



California State  
Board *of* Equalization

# Workforce Planning Report

*State and Local Property Tax Appraisal  
Professionals*

July 2023

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## Background

The State Board of Equalization (BOE) is constitutionally and statutorily responsible for overseeing the assessment practices of the state's 58 County Assessors, who are charged with establishing 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. California property tax levies for the fiscal year (FY) 2019-20 totaled \$75.4 billion in fiscal contributions to local governments, with schools receiving over half the revenues. For FY 2021-22, the property tax levies resulted in \$85.3 billion in direct funding to schools and local governments. This is an increase of \$9.9 billion; an increase of over 13 percent.

The BOE is also constitutionally responsible for the Alcoholic Beverage Tax, which is a per-gallon excise tax collected on the sale, distribution, or importation of alcoholic beverages in California. Revenues (\$429 million in FY 2021-22) from the tax are deposited into the Alcohol Beverage Control Fund and are withdrawn for use by the state's General Fund or used to pay refunds under this program. By way of agreement, the California Department of Tax and Fee Administration (CDTFA) performs billing and audit services for this program. The Board hears all appeals for claims for refund and petitions for redetermination denials.

The BOE is constitutionally responsible for the Tax on Insurers program (\$2.9 billion in FY 2021-22), which is jointly administered by the BOE, the California Department of Insurance, and the State Controller's Office. All insurance companies are subject to a tax on gross premiums. By way of agreement, CDTFA performs billing and audit services for this program. The Board hears all appeals for claims for refund and petitions for redetermination denials.

The BOE's five Board Members, who serve concurrent four-year terms, comprise the only elected tax board in the United States. One Member is elected from each of the BOE's four Equalization Districts, each representing approximately 9.5 million constituents. The State Controller, elected at large, serves as the BOE's fifth member.

## Report Summary

In 2019, consistent with the BOE's duty to ensure uniform statewide property tax administration, and their commitment to serve taxpayers through fair, effective, and efficient tax administration, the Board of Equalization Members' Workforce Planning Workgroup was established to ensure the agency and County Assessors have the workforce talent necessary for the successful administration of all duties and functions. Board Members Antonio Vazquez and Ted Gaines served as co-chairs of the workgroup which included the former Deputy Controller for Taxation, Members Malia M. Cohen and Mike Schaefer, representatives from County Assessors' offices, and private and other public-sector stakeholders, including colleges and universities.

The Board's Workforce Planning Workgroup held several public hearings to discuss the specific challenges and the identification of potential solutions. Throughout the Workforce Planning Workgroup meetings, the possible passage of a split roll initiative (Proposition 15) brought forth many discussions regarding the significant increase in the number of staff which would be needed to implement the proposed initiative. Thus, there was an urgent need to anticipate and find solutions to protect California's property tax program. After the November 2020 election, and the unsuccessful passage of Proposition 15, the magnitude of the workforce issues may not be as pressing, but the core issues remain regarding retention, recruitment challenges, and the augmentation of training programs.

Subsequently, the Board asked the Executive Director to compile a report of the identified challenges that the property tax administration is facing, specifically in the areas of Workforce Assessment – Recruitment and Retention Capacity and Needs; Compensation and Classification Plans; Appraiser and Auditor-Appraiser Certification and Training Plans; and Community Colleges: Curriculum and Partnership Opportunities.

The following is a summary report of the Workgroup's initial 2020 findings and identification of actionable approaches and solutions to address the challenges regarding the breadth and depth of the need to recruit, retain, train, compensate, and develop a skilled workforce with the talent and expertise necessary to maintain the health of our state and local property tax systems. Although this workgroup discussed a skilled workforce for the entire State including the needs of the County Assessors, this report looks at the findings and conclusions as applicable to the BOE as a state agency. The agency has worked diligently from 2019 to the present to implement the suggested paths forward and is proud to highlight the successes and achievements of this important work.

