Fiscal Year 2023-24	Business Unit 0890	Department Secretary of State		Priority No.

Budget Request Name 0890-044-BCP-2023-MR	Program 0705 – Elections 9900100 - Administration		Subprogram	

Budget Request Description

CAL-ACCESS (California Automated Lobbying and Campaign Contributions and Expenditure Search System) Replacement System (CARS) Project

Budget Request Summary

The Secretary of State (SOS) requests $6.92 million General Fund in 2023-24 to support the CARS Project and replace the outdated CAL-ACCESS system for electronic reporting of campaign finance and lobbying activities mandated by the Political Reform Act (SB 84 and SB 1349).

Requires Legislation ☐ Yes ☒ No	Code Section(s) to be Added/Amended/Repealed Click or tap here to enter text.	
Does this BCP contain information technology (IT) components? ☒ Yes ☐ No *If yes, departmental Chief Information Officer must sign.*	**Department CIO** Tristian Cormier, Chief Information Officer	**Date** 2/7/2023

For IT requests, specify the project number, the most recent project approval document (FSR, SPR, S1BA, S2AA, S3SD, S4PRA), and the approval date.

Project No.0890-054 **Project Approval Document:** Pending Stage 2 Approval

Approval Date: Click or tap to enter a date.

If proposal affects another department, does other department concur with proposal? ☐ Yes ☐ No
Attach comments of affected department, signed and dated by the department director or designee.

Prepared By	Date	Reviewed By	Date
Harjit Basi, Project Director, Project Management Office	2/7/2023	Tamara Johnson, Chief Financial Officer	2/7/2023
Department Director	**Date**	**Agency Secretary**	**Date**
Reginald Fair, Deputy SOS, Operations	2/7/2023	Lisa Martin, Chief Deputy Secretary of State.	2/7/2023

Department of Finance Use Only

Additional Review: ☐ **Capital Outlay** ☐ **ITCU** ☐ **FSCU** ☐ **OSAE** ☐ **Dept. of Technology**

PPBA Emma Jungwirth	Date submitted to the Legislature 5/12/2023

A. Budget Request Summary

The Secretary of State (SOS) requests $6.92 million General Fund in 2023-24 to support the CARS Project and replace the outdated CAL-ACCESS system for electronic reporting of campaign finance and lobbying activities mandated by the Political Reform Act (SB 84 and SB 1349). SOS estimates total costs of $12.31 million for 2023-24 to support the CARS project—$5.39 million of which has been authorized by previously appropriated ongoing funding and an additional $6.92 million General Fund is needed to cover the remaining costs.

B. Background/History

CAL-ACCESS is the state's current campaign and lobbying information system where candidates, political committees, and lobbyists file detailed financial disclosures. SOS proposes to improve service to the public by replacing CAL-ACCESS with a modern, flexible architecture. The current mission critical system is a conglomeration of component applications developed at different times using multiple coding languages, platforms, and technologies (most of which are now obsolete).

 Several factors make replacing CAL-ACCESS imperative, including:

- Program business operations are negatively affected by lack of data integrity.
- Program business operations are at risk due to an old, unsupported information technology platform.
- The SOS Political Reform Division (PRD) and stakeholders have limited information access and reporting capabilities.

In 2016, Chapter 845, Statutes of 2016 (SB 1349) required the development of a new automated campaign and lobbying reporting and disclosure system to replace the then nearly 20-year-old CAL-ACCESS. SB 1349 created legislative oversight and reporting requirements for the original CARS Project (#0890-050). In 2018, Chapter 662, Statutes of 2018 (SB 1239) included additional legislative changes needed for the CAL-ACCESS replacement system implementation. In 2019, Chapter 30, Statutes of 2019 (SB 84) established a deadline of February 2021 for deploying the new system. As the launch date neared it was clear that the system needed more customization than anticipated and was not ready for production. In June 2021, the project was placed on hold for reevaluation.

