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April 17, 2017

The Honorable Holly Mitchell, Chair
The Joint Legislative Budget Committee
1020 N Street, Room 553
Sacramento, CA 95814

Dear Senator Mitchell:

In accordance with the Supplemental Report of the 2014-15 Budget Package, Item 0890-001-0228, attached is my office's quarterly report on the progress of the California Business Connect project. If you have any questions about this report, please feel free to contact me at (916) 653-7244, or have your staff contact my Chief of the Business Programs Division, Betsy Bogart, at (916) 695-1197.

Sincerely,

Alex Padilla
Secretary of State

Attachment

cc: Mr. Daniel Alvarez, Secretary of the Senate
Mr. E. Dotson Wilson, Chief Clerk of the Assembly
Ms. Diane Boyer-Vine, Legislative Counsel
Mr. Mac Taylor, Legislative Analyst

California Business Connect Update as of April 14, 2017

Introduction

The “Supplemental Report of the 2014-15 Budget” of the Legislative Analyst’s Office requires the Secretary of State to provide a quarterly report on the progress of the California Business Connect project on or before October 15, 2014, and on or before every January 15, April 15, July 15, and October 15, thereafter, to the chairs of the Joint Legislative Budget Committee and the fiscal committees of the Legislature. The Secretary of State (SOS) also is required to certify whether the SOS: (a) anticipates making or has made any changes to the project’s scope, schedule, or budget; and (b) believes there are any problems that would preclude meeting the approved project schedule and budget. This reporting requirement will end upon the completion or termination of the California Business Connect project.

Background

The California Business Connect project is intended to change how people interact with the Business Programs Division of the Secretary of State’s office. The California Business Connect project solution affects nearly every Business Programs Division process, including most of the business filings for corporations, limited liability companies, limited partnerships, and other statutorily-required filings which currently are processed and filed in a paper-driven production environment (exceptions include Uniform Commercial Code filings and corporate statements of information, which have online services).

California Business Connect is proposed as an integrated automated solution that has configurable components requiring minimal customization, while still being robust, secure, and easy to operate and maintain. In the new California Business Connect environment, the processes will be almost entirely paperless, with many of the filings and requests for information completely automated through online services.

April 2017 Report

The California Business Connect (CBC) project is currently in the Planning phase. The Business Analyst contractor is currently eliciting and writing the Draft 2 Functional Requirements and Use Cases; this deliverable is due April, 2017 and is currently on schedule. The Business Analyst contractor will then move to completing the Final Draft of the Functional Requirements and Use Cases; this deliverable will be finalized in June, 2017. A Secretary of State subject matter expert team is currently eliciting and writing the Non-functional requirements; this deliverable will be finalized in May, 2017 and is currently on schedule. A separate Secretary of State team is working to update the Agency Information Management Strategy plan. This plan is an essential input towards the completion of the Statement of Work for contract development. The Agency Information Management Strategy plan is due April, 2017 and is currently on schedule.

Project Timeline per SPR #2

Major Milestones	Special Project Report Estimated Completion Date	Actual Completion Date
Receive Special Project Report #2 Approval	2/1/2016	4/1/2016
Release of Request For Proposal	8/01/2017	
Contract Awarded	9/01/2018	
Vendor On-board	11/01/2018	
Phase 1: LLC & LP Deployment	8/31/2019	
Phase 2: Corporations Deployment	2/29/2020	
Phase 3: Uniform Commercial Code Deployment	8/31/2020	
Phase 4: Trademarks Deployment	1/31/2021	
First Year Contract Maintenance and Operations	1/31/2022	
Post Implementation Evaluation Report	1/31/2022	