



**ANTONIO VAZQUEZ**  
CHAIRMAN  
CALIFORNIA STATE BOARD OF EQUALIZATION

**MEMORANDUM**

**Date:** October 8, 2020

**To:** Mike Schaefer, Board Vice Chair  
Malia M. Cohen, Board Member  
Betty T. Yee, State Controller

**From:** Antonio Vazquez, Board Chairman  
Ted Gaines, Board Member

**Re:** **Executive Summary – Workforce Planning Workgroup Report Comprehensive Outline**

Based on the detailed public testimony and input by the Workforce Planning Workgroup, the Board agreed at the September 24, 2020 meeting to consider approving an Outline for the Workgroup Report. Board Member Gaines and I prepared the Comprehensive Outline attached, that includes the basic strategy and content for the Report. Subject to Board approval, we will circulate the Comprehensive Outline to all Workgroup participants and other stakeholders, requesting that they provide in writing corrections, additions and further information and links to relevant data (that can be posted on BOE's website) for our incorporation into the Report. We will prepare the completed draft Report for the Board's consideration at the November meeting.

Below is the Executive Summary of the Comprehensive Outline, highlighting its four key components, for the Board's consideration and approval allowing us to move forward.

**1. Workforce Assessment – Recruitment and Retention Capacity and Needs**

The Report should clearly state the appraiser and auditor-appraiser workforce capacity and needs, for both current and long-term recruitment and retention, and should include all relevant data regarding large, mid-size, and small counties and the BOE.

**2. Compensation / Classification Plan**

In coordination with CalHR, the Board and assessors should develop a statewide compensation survey to submit to the Legislature on the appropriate compensation and classification levels for appraisers and auditor-appraisers. The Report will reference and include to the extent possible all relevant classification and compensation data and studies from small, mid-size and large counties. With such information, the Report will provide the key foundational information for a statewide compensation and classification plan, documenting the need for appropriate compensation increases and/or classification


adjustments. The goal is to ensure that all counties and the BOE can fully execute their constitutional property assessment responsibilities and that the correct amount of property tax revenues are collected, supported by data from large, mid-size, and small counties and the BOE.

**3. Appraiser and Auditor-Appraiser Certification and Training Plan**

The Report should describe the options for workforce training and education and lay the foundation for a robust training and education program that will help to address the recruitment and retention challenges. The goal is to develop a program that includes partnership or engagement with the Community Colleges to address current and long-term needs in large, mid-size, and small counties statewide and at BOE. Examples of needs and options for addressing them are provided by the BOE and large, mid-size, and small counties.

**4. Community Colleges: Curriculum and Partnership Opportunities**

The Report will explain the specific programs, training and educational models, academies, recruitment opportunities, and funding options offered by the Community Colleges, as presented by Dr. Ryan Corner, Vice Chancellor of Educational Programs and Institutional Effectiveness, Los Angeles Community College District; and Ms. Sheneui Weber, Vice Chancellor of Workforce and Economic Development, California Community Colleges Chancellor's Office.



ANTONIO VAZQUEZ, Chairman  
Board of Equalization, 3<sup>rd</sup> District

cc: Ms. Kari Hammond, Chief Deputy, Office of Chairman Antonio Vazquez  
Mr. Gary Gartner, Chief Deputy, Office of Vice Chair Mike Schaefer  
Mr. Matt Cox, Chief Deputy, Office of Member Ted Gaines  
Ms. Regina Evans, Chief Deputy, Office of Member Malia M. Cohen  
Ms. Yvette Stowers, Deputy State Controller  
Ms. Brenda Fleming, Executive Director  
Mr. Henry Nanjo, Chief Counsel



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**To:** Mike Schaefer, Board Vice Chair  
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**From:** Antonio Vazquez, Board Chairman  
Ted Gaines, Board Member

**Re:** **Comprehensive Outline for the Workforce Planning Workgroup Report**

Based on the detailed public testimony and input by the Workforce Planning Workgroup over the past year, the Board agreed at the September 24, 2020 meeting to consider approving the Outline for the Workgroup Report. Board Member Gaines and I have submitted the Outline in the Executive Summary attached. This memo sets forth below many of the details we recommend for purposes of developing the structure and content of the Report. The content is intended to be built on the data that the subject matter experts have presented, and of course, will need their review and edits to ensure the accuracy of the specific input they contributed.<sup>[1]</sup> Once the work on the Report is completed, we will present it to the Board for discussion and approval with a recommendation that it be distributed with a *Letter to Assessors* to all stakeholders and the public.

