



Betty T. Yee

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CA Controller Expands BOE Reform Proposals

SACRAMENTO —Expanding on her proposed reforms to the State Board of Equalization (BOE), California State Controller Betty T. Yee today announced plans to establish a board governance [policy](#). She will introduce a draft policy at the May 23 BOE meeting in Sacramento.

“Clearly, a governance policy is urgently needed to create board member oversight, accountability, and efficiency,” said Controller Yee, the state’s chief fiscal officer and ex-officio member of BOE. “While I continue to work with the legislature and the governor to craft comprehensive BOE reforms, a new governance policy will help guide the board towards more ethical decision-making.”

In November 2015, the Controller’s [review](#) of BOE accounting and administrative controls showed the agency had misallocated \$47.8 million in sales tax revenue, among other widespread deficiencies. The review’s recommended reforms have not been fully implemented. The California Department of Finance released their own [evaluation](#) in March 2017, raising additional concerns about the challenges BOE staff face in carrying out the agency’s mission.

In response, the Controller immediately called for major reform including stripping board members of all statutory functions and permanently moving these duties to a separate new department under the governor. BOE would be relieved of their tax administration, audit, and compliance functions under Controller Yee’s proposal.

Due to ongoing issues, on April 13 Governor Brown notified BOE that its delegated authority for personnel, contracting, and technology is indefinitely suspended. Brown called on legislative leaders to identify and enact changes by June 2017 to address the problems at BOE.

BOE was established by a state constitutional amendment in 1879 to ensure uniformity of property tax assessments throughout California. Today, the five-member board collects the retail sales and use tax, property taxes, and special taxes, as well as handling appeals of Franchise Tax Board cases.

As the chief fiscal officer of California, Controller Yee is responsible for accountability and disbursement of the state’s financial resources. The Controller also safeguards many types of property until claimed by the rightful owners, and has independent auditing authority over government agencies that spend state funds. She is a member of numerous financing authorities, and fiscal and financial oversight entities including the Franchise Tax Board. She also serves on the boards for the nation’s two largest public pension funds. Elected in 2014, Controller Yee is the tenth woman elected to a statewide office in California’s history. Follow the Controller on Twitter at [@CAController](#) and on Facebook at [California State Controller’s Office](#).

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