April 15, 2022

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 Portantino, Chair  
Senate Appropriations Committee  
State Capitol, Room 412  
Sacramento, CA 95814

The Honorable Chris R. Holden, Chair  
Assembly Appropriations Committee  
1021 O St., Room 8220  
Sacramento, CA 95814

Ms. Keely Bosler, Director  
Department of Finance  
915 L Street  
Sacramento, CA 95814

Dear Chairpersons Skinner, and Ting and Ms. Bosler:

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,

Shirley N. Weber, Ph.D.  
Secretary of State

Attachment

cc: Members, Joint Legislative Budget Committee  
    Hanz Hemann, Joint Legislative Budget Committee Counsel  
    Ms. Erika Contreras, Secretary of the Senate  
    Ms. Cara L. Jenkins, Legislative Counsel
Introduction
The “Supplemental Report of the 2014-15 Budget” of the Legislative Analyst’s Office requires the Secretary of State (SOS) 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 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 any problems would preclude meeting the approved project schedule and budget. This reporting requirement will end upon the completion or termination of the CBC project.

Background
The California Business Connect project is changing how people interact with the Business Programs Division (BPD) of the SOS’s office. The California Business Connect project solution affects nearly every BPD process, including most business filings for corporations, limited liability companies, limited partnerships, and other statutorily required filings, including trademark and Uniform Commercial Code filings. The California Business Connect project has delivered online filing functionalities to replace several paper-driven filing processes.

California Business Connect is an integrated automated solution with 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 are mostly paperless, with many filings and requests for information completely automated through online services.

April 2022 Report
Within the first quarter of 2022, the Secretary of State’s California Business Connect project completed cutover activities from our legacy Business Entities (BE) systems and deployed our new BE module to production. The system is live and open to the public. The deployment of Module 4 to production is the last major deployment of the CBC project.

Module 1: Business Entities Forms
This module is complete (as of 4/30/2020) and is in Maintenance and Operations.

Module 2: Trademarks/Service Marks
This module is complete (as of 10/8/2019) and is in Maintenance and Operations.

Module 3: Uniform Commercial Code (UCC)
UCC is complete (as of 7/15/2020) and is in Maintenance and Operations.

Module 4: BE Features
SOS deployed Module 4: BE Features to production and released it to the public on 4/7/2022. During the first quarter of 2022, the project team completed full end-to-end User Acceptance Testing (UAT) between January and March. During this testing, subject matter experts (SME) from the Business Programs Division executed nearly 1300 test scripts to measure the configured application’s alignment with business requirements. The Business Programs Division SMEs also validated 100% of the data mapping effort. The technical team completed three (3) trial go-live events where the legacy data was migrated to a pre-production database to simulate the cutover process.
Organizational Change Management (OCM) activities continued. The Business Programs Division conducted three (3) demonstrations of the new application during the first quarter of 2022. An executive-level presentation was provided for the Secretary of State and the agency’s executive leadership team. Two presentations were also provided to external agency partners that rely on SOS data for their business processes. These presentations focused on the functionality available on the new BE public portal. The System Integration vendor (KPMG) provided instructor-led comprehensive training to approximately 50 Business Programs Division staff. Each of these staff became power users and conducted end-user level training for all the division’s processing staff. All training activities were completed on schedule.

Cutover from the legacy system was delayed by one (1) week due to several critical errors discovered during regression testing. Cutover from the legacy applications started on 3/30/2022, and the application was released to the public on 4/7/2022. Module 4: BE Features allows customers to file over 170 forms with the Business Programs Division via the new online portal. Since the release of BE Features, 99% of submissions have been received online.

CBC Project Progress to Date
The Secretary of State’s bizfile California Portal supports the Secretary of State’s digital initiative to automate the Business Programs Division, thus making it easier to do business in California. bizfile California is growing as we add more California Business Connect online services. Since the agency released “Module 4: BE Features” on 4/7/2022, the system has achieved the following processing volumes:

<table>
<thead>
<tr>
<th>Item</th>
<th>Volume</th>
</tr>
</thead>
<tbody>
<tr>
<td>Filing Submissions</td>
<td>69,236</td>
</tr>
<tr>
<td>Filings Processed</td>
<td>40,463</td>
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