**The Report Outline will include the following:**

**1. Workforce Assessment – Recruitment and Retention Capacity and Needs**

The Report will clearly state the appraiser and auditor-appraiser workforce capacity and needs, for both current and long-term recruitment and retention, and will include all relevant data regarding large, mid-size and small counties, such as that documented below.

**a. Large Counties**

**i. Los Angeles County**

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<sup>[1]</sup> Stakeholders presented data at the following Board hearings and meetings: September 19, 2019; January 28, 2020, February 19, 2020, June 23, 2020; September 24, 2020.

Recruitment Needs:

- About 2.6 million real estate parcels and business assessments;
- Total assessment roll close to 1.7 trillion dollars, representing 25% of the state's total property tax revenue;
- Vacancies and the ability to train new appraisers are the greatest challenges; about 80 vacancies currently;
- Planned to bring in 2 classes of 30 new hires each this past year, but plan was derailed to due to COVID 19;
- If Proposition 15 passes, 59,000 commercial/industrial properties will need to be reappraised each year (contrasting with 6,000-10,000 currently); 500 more skilled appraisers will be needed.

Retention Issues:

- Attrition has been between 20-30 per year for the past decade and will continue in the future with a small increase;
- Difficulty after hiring is keeping new appraisers; will be a greater problem if Prop 15 passes, due to increased competition;
- Greatest threat is retaining appraisers with 5-15 years' experience working on commercial/industrial properties – they are most likely to leave;
- Main challenge is compensation and competition among other state and local agencies;
- Compensation should be top priority for retention of employees.

**b. Mid-Size Counties**

**i. Sacramento County**

Recruitment Needs:

- 510,000 parcels with an assessment roll value of approximately \$189 billion;
- Currently have 81 appraisers and 15 auditor-appraisers; due to recent hiring, no vacant positions;
- Challenge is finding candidates for auditor-appraiser positions;
- Entry into the appraisal profession is challenging as there is no existing college degree or coordinated college curriculum resulting in a degree in appraisal. Those

who want to become appraisers must piece together the courses, seminars, and apprentice work under certified or designated appraisers. For property tax appraisers, BOE mandates the coursework for initial and advanced certification and ongoing continuing education.

- Five primary recruitment tools:
  - Job announcements circulated through County and Assessor online announcements / publications;
  - Participation in Job fairs – county and local colleges;
  - Offer competitive salaries, flex schedules and teleworking opportunities (Due to successful telework program for 25 years, Sacramento has hired appraisers from many counties and BOE; telework is primary reason);
  - Community college real estate appraisal courses expose students to appraisal profession, a great recruiting tool – have hired several students;
  - Student Internship Program highly successful: student interns are exposed to processes, systems, and appraisal concepts setting the foundation for a future career. The student’s potential as a future appraiser is evaluated; many interns are eventually hired as appraisers.

Retention Issues:

- Entry level appraisers generally work 3-5 years before promoting to the commercial appraiser level job class; this time frame will be longer if required BOE coursework is not available.

**ii. Stanislaus County**

Recruitment Needs:

- Over 163,000 parcels, 550,000 acres;
- 58 full time staff; 32 certified appraisers, auditor, including supervisors;
- Fill about 3 appraiser positions each year;
- Biggest challenge: recruiting qualified auditor-appraisers;
- Appraiser hiring requirements: primarily seek 4-year degree candidates or 4 years of appraisal experience without a degree;
- Auditor-apraiser requirements: 4-year college graduates preferably with an accounting degree; may accept candidates with 18 credits in accounting/auditing;

- Due to difficulty of finding qualified auditor-appraiser candidates, BOE should consider providing a test for candidates without a 4-year accounting degree, that if passed, would allow them to be considered qualified at entry level.

Retention Issues:

- “Silver tsunami,” 2 recent retirements (normally 2 retirements/year); anticipating 6 additional retirements in next 2 years;
- Four of 7 auditor-appraisers will be retiring in next 2 years;
- A certain amount of compensation might entice retirees back;
- Assessors must follow retirement guidelines, giving retirees a mandatory 6 months sit out, unless extreme need can be shown;
- There will be new group of retirees in 7 to 10 years, which will place a big burden on small offices to hire new people;
- Majority of the commercial industrial appraisers come through the real estate appraisal ranks;
- One motivating factor in retaining workforce is to provide flexible scheduling; allow any combination of 40 hours/week, including 10-hour days.

**c. Small Counties**

**i. Plumas County**

Recruitment Needs:

- 26,000 parcels; 300,000 acres; government owns 3 quarters of county land;
- “Silver tsunami,” 6 certified appraisers, 5 will retire in the near future;
- County recently shifted to job make offerings online;
- Challenge is attracting candidates who have appraisal background.