SOS partnered with California Department of Technology (CDT) to conduct an independent assessment of the project. Elyon Strategies conducted the assessment from September through December 2021. The findings indicated the project could successfully be implemented if specific steps are taken to acquire appropriate staffing skill sets, implement process improvements, and adopt a realistic schedule. The findings also identified work products from the previous implementation that are reusable, staff resource gaps, and schedule and cost estimates. The assessment findings and CDT recommendations have guided SOS in its current efforts for a CAL-ACCESS replacement system.

Pre-planning efforts started in February 2022 with a focus on hiring staff with critical skill sets, developing a governance structure, preparing budget estimates, and laying the framework for data cleansing and analysis activities. There is also an on-going effort to maintain current operations and business cycle activities concurrently with the project.

The project planning phase started in July 2022 with CDT's approval of the Stage 1 Business Analysis (S1BA) and the formal project restart of the CARS Project (#0890-054). The project is working towards completing CDT's Project Approval Lifecycle (PAL) process, providing mandated quarterly project reporting directly to the Joint Legislative Budget Committee (JLBC), and submitting quarterly fiscal reporting to the Department of Finance.

As of December 2022, planning activities underway include completion of Stage 2 Alternatives Analysis; recruitment efforts for state staff and contracted resources; development of a high-level project schedule; estimation of overall project costs; business requirement optimization; data readiness and cleansing; and business process reengineering.

The CARS Project is also conducting market research activities to assist the project in analyzing various solutions and procurement methods. The market research and findings are envisioned to support alternative and options analysis for implementation of the replacement system. Results may also be used to develop alternatives for consideration and to estimate costs related to system acquisition for a proposed solution.

The independent assessment and CDT recommendations identified the need to clean and prepare the CAL-ACCESS data prior to development and implementation of a new system. SOS assembled a Data Analytics team to ensure the quality and accuracy of CAL-ACCESS data. Major tasks planned for the data analytics effort includes: analysis of data, formulation of methods for new or revised data processing systems, data research and analysis to respond to public inquiries, development of a reconciliation and verification strategy to ensure data integrity, development of data diagrams, data inventory, query development and optimization, and long-term data analytics support to provide data transparency for various enterprise applications.

Project planning activities continue through most of 2023-24, which include completing Stage 3 and Stage 4 of CDT's PAL process, conducting the solicitation and evaluation for the system integrator, and contract award. The project execution phase is expected to begin in the third quarter of 2023-24 and is estimated to last approximately twenty-seven months.

The following table provides historical resource information related to the CARS Project:

Resource History
(Dollars in thousands)

Program Budget	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23*
Authorized Expenditures	$5,519	$15,824	$7,692	$14,130	$10,664	$11,289
Actual Expenditures	$2,367	$8,872	$7,100	$13,899	$7,633	pending
Authorized Positions	2.0	7.0	7.0	7.0	12.0	33.0
Filled Positions	2.0	7.0	7.0	7.0	12.0	20.0
Vacancies	0.0	0.0	0.0	0.0	0.0	13.0

* SOS received funding in fiscal year 2022-23 budget that was contingent upon CDT's approval of the CARS Project S1BA. In November 2022, the JLBC approved the allocation of funds for staffing and technology costs for the remainder of the fiscal year; thus, SOS initiated hiring activities and actively working to fill the vacancies.

C. State Level Consideration

This budget request represents a high-priority, high-criticality project for SOS. CAL-ACCESS is an integral part of the administration of the state's campaign finance and lobbying activity programs not only by SOS but also by the Fair Political Practices Commission (FPPC) and the Franchise Tax Board (FTB).

SOS conducted outreach to external stakeholders, including the regulated community, the public, the media, state personnel, and several interest groups such as California Forward (CAFwd), California Common Cause, and the Political Reform and Modernization (PRAM) working groups. Widespread public support for the project among these stakeholders is well documented in public comments from stakeholders and newspaper editorials.