## Workforce Assessment – Recruitment and Retention Challenges

Enhancing the future of California’s property tax system necessitates investment in its workforce.

### Workforce Challenges

- Obsolete Job Classifications
- Out-Dated Minimum Qualifications (MQ)
- Non-Competitive Compensation
- An Aging Workforce

### Impact of Workforce Challenges

- High Vacancy Rates
- Difficulty Hiring and Recruiting Qualified Staff
- Diminished Workload Capacity
- Staff Fatigue and Low Morale

The BOE’s Property Appraiser job classifications are specific to our agency and, like other agency-specific job classifications, limit the candidate pool for hiring. Specifically, the BOE's appraiser series includes positions with specific education and experience requirements within the technical field of property tax appraisal but does not include an entry-level position without experience requirements.

Historically, the use of BOE-specific job classifications was not an issue as the BOE's salary and benefits were well above those offered by surrounding County Assessor offices. This allowed the BOE to generate interest for vacancies from experienced, well-qualified appraisers at the county level, or in some cases, from the private sector. Past low vacancy levels generated much competition for BOE’s property tax appraiser positions.

Over 30 years ago, the Property Tax Department’s recruitment plan was augmented to hire and train staff directly from universities and colleges (aka grow your own program) by “borrowing” entry-level positions with competitive salaries from other tax programs in the agency. To enhance retention efforts, the use of higher paid Administrator classifications and technical Tax Specialist classifications were also borrowed.

However, after the reorganization of the BOE in 2017, the Property Tax Department’s use of these higher-paid entry-level and senior technical positions was no longer allowed. As a result, BOE is now limited to the use of BOE-specific appraiser positions and/or statewide classifications, many of which have not kept pace with competitive salary ranges.

## BOE-Specific Classifications

Pay Scales Effective July 1, 2022

Classification Title	Minimum Salary	Maximum Salary	Education Requirement	Experience Requirement
Assistant Property Appraiser	\$ 60,708	\$ 76,032	Yes	Yes
Assistant Property Auditor Appraiser	\$ 60,708	\$ 79,812	Yes	Yes
Associate Property Appraiser	\$ 72,984	\$ 91,416	Yes	Yes
Associate Property Auditor Appraiser	\$ 72,984	\$ 95,976	Yes	Yes
Senior Property Appraiser	\$ 83,904	\$105,000	Yes	Yes
Senior Property Auditor Appraiser	\$ 83,904	\$110,268	Yes	Yes
Supervising Property Appraiser	\$ 88,704	\$ 110,256	Yes	Yes
Principal Property Appraiser	\$105,804	\$120,156	Yes	Yes

## State-Wide Entry-Level Classification In Use at BOE

Pay Scales Effective July 1, 2022

Classification Title	Minimum Salary	Maximum Salary	Education Requirement	Experience Requirement
Junior Property Appraiser	\$ 42,408	\$ 50,592	Yes	No

## Borrowed Classifications Used Prior to BOE Restructuring (No Longer Available)

Pay Scales Effective July 1, 2022

Classification Title	Minimum Salary	Maximum Salary	Education Requirement	Experience Requirement
Tax Auditor (Range A)	\$ 49,092	\$ 64,560	Yes	No
Business Taxes Specialist II	\$ 88,068	\$115,776	Yes	Yes
Business Taxes Specialist III	\$107,076	\$127,656	Yes	Yes
Business Taxes Administrator III	\$118,020	\$140,736	Yes	Yes