Retention Issues:

- There were 12 employees in the office; now reduced to 8;
- Anticipates probably over the next 10 years at least 5 will retire;
- Insufficient funding for higher salaries or for enough employees to do cross training.

**d. BOE**

Recruitment Needs:

- Property Tax staff was downsized in the 2008 recession; recovery and modernization efforts are progressing;
- Data suggests that BOE needs to reach more people regarding career options and the property tax profession;
- Recruitment events are conducted virtually to reach more individuals; and highlight state worker benefits in addition to salary;
- Plan is to hire college graduates or candidates with some college and strong workforce experience and move them through BOE training;
- AA degree graduates with real estate appraisal education and experience may potentially be recruited as upward mobility candidates;
- BOE previously used the tax auditor for entry-level property appraiser positions.

Retention Issues:

- Since 2012, BOE retirement rate averaged 2 .8% retirement. Loss feels greater, since BOE is now a smaller agency;
- Plan is to invest in building strong current and future staff; focus on infrastructure and succession planning to remediate loss of SMEs;
- Classification studies and updated succession planning are needed; classifications should be adjusted to capture more qualified candidates.

**2. Compensation / Classification Plan**

In coordination with CalHR, the Board and assessors should develop a statewide compensation survey to submit to the Legislature on the appropriate compensation and classification levels for appraisers and auditor-appraisers. The Report will reference and include to the extent possible all relevant classification and compensation data and studies from small, mid-size and large counties. With such information, the Report will provide the key foundational information for a statewide compensation and classification plan, documenting the need for appropriate compensation increases and/or classification adjustments. The goal is to ensure that all counties and the BOE can fully execute their constitutional property assessment responsibilities and that the correct amount of property tax revenues are collected. Examples of the data provided by the Workgroup's subject matter experts are set forth below:

**a. Large Counties**

**i. Los Angeles County**

- Appraiser classifications may be considered “revenue generating.” In Los Angeles County, about \$7-\$10 in property tax revenue is generated by every \$1 spent for an appraiser working on change in ownership and new construction appraisals.

**b. Mid-Size Counties**

**i. Stanislaus County**

- Biggest challenge is compensation, just as it is at BOE. Assessors cannot control compensation, though it is critical for recruitment and retention;
- Compensation is also the main challenge in finding qualified auditor-appraisers – it must be high enough to attract this talent. Split roll doesn’t take away auditing requirements;
- Compensation will be key to attracting additional appraisers with advanced commercial/industrial training to do the complex reappraisal work if Prop 15 passes. (1200-1500 properties in Stanislaus County are above \$3 million, requiring reappraisal of 600-700 properties per year.)

**ii. Sacramento County**

- Offers promotional opportunities beginning at the clerical level with a career path that leads to entry level appraiser, as an available alternative to the four-year degree requirement.

**c. Small Counties**

- Work with BOE team and CalHR to have salaries competitive with surrounding counties;
- BOE survey team provides essential assistance for small counties;
- 20% of the assessor’s staff works on commercial industrial properties; if Prop 15 passes, outside recruitment of that staff could result in losing them to firms or other counties;
- Revenue generated by Prop 15 should justify salary increases; solution is to work with the BOE team and CalHR to resolve compensation issues.



**d. BOE**

- BOE is no longer attractive for appraiser-auditor job seekers and other key staff, due mainly to compensation;
- Initial work with CalHR on reviewing classifications and recommendations has started;
- Looking at compensation and bringing on a new manager with experience and capacity to focus on these issues;

\*More compensation and classification data are found in *California Assessors' Association Policy Briefing Paper on Split Roll Initiative* (Initiative No. 19-0008-Amendment 1).

<https://www.caltax.org/documents/20200603-CAA-Oppose-SplitRoll-Media.pdf>

**3. Appraiser and Auditor-Appraiser Certification and Training Plan**

The Report will describe the options for workforce training and education and lay the foundation for a robust training and education program that will help to address the recruitment and retention challenges. The goal is to develop a program that includes partnership or engagement with the Community Colleges, to address current and long-term needs in large, mid-size, and small counties statewide and at BOE. Examples of needs and options for addressing them, based on presentations by the Workgroup subject matter experts are set forth below:

