



ALEX PADILLA | SECRETARY OF STATE | STATE OF CALIFORNIA
1500 11th Street, 6th floor | Sacramento, CA 95814 | Tel 916.653.7244 | Fax 916.653.4620 | www.sos.ca.gov

January 15, 2021

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

The Honorable Anthony J. Portantino, Chair
Senate Appropriations Committee
State Capitol, Room 2206
Sacramento, CA 95814

The Honorable Lorena Gonzalez, Chair
Assembly Appropriations Committee
State Capitol, Room 2114
Sacramento, California 95814

Dear Chairpersons Skinner, Portantino, and Gonzalez:

Attached is my office's quarterly report on the progress of the CAL-ACCESS Replacement System Project, in accordance with Government Code section 84602(c). Previous reports are posted on the Secretary of State's office website at www.sos.ca.gov/administration/agency-reports/cal-access-replacement-project-cars-agency-reports. 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 Legislative Affairs, Tiffany Mok, at (916) 695-1686.

Sincerely,

Alex Padilla
Secretary of State

Attachment

Introduction

In September of 2016, the Governor signed into law Senate Bill (SB) 1349, the Political Reform Act of 1974: Secretary of State: online filing and disclosure system. The bill requires the Secretary of State (SOS), in consultation with the Fair Political Practices Commission (FPPC), to develop and certify for public use an online filing and disclosure system for campaign statements and reports that provides public disclosure of campaign finance and lobbying information in a user-friendly, easily understandable format.

The law calls for the Secretary of State to submit a report to the chairs of the Joint Legislative Budget Committee and the fiscal committees of the Legislature on or before December 31, 2017, and on or before every April 15, July 15, October 15, and January 15 thereafter, that certifies whether changes are anticipated to the project's scope, schedule, or budget and any problem that is considered a risk to the project's completion according to the approved project schedule and budget.

This office submitted a special report on December 31, 2020 addressing the phased implementation launch.

CAL-ACCESS Replacement System Project Status – January 2021

Below is a summary of the Secretary of State's efforts on the CAL-ACCESS Replacement System (CARS) project for this reporting period.

Progress October through December 2020

The CARS Project has made significant progress this past quarter:

- The project continued rapid development resulting in the development of approximately 84% of the system.
- Multiple stakeholder interaction sessions including new system familiarization sessions with the SOS Political Reform Division (PRD) staff.
- SOS PRD staff successfully completed execution of key testing activities in preparation for February User Acceptance Testing phase.
- The project began accessibility test activities.
- Significant collaboration and demonstrations of functionality have taken place this quarter.
- During this quarter, the project team held several project update and feedback sessions to the following select stakeholders:
 - Franchise Tax Board (FTB)
 - Fair Political Practices Commission (FPPC)
 - Stakeholder Interest Group (SIG) comprised of California Political Treasurers and California Political Attorneys representatives.

Additionally, the project team met with and demonstrated the system for the legislative staff during this reporting period.

Scope, Schedule and Budget

Scope: As we reported in our October 2020 report the FPPC was in the process of adopting some changes to their filing and disclosure forms. The CARS project team has incorporated those changes in the new design. The external software vendors and stakeholders requested that we enable initial filings through the Application Programming Interface.

Schedule: The SOS adopted a phased implementation approach based on several factors. A phased delivery mitigates risk from a technological perspective and provides most of the functionality in the February initial implementation. The phased implementation schedule will also enable the continued COVID-19 mitigation measures ensure that releases are not negatively impacted by the project team working remotely. The remaining functionality will be delivered in Spring and Summer 2021, prior to the close of the current fiscal year.

The benefits of the phased implementation release approach include providing the software vendors additional time for development of their software to interface with the new system. The phased release also allows for the biennial lobbying registration and lobbying directory publication event and enables system availability for the March 2, 2021 special election in Los Angeles.

The scheduled releases and general functionality are:

Release 1 – 2/28/21: Filer Registration, Disclosure, Correspondence, Financial Transactions Reporting, and more. Internal user access and key stakeholders.

Release 2 – 4/30/21: Financial Transactions, API functionality, E530 form and more

Release 3 – 6/30/21: Public access, Notifications, Financial Transactions, and more. Public access and system certification.

We modified the implementation approach to provide additional time to conduct extended testing that will result in improved system quality assurance and allows for engagement and feedback from the FPPC and FTB). We adopted regulations to address the software vendor certification process and ensure qualified entities provide these services to filers.

Budget:

The budget for Maintenance and Operations (M&O) will require an increase and a separate Spring Finance Letter will be submitted. The original estimation for M&O was developed prior to the project relaunch. As we reported in our October 2020 report the team was conducting analysis to determine the M&O funding requirement utilizing the new Salesforce platform. As we near the date for Release 1, the team has had a better opportunity to scope the M&O requirements for Salesforce at a high level. The project team identified a budget for the M&O beginning July 2021 and will be submitting a Spring Finance Letter to capture the anticipated budget change.

Implementation Plan

The schedule for the CAL-ACCESS implementation below is the current high-level schedule for the design, development and implementation activities.

Project Stages	Milestone	Dates	Status
Design Development & Implementation	Requirements Validation	6/2020 – 9/2020	Complete
	Design and Development	7/2020 – 2/2021	In progress
	Testing and Training	7/2020 – 5/2021	In progress
	Implementation (Release 1, 2 & 3)	2/2021 - 6/2021	Not started
Maintenance and Operations	First Year Operation and Closeout	7/2021 - 3/2022	Not started

Project Risks and Concerns

As a result of COVID-19 and budget changes including implementation of the savings through the PLP the project has encountered various challenges. The project team is working to mitigate the negative impact and the SOS Management has prioritized this project because of its significance and all efforts will be made to minimize impacts.

The Governor scheduled a Special Election for March 2 in Senate District 30 which would have involved filing and reporting in two separate systems during the month of February under the previous project schedule. The new phased implementation mitigates this issue and the campaign reporting for this election will continue in the legacy system.