## Salary Comparison BOE vs County Assessor Offices

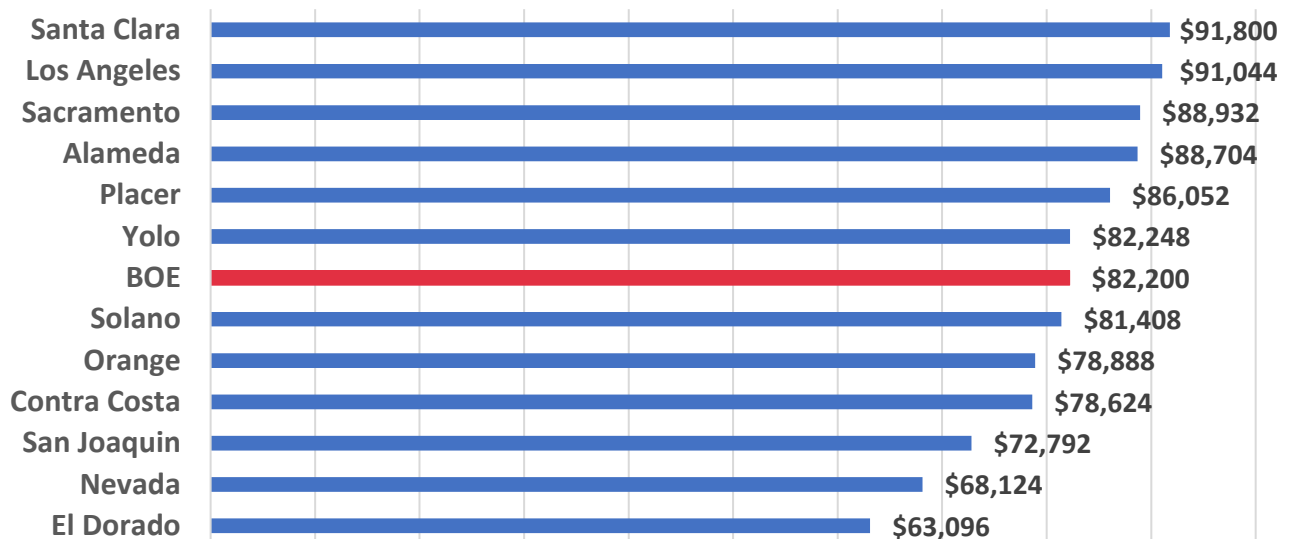
Each year the BOE collects information and issues a California Assessors’ Offices and Assessment Appeals Boards’ Salary & Benefits Survey. The report includes salary and benefit information for County and State employees for multiple positions.

The charts below demonstrate the median yearly salary for an Associate Property Appraiser position at BOE with comparable positions at County Assessor locations for BOE offices in Northern and Southern California. The amounts represent salary only and do not include compensation for additional benefits provided by the State or counties.

2020 Median Salary Comparison BOE’s Associate Property Appraiser with County Assessor Position



2022 Median Salary Comparison BOE’s Associate Property Appraiser with County Assessor Position





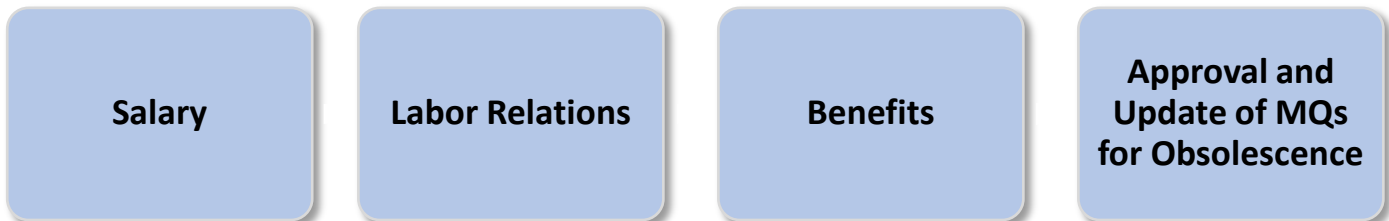
## Ideal BOE Workforce Planning Outcome

- Appealing recruitment activities that attract large pools of diverse, highly qualified candidates.
- Efficient and effective recruitments completed in a 30-day to 60-day timeframe.
- Knowledge transfer for subject matter expertise and succession planning.
- Lower vacancy rates.
- Increased production.
- Less staff fatigue and improved morale.