**a. BOE General Assessment of Training**

- The law requires 3 levels of certification requirements for appraisers: temporary (for 1 year until they pass the exam); permanent (for 3 years plus annual training until they pass the exam), and advanced;
- The Board provides detailed guidelines on the education, training and other requirements for each level of certification in Letter to Assessors No. 2015/049; <https://www.boe.ca.gov/proptaxes/pdf/lta15049.pdf>
- The law requires auditor-appraisers to have additional education or training: either a 4-year degree in accounting, or a licensed accountant or CPA, or pass a state civil service exam for an accountant/auditor position;
- Beginning level training: BOE offers 3 basic property tax courses (two at American River Community College and one at Sac State) open to anyone;
- Continuing education requirements: every appraiser certified as “permanent” must complete 24 hours of Board-approved training per year; and every appraiser certified as “advanced” must complete 12 hours of Board-approved training per year;

- Continuing education courses: BOE has 12 classroom courses for advanced and/or auditor-appraiser certification, 9 of which were offered before COVID; and several self-paced online courses are offered, in addition to 38 self-study online sessions and several webinars with the CAA;
- Challenges: insufficient number of available senior appraisers to teach; and necessity of converting courses to online and modernizing proctored exams to meet COVID requirements.

## **b. Large Counties**

### **i. Los Angeles County**

- To address current vacancies, the limitations of the training program (maximum of 50 appraisers/year), and the need for an additional 500 appraisers if Prop 15 passes, the assessor developed and is implementing a dual-track *College Based Training Program*: <https://www.boe.ca.gov/meetings/pdf/2020/062320-L2b-Workforce-Planning.pdf>
  - Track 1: Certificate in Property Tax Appraisal. In partnership with local Community Colleges, provide 4 appraisal classes for appraiser candidates with a bachelor's degree;
  - Track 2: Associate degree in Real Estate Appraisal. Includes complete coursework for a Certificate, provides broad vocational preparation for assessor or private sector appraisal jobs, provides transition for current clerical staff.
- Virtual training: most training is now done with MS Teams or Zoom; have set up system to access agency files and work/train from home, as 85% of staff working from home equates to training from home.
- Working with community colleges to enhance and build training program.

## **c. Mid-Size Counties**

### **i. Stanislaus County**

- Mentorship program: a journeyman appraiser works with trainees on appraisal theory, preparation for state board exams, office practices, office software, and how to translate values from appraisal analysis in the computer system;
- Most critical: advanced training to bring current residential appraisers up to the advanced appraiser level, to fill the need for competent commercial industrial appraisers if Prop. 15 passes.

## ii. Sacramento County

- The CAA education committee recognizes necessity and importance of training and facilitates the ongoing education needs of assessors;
- Assessors have developed online courses and special topics; and affiliates have developed training courses specific to their assessment specialties;
- Courses are coordinated with BOE training and management for course approval and credit;
- COVID presents increased opportunities to reach more people;
- Appraisers must be well-trained in appraisal and appeals to adequately defend assessed values against other concepts, such as, “dark stork theory”
- Existing courses have to be replaced to keep up with the increasing demand and fast changes in this industry;
- Digital content conversion is time consuming, but creates an opportunity to refresh training content and remain relevant; and is a modernization effort that expands availability;
- Distance learning maybe beneficial to assist the BOE in achieving the conversion of in-person training into such a format;
- Combination of virtual and real-life training and conferencing is best; the appraisal process cannot be taught in a classroom alone but is developed over time through experience and working with other appraisers.
- Agency relies on BOE courses and handbooks; concerned about BOE unable to provide training and materials and thus, have to look elsewhere.
- Jim Glickman, MAI, Community College adjunct instructor:
  - Real estate appraisal class converted to online this past spring due to the pandemic; exams must be taken in person.
  - Class is a recruiting tool by exposing appraisal as a career option, results in some career changers, well qualified candidates.
  - Training typically conducted by supervisory or lead appraisers and subject matter experts on specialty properties; covers principles and procedures as well as valuation and enrollment procedures.
  - Training includes guidance on resources and computer systems; most successful component of an education delivery format is case study, real time instruction and feedback;

- Remote training less effective if instructors and trainees are not proficient in the delivery system; but Community Colleges help with this.
- BOE certification exam requires in person testing and proctoring and many must travel to take the exam.
- Time consuming to convert the classes to online delivery (8 hours for 1 hour of in-person instruction; a month or more/class); but community college classes can also be used as continuing education.
- He is working on a 3-hour training video to be shared with BOE and all counties preparing to teach courses;
- Community colleges have over 500,000 people in the brokerage and sales industry, but less than 10,000 licensed appraisers, per BREA.
- Most students attending his classes want to become real estate brokers or agents, but some have flipped careers to become appraisers.

