



SHIRLEY N. WEBER, Ph.D.

CALIFORNIA SECRETARY OF STATE

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

The Honorable Chris R. Holden, Chair
Assembly Appropriations Committee
1021 O Street, Suite 8220
Sacramento, California 95814

Dear Chairpersons Skinner, Ting, Portantino, and Holden:

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 Margie Hieter, (Acting) Division Chief, Political Reform Division, at (916) 517-8609 or Erric Garriss, Deputy Secretary of State, Legislative Affairs, at (916) 695-1686.

Sincerely,

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

Attachment

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 (January 2022 – March 2022), the CARS Project has been paused to review and analyze the Independent Assessment findings and determine the project's next steps.

The SOS partnered with the California Department of Technology (CDT) to conduct an Independent Assessment to determine the fitness and readiness of the CARS system for public use. The final report was delivered on time, to the SOS on December 17, 2021. The report recommended a project re-start and clearly indicated that a successful project release for public use is possible. The key findings of the Independent Assessment report include: (1) a reexamination of the architecture is necessary to ensure the accompanying solution is a fit for the architecture; (2) a new acquisition is necessary to move forward with the project; (3) there was a lack of adherence to project management best practices, and (4) the SOS needs to review and update planning and procurement management processes.

With a desire to deliver a high-quality product that meets the needs of the campaign and lobbying community in a manner that reduces risk to the State of California, the SOS, and the campaign and filing community, the SOS accepted the following recommendations identified in the report: (1) adopt the budget, schedule, and resource estimates provided in the Independent Assessment as a baseline and update them according to the SOS' operational needs and staff resource needs; (2) engage in a thorough project planning and procurement process; (3) review and update project governance and organizational readiness as recommended in the Independent Assessment report; (4) seek assistance from CDT in both advisory and oversight roles to decrease project risk; and (5) utilize a combination of staffing expertise that includes existing SOS staff, request funding for additional SOS and contracted staff, and acquire CDT support, all of which will ensure the SOS is able to obtain the appropriate staffing resources for the project.

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

Progress January 2022 through March 2022

The CARS Project made the following progress this past quarter:

- The SOS communicated the Independent Assessment report findings and the plan to move forward to the Senate President pro Tempore, the Speaker of the Assembly, the Governor's Office, and the office of Senator Padilla, to name a few. The report findings and the SOS's plan to move forward were communicated to external stakeholders and

placed on the SOS website. To date, no negative feedback or comments have been received.

- A Memorandum of Understanding between the SOS and CDT was executed whereby the CDT will provide project advisory services to the project during pre-planning and planning stages, and oversight services to SOS for the duration of the project.
- A Go Forward Strategy (Remediation Plan) has been drafted and serves as the initial project roadmap.
- A Budget Change Proposal was submitted to Department of Finance to request funding to augment staffing and provide for other project-related resources.
- A Statement of Work was created and requests contract staff augmentation to satisfy the required staff skillsets as recommended in the Independent Assessment.
- Initial pre-planning and planning activities are in the early stages of development.

Scope, Schedule and Budget

Scope: The scope has not changed during this reporting period. An evaluation and analysis of the recommendations of the independent assessment will help to determine any future scope changes.

Schedule: Based on the estimated schedule provided in the Independent Assessment report, the schedule has changed during this reporting period and includes pre-planning activities that began in February 2022 and will include planning and execution activities. A project end date is not yet known and will be developed when a System Integrator is onboard and able to estimate a project completion date, as determined by the System Integrator's proposed solution.

Budget: A Budget Change Proposal was submitted to Department of Finance to request an augmentation of \$6.432M to the already approved FY 22/23 \$2.850M budget. These funds are needed to fund contractors and full-time civil service staff, CDT advisory and oversight roles, existing civil service personal services, operating expenses and equipment, and technology needs. The previously approved \$2.850M budget was originally requested for Maintenance and Operations activities and will now be re-purposed to instead fund project pre-planning and planning activities.