A Senate Elections and Constitutional Amendments Committee hearing was held on November 29, 2022. At the meeting, the Secretary presented status of the current CAL-ACCESS and efforts underway to reduce outages, background on previous CAL-ACCESS replacement project efforts, and status of the current CARS Project.

To address concerns related to CAL-ACCESS outages, SOS's Information Technology Division (ITD) has taken steps to improve the current system by migrating the database to new hardware at the state's data center. This move resulted in a more reliable system with increased performance and fewer outages. ITD has formal backup and recovery procedures in the event of a major database outage. Additionally, PRD has paper-based contingency plans and processes that could be used to address filing requirements for a short period of time. Within SOS, staff are also working collaboratively to document notification and action steps for a possible long-term outage.

D. Justification

SOS has an estimated need of $12.31 million for 2023-24, $5.39 million of which has been authorized by previously appropriated ongoing funding and resulting in this budget augmentation request of $6.92 million. The budget request will provide funding for the 33 positions previously approved for the CARS Project, contracted services, the California Department of Technology (CDT) consulting services, technology costs, and initial costs for the system integrator. The following table summarizes the funding request by project phase.

The goal of the CARS Project is to transform the campaign finance and lobbying activity filing process from the current paper/online hybrid model to a fully online service model. The new system will provide a more intuitive interface, be data-driven, accept digital signatures as allowed by statute, and provide a mechanism to pay fees/fines online. It will allow campaign and lobbying entities to meet the filing requirements of the Political Reform Act (PRA) more efficiently, improve data quality, expand public access to data, allow for system modifications and improvements to respond to statutory and regulatory changes, and improve the ability of the SOS, the FPPC and the FTB to fulfill statutory and regulatory mandated duties.

This budget request is based on the current estimated project schedule and covers the final eight months of planning in 2023-24, and the first four months of the project execution phase. The remaining costs for project execution will be requested in future budget requests and will reflect costs based on contract award of the system integrator agreement.

The resources and costs in this request provide the needed skill sets and tools to allow the SOS to prepare and release the solicitation for the system integrator, and to kick off the project execution phase in 2023-24.

Personal Services Request

The SOS requests continued funding for the 10 temporary and 11 full-time positions approved in 2022-23, and for the 12 full-time positions approved in 2021-22. The requested resources are consistent with the recommendations provided in the independent assessment report and as discussed with the CDT.

Personal Services Request for FY 2023/24
(Dollars in thousands)

Description	Planning Phase	Execution Phase	Total Cost
Personal Services			
Political Reform Division (3 Perm, 10 Temp)	$731	$366	**$1,097**
Information Technology Division (14 Perm)	$1,148	$574	**$1,722**
Management Services Division (1 Perm)	$77	$39	**$116**
Executive Office Project Management Office (3 Perm) Legal (1 Perm) Office of Risk Management (1 Perm)	$423	$212	**$635**
Benefits	$1,285	$643	**$1,928**
OE&E	$264	$132	**$396**
Total Personal Services, Benefits, & OE&E	**$3,928**	**$1,966**	**$5,894**

The following is a status of the filled and vacant positions from the table above:
- 20 Filled Positions – As of December 2022, the SOS has recruited and filled 20 of the 33 previously approved CARS Project positions.
- 13 Vacant Positions – The SOS initiated hiring activities to fill 11 positions approved in the 2022-23 BCP that were contingent on JLBC approval, which was received on November 22, 2022. Additionally, the previously approved Attorney I and one Associate Governmental Program Analyst position have not yet been filled.

CDT and Departmental Services Request
As identified in a Memorandum of Understanding, the SOS has contracted with the CDT for project oversight and procurement services. The following table provides a breakdown of the costs by project phase and includes departmental services charges from the CDT and DGS.