## What is within our control?



## What is outside our control and authority?



## Salary Adjustments for State Employees

State agencies have no authority to adjust or recommend a salary increase for represented employees. Per California Government Code section 19826, the California Department of Human Resources (CalHR) is responsible for establishing and adjusting salary ranges for each state civil service position. The salary ranges are based on the principle that like salaries shall be paid for comparable duties and responsibilities. Adjustment of ranges is based on consideration of prevailing rates for comparable service in other public employment and in private business. Any increases in salary ranges require approval by the Legislature in an annual Budget Act.

To understand how state government compensation compares with other employers, CalHR is required to submit public reports with their findings relating to the salaries and benefits of employees in comparable occupations in private industry and other governmental agencies.

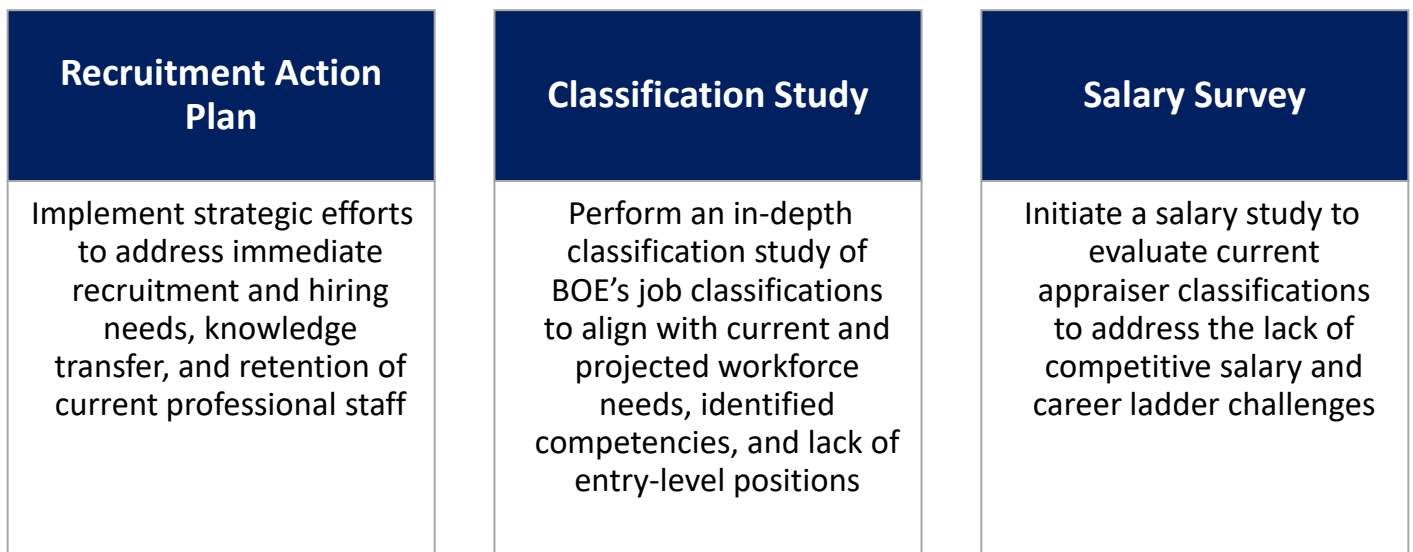
The most recent [2021 Total Compensation Report](#) issued by CalHR, found that the State’s benefit package has a greater impact on total compensation compared with the other employers. For example, when comparing wages only, the state was below the market average for 22 of the 43 occupations examined. However, when comparing total compensation, the number dropped to 13 of the 43 occupations.