**d. Small Counties**

- Dependence on BOE provided coursework and in-house resources for training;
- Need to envision a future plan for courses designed to educate entry level appraisers without seasoned backgrounds;
- Further support is needed to help develop current appraisers to get their advanced appraisal certificates;
- Important for small counties to rely on BOE, which means BOE must have a well-established workforce with strong property tax background;
- Recommend subject matter experts in certain areas to provide training.
- Need to look for ways to replicate networking environment in online training.

**4. Community Colleges: Curriculum and Partnerships**

Discussion and overview of existing appraisal education classes offered by Community Colleges, and review of partnership opportunities to expand appraiser training and course options available through Community Colleges, including the minimum appraiser job demand needed for enrollment in Community Colleges (to justify expanded offerings), the possibility of short-term certificates, a “career academy,” apprenticeship opportunities, scholarships / loan forgiveness programs and/or other incentives for entering the appraisal profession.

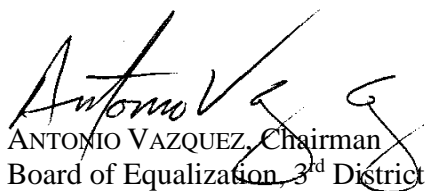
**a. Ryan Cornner, Vice Chancellor of Educational Programs and Institutional Effectiveness, Los Angeles Community College District**

- Looking for ways to partner and help adopt curriculum offered through our coursework (such as, real estate appraisal and accounting courses) to take some pressure off of local training that is not meeting needs due to retirements. Learning specific needs of the counties helps us ensure we have the right elements to prepare students for real estate appraisal certifications.
- Online instruction: over the last three months over a thousand faculty were trained on advanced use of Canvas, to better prepare them for working with students in the online environment. We could partner with you to help build that expertise and make it an easier transition.
- Academies: under state regulations, we can partner with public safety agencies, whereby the fire personnel and the police personnel conduct the classes but under our accreditation, so that the students get units accredited though the courses. In these academies, the college certifies the instructors, who teach the classes and administer the exams, the college awards credit, all at no cost to the students. The tuition is covered through a revenue sharing agreement so that revenue actually goes back to the county for conducting the training. Though current regulations specify that this is only for “public safety” agencies, the Board of Equalization and assessors could urge the adoption of “public service” agencies as an authorized model for assessors’ offices.

**b. Sheneui Weber, Vice Chancellor of Workforce and Economic Development, California Community Colleges Chancellor’s Office**

- Current appraisal curriculum: there are 5 community colleges that offer AA and AS degrees in real estate; for fiscal year 2018-19, a total of 184 AA and AS degrees were awarded. Five other colleges offer certificate programs in real estate appraisal, awarding a total of 197 certificates; El Camino specifically made 21 awards in real estate appraisal; and 47 other colleges offer various real estate certification programs, some with low numbers of awards, as they are general real estate certificate programs.
- Program models: the following three program models may also address workforce needs - all require committed employer partnerships; in this case, the 58 county assessors and BOE.
  - Learn and Earn programs or Earn and Learn programs: similar to the registered apprenticeship model, this couples heavy on-the-job training with classroom learning. Students are employed during the program, which is a plus, and they transition to full-time employment upon completing the program. It’s very flexible, with an opportunity to build a new model for state and assessor needs.

- Registered apprenticeship program: this requires a minimum of 2000 hours of classroom and on-the-job training combined, and additional Department of Apprenticeship standards requirements must be met. Such a model would be most effective if sanctioned and approved by the Board of Equalization being the jurisdiction over the appraiser certification.
- Pre-apprenticeship program: this model provides entry-level training that prepares an individual to enter into an apprenticeship so when they complete a pre-apprenticeship, they immediately enter an apprenticeship program. It's possible to stack pre-apprenticeship and apprenticeship programs together, or pre-apprenticeship program with learn and earn, in order to design the best option for the agency.
- Student recruitment: colleges attract more students into particular fields of study, such as real estate appraisal, based on the ability to have a very clear educational pathway for students with the promise of employment at the end. That is very attractive to students – they're looking for clarity and the quickest way to achieve and acquire the skills needed to do a job well. Also, an effective way is to co-design work-based learning opportunities with the county assessors' offices for current students who may be interested in pursuing a career in real estate, to expose more of them to these careers.
- Financial aid: students who enroll in as few as three units would be eligible for financial aid, and we can also explore loan forgiveness and other scholarship programs and opportunities.
- Funding: community colleges have funding, seed funding, as well as grants that we can offer to start up new programs. We would like to work with the Board of Equalization to get your input and establish some careers and explore this further. Given that this is a very viable public sector career, we will work with you to help you build greater workforce and a current and future workforce pipeline.

  
 ANTONIO VAZQUEZ, Chairman  
 Board of Equalization, 3<sup>rd</sup> District

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