The following is a brief description of the CDT and Departmental Services costs mentioned in the table above:
- CDT Project Approval and Oversight (PAO) – During the planning phase, the CDT PAO team will guide the SOS towards the desired planning goals and timelines. During the execution phase, the PAO Manager will provide independent project oversight services, including monthly submissions of Independent Project Oversight Reports.
- CDT Statewide Technology Procurement – The CDT statewide procurement experts will assist the SOS in determining and conducting the appropriate value-driven procurement for the system integrator, as well as provide guidance on the project's ancillary consulting contracts.
- Departmental Services is composed of the CDT and DGS Admin fees charged on the project CDT costs and executed contracts.

Consulting and Professional Services Request

As the SOS continues its planning phase and prepares for the execution phase, funding for the following consulting services is requested:

Consulting and Professional Services Request for FY 2023/24
(Dollars in thousands)

Description	Planning Phase	Execution Phase	Total Cost
Project Management Support Services	$211	$618	**$829**
Independent Verification & Validation (IV&V)	$334	$167	**$500**
Organizational Change Management (OCM)	$256	$128	**$384**
Quality Assurance and User Acceptance Testing (UAT) Test Support	$0	$128	**$128**
System Integrator	$0	$3,325	**$3,325**
Total Consulting & Professional Services Request	**$801**	**$4,366**	**$5,166**

The status of the consulting and professional services for the CARS Project are as follows:
- Planning and Procurement Support Services (Aptakrit Technology Solutions LLC) – Contract executed October 24, 2022, as a deliverable-based contract for a term of 18 months (all costs are encumbered in 2022-23).
- Project Management Support Services – This includes services for project management, business analysis, scheduling, and requirements management. Solicitation planning is in progress for a Requirement Manager consultant, with an estimated contract start of March 2023. Additional project management services are to be hired upon start of the project execution phase.
- OCM Services – Solicitation planning is in progress. Estimated contract start is March 2023.
- IV&V Services – Solicitation is in progress. Estimated contract start is January 2023.
- Quality Assurance and UAT Test Support – Future solicitation with an estimated contract start of March 2024.
- System Integrator – Estimated contract start is March 2024. The SOS is currently conducting Stage 2 Alternatives Analysis market research, which is generally used to estimate system integrator costs. Until the market research is complete in early 2023, the SOS is estimating costs for a cloud-based custom-built solution based on the independent assessment conducted by one of the nation's leading IT project cost estimation experts. If market research findings indicate a cost adjustment may be needed to the system integrator cost in this budget request, the SOS will work with the Department of Finance to manage the change.

Information Technology Request

The technology costs in this budget request are built on an estimate for a cloud-based custom-built solution. The ITD anticipated what may be required to support the system integrator implementation of that type and has also identified tools to support data cleansing and analytics activities necessary in preparation of the new system.

The following is a brief description of the various tools mentioned in the table above:
- The SOS is performing data readiness activities and will be moving data quality rules from Experience Pandora to Experian Aperture Data Studio. This tool is used for data cleansing and

data readiness activities, and the project will utilize the associated Experian Aperture Data Studio Training.
- Three Azure SQL databases are expected to be needed during planning and first few months of execution: Data Staging Database, App Staging Database, Development Database. The Azure application components support the custom-built cloud-based solution.
- The SOS has anticipated various third-party software that may be utilized to support the transition to a new system, including tools for data cleansing, data preparation, data validation, Americans with Disabilities Act (ADA) compliance, and data analytics.

E. Outcomes and Accountability

At a high level, the SOS will know the project has achieved its objectives when the following outcomes are achieved:
- Replacement of the antiquated legacy system with a flexible, modern system that complies with all requirements and business practices and enables system changes in a timely manner.
- Reduce the amount of PRD campaign and lobbying registration manual data entry, review, and error correction.
- Develop and deploy a solution that reflects industry standards and best practices.
- Increase FTB audit efficiencies by providing data integrity and enhanced search capability.
- Provide an application programming interface for submission of filings.
- Allow members of the public (including the media) to easily retrieve filings and query for data without PRD intervention.
- Reduce the amount of time staff spends identifying and tracking delinquent filings, assessing, and collecting fines, and processing waiver requests.
- Automate PRD's non-filer notification process to reduce late and missed filings.
- Provide the ability for secure online submission with digital signature functionality.
- Provide secure data storage and archiving in a manner consistent with PRA retention guideline.