Excerpt of CalHR 2021 Total Compensation Report - State Compensation by Occupation Compared to Market (SEIU Bargaining Unit 1)

Occupational Title	Salary <u>Only</u> Comparison State vs Market	Total Compensation State vs Market
Accountants and Auditors	-8.3%	6.0%
Tax Examiners, Collectors, and Revenue Agents	6.9%	11.2%

Based on the most recent report, the total compensation for BOE-Specific appraiser and auditor-appraiser positions is currently greater than that of other local, federal, and private employers once the salary plus the State’s benefits packages are combined.

BOE’s Path Forward to Achieve an Ideal Outcome for Workforce Planning



## BOE's Workforce Planning Accomplishments 2019 to 2023

- BOE's Delegated Hiring Authority Restored
- Augmented Recruitment Team
- Creation of Recruitment Materials
- Participation in Multiple In-Person and Virtual Career Events
- Use of Social Media for Targeted Outreach and Recruitment
- Dedicated BOE Careers Webpage
- Updated Job Postings and Online Career Resources
- Updates to Duty Statements
- Expanded Use of Statewide Classifications
- Increased Telework Opportunities for all Staff
- Targeted Use of Retired Annuitants for Knowledge Transfer
- Elimination/Reduction of Work Backlogs
- Reduction in Hiring Process
- Two-Year Detailed Classification Study of BOE's Appraiser and Auditor-Appraiser Positions Completed
- Significant Reduction in Vacant Positions

## BOE's Workforce Planning Next Steps

- Submit Comprehensive Report and Information to Support Classification Revisions for BOE-Specific Classifications
- Initiate a Study to Establish Technical Positions at BOE

## Appraiser and Auditor-Appraiser Certification and Training

While the County Assessor determines the value of locally assessable property for taxation purposes, the BOE has a vested interest in the valuation by virtue of its constitutional responsibility to promote uniformity in property assessments throughout the state.

The BOE is statutorily mandated to certify appraisers before they perform appraisals for property tax purposes. The certification includes an initial evaluation of the candidate's education and experience, the successful completion of a qualifying examination, and requires ongoing continuing education.

County Assessors and the property appraisers they employ must meet certain minimum qualifications and hold an appraiser's certificate issued by the BOE which is attained by successfully passing a certification examination.

The BOE conducts classes on various appraisal topics and provides workshops, online sessions, and webinars on specific assessment issues to enhance the knowledge and skills of County Assessors, appraisers, Board Members, and their staff, and appeals board members.

Individuals who hold a permanent appraiser certificate are required to receive 24 hours of Board-conducted or Board-approved training annually. Holders of advanced appraiser certificates must receive 12 hours of Board-conducted or Board-approved training each year. Each certified appraiser is responsible for meeting their annual training requirements. The BOE offers various types of educational opportunities providing certified property tax appraisers with the means to obtain appraiser training credit.

Currently, the BOE offers core courses that prepare appraisers to take the certification examination required by the Revenue and Taxation Code, courses for advanced certification, continuing education courses, as well as special topic courses.

As a part of the Board's Workforce Planning Workgroup, the BOE was able to collaborate with County Assessors to identify three challenges facing appraiser training and certification.

## Training Challenges

<b>Course Content</b>	<b>Frequency</b>	<b>Accessibility</b>
<p>Standardized Training is Needed for Specialized Topics, such as the Valuation of:</p> <ul style="list-style-type: none"><li>• Gas Stations</li><li>• Low Income Housing</li><li>• Historical Properties</li><li>• Mineral Properties</li><li>• Hotels</li></ul>	<p>More Courses are Needed Annually for Assessors' Staff to Obtain Advanced Certification and Continuing Education Requirements</p> <p>Advanced Topic Courses Need to be Provided More Often</p>	<p>There are not Enough Classes Offered to Meet Capacity</p> <p>Many Classes are not Accessible to a Large Number of Students Due to Class Size Limitations</p> <p>In-Person Courses Create Geographic Limitations</p>

### Basis for Training Challenges

- Lack of dedicated staff with the knowledge and experience needed to teach courses
- Lack of subject matter expertise available to provide standardized training on specialty topics
- Current training delivery mechanisms and course formats do not allow for maximum student capacity
- Training methods have not kept pace with current educational trends

