or Before March 31, 2021*
- [Publication 800-5](#), *Property Tax Assistance Programs for Seniors*
- [Publication 800-6](#), *Property Tax Savings: Homeowners' Exemption*
- [Publication 800-7](#), *Property Tax Savings: Disabled Veterans' Exemption*
- [Publication 800-8](#), *Property Tax Savings: Transfers Between Cotenants Upon the Death of a Cotenant*

- Information Guide

Each year, devastating natural disasters occur in California, affecting thousands of properties, as well as many individual misfortune or calamity incidents affecting a particular property. In continuing to provide taxpayers with information on available property tax savings, in 2024, the TRA Office published an in-depth publication: [Publication 802](#), *Information Guide for Disaster Relief for Damaged or Destroyed Property*.

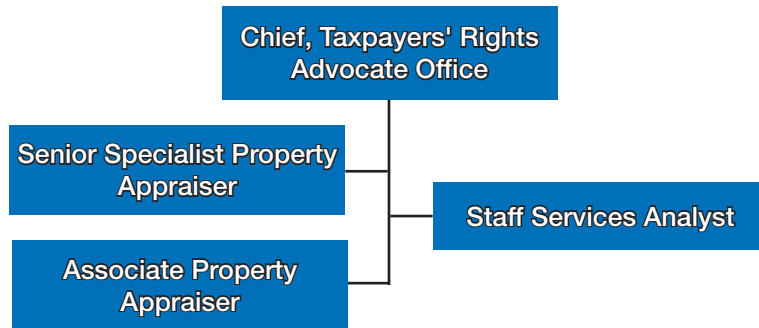
- Board Member Outreach Toolkit

The TRA Office collaborated closely with the Communications Department to develop a comprehensive Proposition 19 presentation and accompanying materials. These resources were specifically designed to support elected Board Members and their staff in outreach efforts, ensuring they could effectively engage and inform their constituents about the key aspects and implications of Proposition 19.

- Hired an experienced property tax appraiser, ensuring the TRA Office provided accurate and timely information to taxpayers.
- Identified key program staff with subject matter expertise to provide specialized assistance and guidance as needed.
- Fostered strong relationships with County Assessors and their teams to establish clear and effective lines of communication and ensure seamless collaboration.
- TRA Annual Reports are issued annually to identify information on the contacts the Taxpayers' Rights Advocate Office received in the previous fiscal year and the services provided to taxpayers.
- Taxpayers' Bill of Rights Hearings have been held each year. At these hearings, taxpayers, industry representatives, and County Assessors share ideas and express concerns.
- Expanded staff capacity to include another experienced appraiser and upgraded the existing clerical position to a Staff Services Analyst to adequately meet the growing demands of complex needs of taxpayers and improve overall service delivery.
- Implemented a robust system for tracking and managing constituent cases, allowing for efficient case resolution, improved taxpayer support, and consistency in responses.

Fiscal Year	Number of Constituent Cases Closed
2018-19	230
2019-20	248
2020-21	234
2021-22	269
2022-23	309
2023-24	329
Total	1,619

**2024 CURRENT ORGANIZATIONAL CHART – TAXPAYERS’ RIGHTS
ADVOCATE OFFICE**



CONCLUSION

Due to the Board's strategic leadership and vision, the BOE has made significant strides in achieving our strategic objectives and fostering a culture of transparency and efficiency. The Board's leadership has encouraged growth and driven the streamlining of program functions, positioning the agency for sustained success.

Since 2017, we have revitalized our workforce, strengthened our infrastructure, and modernized our processes to restore and improve all essential functions within the agency. Through these efforts, we have successfully regained our delegated hiring authority, hired key personnel, developed and implemented effective recruitment strategies, significantly reduced vacant positions, and established comprehensive workforce development plans to foster career growth.

We are actively implementing succession plans to ensure the continuity of institutional knowledge, mitigate the risks associated with the retirement of experienced tax professionals, and equip our agency with the tools necessary to develop the next generation of property tax experts. In addition, our information technology modernization project is transforming our core functions, positioning us to meet the demands of a dynamic future.

Thanks to these efforts, the BOE is optimally positioned to navigate today's challenges and seize tomorrow's opportunities.

This report was prepared by Lisa M. Renati, Chief Deputy Director and presented to the Board at the [September 24, 2024, Board Meeting](#).





California State Board *of* Equalization

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