The SOS will complete a Post Implementation Evaluation Report (PIER) following completion of the CARS Project that will address documented project objectives.

F. Analysis of All Feasible Alternatives

Alternative 1 – Approve the request for $6.92 in 2023-24 to support 33 positions, 8 months of continued project planning costs, and 4 months of execution costs.

Approval of this request will provide funding for the positions previously approved for the CARS Project, contracted services, CDT services, technology costs, and initial costs for the system integrator. The funding will be used to properly plan and manage the project using recommendations provided in the independent assessment report and by CDT. The SOS will be funded to develop and implement a custom-built cloud-based campaign finance and lobby activity electronic reporting and internet disclosure system to replace the current CAL-ACCESS.

PROS
- Achieves SB 1349 mandate for development and implementation of a CAL-ACCESS replacement system.
- Makes progress towards the replacement of CAL-ACCESS, which is beyond its useful life, unsupported, and at risk of failure.
- Allows acquisition of resources with skill sets needed to meet short- and long-term project needs.
- Responds to the SOS' and Legislature's priorities to improve and expand campaign finance and lobbying activity transparency.
- Reduces project risk by utilizing resources from the CDT's advisory and oversight divisions.

CONS
- Increase cost to the General Fund.
- Utilizes contract services for planning and execution phase efforts.

Alternative 2 – Do not augment project funding for replacement of the current CAL-ACCESS.

PROS
- No additional resources and funding would be expended.

CONS
- This alternative does not respond to the legislative mandate requiring a new data driven disclosure system.
- Prevents the SOS from fulfilling its duties as a filing officer in accordance with the PRA because of the inabilities of the current failing system.
- Results in incomplete design and development activities for the new system.
- Results in a high maintenance cost because of the fragile current system built using outdated and unsupported technologies.
- Negatively affects PRD and stakeholder business operations because of the lack of data integrity resulting from inadequate automated validation and the manual processing of approximately 51,000 filings per election cycle.
- Prevents PRD and stakeholders from ensuring complete and accurate filings and subsequent monitoring.
- Increases information security risk to all other SOS systems because of potential vulnerabilities in the old technologies used in the current CAL-ACCESS.
- Prevents the SOS from providing better service to the public and media, leading to problems with public perception and compliance with campaign and lobbying finance transparency.

G. Implementation Plan

This budget request for 2023-24 is focused on the solicitation and award of the system integrator and kick-off of the CARS Project execution phase. The following high level milestone estimates are consistent with the independent assessment report and current CARS Project planning activities and will be updated as the project progresses.

Project Planning Phase Activities (July 2022 – February 2024)
- Conduct Data Analytics activities (concurrent with PAL Stage Gate processes)
- Stage 2 Alternatives Analysis
  - Develop mid-level requirements
  - Conduct market research and alternatives analysis of feasible solutions
  - Develop project management plans
  - Develop Data Integration Plan
  - Build Financial Analysis Worksheets (FAWs)
  - Obtain approval of Stage 2 Alternatives Analysis
- Stage 3 Solutions Development (system integrator solicitation development)
  - Refine business functional and system technical requirements
  - Plan and conduct business process reengineering
  - Perform data readiness activities
  - Develop procurement methodology and documents
  - Develop system integrator solicitation
  - Obtain approval of Stage 3 Solution Development
- Stage 4 Project Readiness and Approval (system integrator solicitation)
  - Publish system integrator solicitation
  - Conduct evaluations
  - Award system integration agreement
  - Re-baseline project schedule and FAWs
  - Obtain approval of Stage 4 Project Readiness and Approval

Project Execution Phase Activities (March 2024 – June 2026)
- System integrator onboarding
- Update project plans, as needed

- Integrate system integrator activities and deliverables into master project schedule
- Design, build, and test
- Develop M&O Plan
- Phase 1 deployment
- Training and outreach
- Full system deployment
- System acceptance

H. Supplemental Information

N/A

I. Recommendation

Approve Alternative 1.