### Impact of Training Challenges

- Succession planning is impacted
- Workforce gaps are created. Without training, attrition will continue to reduce the levels of subject matter expertise available to teach advanced material, which can result in a dying or obsolete industry

## BOE's Path Forward to Achieve Ideal Outcome for Training

**Expand** course content by adding specialized topics.

**Increase** course frequency through an augmentation of the number of courses offered annually.

**Modernize** the accessibility of training courses through:

- More online or virtual offerings (i.e., YouTube, Microsoft Teams, Subject Matter Blog)
- Microlessons on smaller topics
- Blended Learning
- Additional self-study learning courses
- Utilize cohort format curriculum to leverage specialized topic expertise throughout the state

## BOE's Training Accomplishments 2019 to 2023

- Increased Communication with County Assessors Identifying Needed Courses
- Augmented Online Training Program in Addition to In-Person Learning
- Multiple Courses Taught Throughout California
- Increased Training Team to Include Additional BOE Positions
- Increased the Number of Courses Offered
- Use of Retired Annuitants and Experienced County Assessor Staff to Present Technical Information and Specialized Topics
- Developed Technical Training for Mineral Properties, Geothermal Property, Taxable Possessory Interests, and Proposition 19 (2020)

## Number of Students Trained by BOE Fiscal Year 2019-20 through 2022-23

Fiscal Year	BOE Classroom Training	BOE Web-Based Training	BOE Instructor-Led Courses at American River College	CSUS Continuing Education BOE Course	Total
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

## BOE's Training Next Steps

- Investment in Technology Infrastructure to Support Additional Course Delivery Options
- Restructure of Division to Allow Greater Focus on Core Duties

## Needed Assistance

- Legislative endorsement of the importance of BOE's property tax administration to California's budget and economy.
- Protection of BOE's allocation of budget and state resources.

## Community Colleges: Curriculum and Partnership Opportunities

As property tax administration modernizes, it is important to look for opportunities to expand and enrich training and recruitment programs. Partnership opportunities with community colleges could potentially be used to expand appraiser recruitment by creating models for developing a workforce pipeline. Community colleges also offer tools to modernize educational and training programs utilized by both the BOE and County Assessors' offices.

### Opportunities

- Student Recruitment
- Clear Education and Career Paths
- Assist with the Expansion of Online Instruction

### Benefits of Collaboration

Value	Benefits	Improvement
Create a Culture of Professional Growth for Future Leaders Enhance Knowledge and Skills Needed to Develop the Next Generation of Subject Matter Experts	Enhances the Future of the Property Tax Industry Stronger Candidate Pool	Modernized Education Environment Increased Awareness of Industry Career Paths

### Current BOE Partnerships

#### American River College (Los Rios Community College District)

The BOE has developed two eLearning appraisal courses, Introduction to Appraising for Property Tax Purposes and Appraisal of Personal Property and Fixtures, that are taught through American River College. Both courses are taught by BOE staff who have been approved by American River College as adjunct professors. Students taking these courses must register with American River College and pay an enrollment fee; however, enrolled students can earn college credits.

#### Sacramento State College of Continuing Education

The BOE partners with Sacramento State College of Continuing Education to provide an online course titled Basic Appraisal, which provides information regarding appraisal for property tax



purposes. This course does not have an online instructor and, thus, County Assessors may want to consider appointing a mentor to assist staff who are participating in this session. This course is limited to Assessors' staff and BOE's staff only and does not allow for students to earn college course units. The course is free of charge to all students as the BOE pays the entire fee.

### Long Term Benefits of Partnerships

Partnering with community colleges contributes toward BOE's strategic goals of revitalizing our workforce by enhancing education and training programs and expanding recruitment efforts. An investment in people is an investment in the industry, which in turn is an investment in the future of California's property tax system.