



SHIRLEY N. WEBER, Ph.D. | CALIFORNIA SECRETARY OF STATE
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July 15, 2021

The Honorable Nancy Skinner Chair
Joint Legislative Budget Committee
State Capitol, Room 553
Sacramento, CA 95814

The Honorable Phil Ting, Vice Chair
Joint Legislative Budget Committee
State Capitol, 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, Ting, Portantino, and Gonzalez:

Attached is the Secretary of State's quarterly status 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 Lisa Martin, Chief Deputy, at (916) 406-4821 or Erric Garriss, Deputy of Legislative Affairs, at (916) 653-6774.

Sincerely,

SHIRLEY N. WEBER, Ph.D.
Secretary of State

cc: Honorable Wendy Carrillo, Chair, Assembly Budget Subcommittee No. 4
Honorable Anna M. Caballero, Chair, Senate Budget and Fiscal Review Subcommittee No. 4
Honorable Jim Nielsen, Vice Chair, Senate Budget and Fiscal Review Committee
Honorable Vince Fong, Vice Chair, Assembly Budget Committee
Joe Stephenshaw, Staff Director, Senate Budget and Fiscal Review Committee
Kirk Feely, Fiscal Director, Senate Republican Fiscal Office
Christopher W. Woods, Senate President pro Tempore's Office
Joseph Shinstock, Fiscal Director, Assembly Republican Caucus, Office of Policy and Budget
Mark McKenzie, Staff Director, Senate Appropriations Committee
Jay Dickerson, Chief Consultant, Assembly Appropriations Committee

Introduction

Senate Bill 1349 (*Hertzberg – Ch. 845, Stat. of 2016*) 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.

During this past quarter (April 2021 – June 2021), the CARS Project team worked diligently to make progress. Over the last three months, the team performed 17 weeks of extensive User Acceptance Testing (UAT) and conducted a three-week system review with stakeholders, including the Stakeholder Input Group (SIG), which is comprised of members from the Political Attorneys' Association, the Treasurers' Association, and the FPPC. These external representatives along with SOS staff gave their time, efforts, and feedback during the testing period.

Based on internal testing results and system review and feedback, I have decided to support the staff recommendation for more time to resolve and improve certain system components that will greatly benefit the filing and processing of political campaigns and lobbying disclosures.

The SOS is partnering with the California Department of Technology (CDT) in a technical assessment effort to assist in the readiness and timing of full system certification for public use.

Following is a more detailed discussion on the Project's status.

Progress April 2021 through June 2021

The CARS Project made the following progress this past quarter:

- Release 2 was delivered in April. The project continued development of the system during this reporting period.
- The Project team provided updates and feedback sessions to the following select stakeholders:
 - FPPC
 - Stakeholder Interest Group (SIG) comprised of California Political Treasurers and California Political Attorneys representatives
 - Three-week system review with the FPPC and the SIG members.
- The Project team conducted extensive UAT sessions with more than 20 subject matter experts within the SOS Political Reform Division (PRD) and Information Technology Division (ITD) who conducted testing activities.
- External stakeholders provided feedback for improvements and functionality during their system review exercise.
- The internal PRD team executed a second internal client readiness assessment to determine business readiness and awareness levels.

Scope, Schedule and Budget

Scope: SOS has completed Release 1 and 2 as scheduled ([see previous reports on SOS website](#)). During the testing of Release 3, relating to the final stage and certification of the project, the CARS Project team received feedback from internal users and external stakeholders. Based on this feedback, the team has determined that further development and modifications are required.

Additionally, the data migration effort requires more time to ensure that volumes of unstructured data migrated from the legacy system to the new system will properly facilitate data queries and generate reports into historical filings and disclosures.

Schedule: The CDT has agreed to conduct an independent assessment to assist in the readiness and timing of system certification for public use. The CDT will assess the project to help develop a remediation plan. It is anticipated this assessment will take 2-3 months. Upon completion of the assessment, the SOS will be better positioned to provide a more detailed update in the next quarterly JLBC report.

Budget: Currently, the Project team anticipates the need to repurpose \$10 million previously approved for FY 21/22 Maintenance and Operations to continue with the ongoing development. Pending the outcome of the independent assessment and development of a remediation plan, the project estimates that the budget may require supplemental funding.

Project Risks and Concerns

Data Migration: The Project team concluded its tenth trial run of migration of data from the legacy system into the new CAL-ACCESS. Migrating the aged data from the legacy CAL-ACCESS to the new system has proven to be a significant challenge. For example, contribution and expenditure filing requirements have changed over the course of many years which creates challenges to preserving data integrity during migration.

An additional concern that the project has with respect to data migration is the complete transformation and load of the legacy data. Some of the forms filed in prior decades had different data fields. The project is working through this challenge because the new system is not designed to capture data fields that no longer appear on the FPPC forms. As some schedules dropped or as new data fields were created (e.g. emails) the Project team has collaborated with FPPC and the stakeholders to address the issues. We have identified during UAT and system review that additional time is required to assess an approach to this concern.

Business & Technology Compatibility: There are limitations in general with technology. The Political Reform Act (PRA) mandates that the CAL-ACCESS system have a filer enter data only once, and the data is then supposed to carry over to any and all other forms or data fields. If a filer uses a personal address instead of a business address, the system will capture that and prepopulate that into any form associated with that entity/filer. This would enable a person using the system to observe that information. In this instance we can either warn the filer to use a

business address or display what the filer enters. Otherwise, the project would risk non-compliance with the mandate of single entry identified within Section 84602 of the PRA.

Certification complexity: The PRA is complex. Therefore, the certification of the system is also complex, and the data from the legacy system is more than 20 years old which presents challenges that require more time and due diligence.

Pause for Assessment: The project is currently paused for CDT independent assessment to determine next steps of the project and to reallocate resources for the design, development and implementation. Key activities related to data migration, end user accessibility and other aspects of the project are still underway.

Funding: Additional funding will likely be required. These modifications will result in an improved CAL-ACCESS system and increase internal and external user satisfaction as many of the changes are based on their feedback.