BCP Fiscal Detail Sheet

BCP Title: CalACCESS Replacement Project

BR Name: 0890-044-BCP-2023-MR

Budget Request Summary

Personal Services

Personal Services	FY23 Current Year	FY23 Budget Year	FY23 BY+1	FY23 BY+2	FY23 BY+3	FY23 BY+4
Salaries and Wages Earnings - Permanent	0	2,514	0	0	0	0
Total Salaries and Wages	**$0**	**$2,514**	**$0**	**$0**	**$0**	**$0**
Total Staff Benefits	0	1,358	0	0	0	0
Total Personal Services	**$0**	**$3,872**	**$0**	**$0**	**$0**	**$0**

Operating Expenses and Equipment

Operating Expenses and Equipment	FY23 Current Year	FY23 Budget Year	FY23 BY+1	FY23 BY+2	FY23 BY+3	FY23 BY+4
5301 - General Expense	0	168	0	0	0	0
5302 - Printing	0	21	0	0	0	0
5304 - Communications	0	21	0	0	0	0
5306 - Postage	0	21	0	0	0	0
5340 - Consulting and Professional Services - Interdepartmental	0	679	0	0	0	0
5340 - Consulting and Professional Services - External	0	2,141	0	0	0	0
Total Operating Expenses and Equipment	**$0**	**$3,051**	**$0**	**$0**	**$0**	**$0**

Total Budget Request

Total Budget Request	FY23 Current Year	FY23 Budget Year	FY23 BY+1	FY23 BY+2	FY23 BY+3	FY23 BY+4
Total Budget Request	**$0**	**$6,923**	**$0**	**$0**	**$0**	**$0**

Fund Summary

Fund Source

Fund Source	FY23 Current Year	FY23 Budget Year	FY23 BY+1	FY23 BY+2	FY23 BY+3	FY23 BY+4
State Operations - 0001 - General Fund	0	6,923	0	0	0	0
Total State Operations Expenditures	**$0**	**$6,923**	**$0**	**$0**	**$0**	**$0**
Total All Funds	**$0**	**$6,923**	**$0**	**$0**	**$0**	**$0**

Program Summary

Program Funding

Program Funding	FY23 Current Year	FY23 Budget Year	FY23 BY+1	FY23 BY+2	FY23 BY+3	FY23 BY+4
0705 - Elections	0	6,923	0	0	0	0
9900100 - Administration	0	2,792	0	0	0	0
9900200 - Administration - Distributed	0	-2,792	0	0	0	0
Total All Programs	**$0**	**$6,923**	**$0**	**$0**	**$0**	**$0**

Personal Services Details

Salaries and Wages

Salaries and Wages	FY23 Current Year	FY23 Budget Year	FY23 BY+1	FY23 BY+2	FY23 BY+3	FY23 BY+4
VR00 - Various (Eff. 07-01-2023)(LT 06-30-2024)	0	2,514	0	0	0	0
Total Salaries and Wages	**$0**	**$2,514**	**$0**	**$0**	**$0**	**$0**

Staff Benefits

Staff Benefits	FY23 Current Year	FY23 Budget Year	FY23 BY+1	FY23 BY+2	FY23 BY+3	FY23 BY+4
5150900 - Staff Benefits - Other	0	1,358	0	0	0	0
Total Staff Benefits	**$0**	**$1,358**	**$0**	**$0**	**$0**	**$0**

Total Personal Services

Total Personal Services	FY23 Current Year	FY23 Budget Year	FY23 BY+1	FY23 BY+2	FY23 BY+3	FY23 BY+4
Total Personal Services	**$0**	**$3,872**	**$0**	**$0**	**$0**	**$0**