

NOVEMBER 29, 2022

CAL-ACCESS Replacement System

PRESENTED TO:

Senate Committee on Elections and Constitutional
Amendments
Hon. Steven M. Glazer, Chair



LEGISLATIVE ANALYST'S OFFICE

Online Disclosure Act of 1997 and CAL-ACCESS

- ***Voters Passed Proposition 9, the Political Reform Act (PRA) of 1974.*** The PRA generally requires elected officials, candidates for elective office, and committees formed primarily to support or oppose a candidate for public office or a ballot measure, along with other entities, to file periodic campaign statements with the Secretary of State (SOS). Each statement contains prescribed information related to campaign contributions and expenditures of the filing entities. In addition, the PRA requires lobbying entities to register and file quarterly lobbying disclosure statements with SOS.
- ***Legislature Passed Chapter 866 of 1997 (SB 49, Karnette), the Online Disclosure Act of 1997.*** The Online Disclosure Act of 1997 required SOS (in consultation with the Fair Political Practices Commission [FPPC]) to develop an online filing process for campaign and lobbying statements and an online disclosure program by the state's primary election in 2000. The act appropriated \$1.1 million to SOS (about \$2 million adjusted for inflation using the Consumer Price Index as of October 2022) to develop and implement a new online disclosure information technology (IT) system.
- ***The California Automated Lobbying and Campaign Contribution and Expenditure Search System (CAL-ACCESS).*** To meet the requirements of the Online Disclosure Act of 1997, SOS created and launched the state's current online electronic filing and disclosure IT system—CAL-ACCESS—in June 2000. Since then, CAL-ACCESS has experienced a number of challenges. Some examples include:
 - A month-long outage across November and December 2011.
 - Continued difficulty converting filed statements into a user-friendly database.
 - Problems updating system applications, written in 14 different programming languages (only some of which are still supported).



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- **Legislature Passed Chapter 845 of 2016 (SB 1349, Hertzberg) to Require SOS to Replace CAL-ACCESS.** To address these challenges, the Legislature passed SB 1349 which required SOS (in consultation with the FPPC) to replace CAL-ACCESS with a new IT system no later than February 1, 2019, with an extension to December 31, 2019 available after consultation with the Legislature. To expedite development and implementation of the new system, SB 1349 also exempted SOS from state IT project procurement requirements. (For example, state IT project procurement requirements generally include the California Department of Technology’s [CDT’s] approval and oversight of the project.) The Legislature later passed Chapter 662 of 2018 (SB 1239, Hertzberg) to change campaign disclosure requirements to facilitate implementation of the new system.
- **First CAL-ACCESS Replacement System (CARS) Iteration Suspended by SOS.** The first iteration of CARS development and implementation was suspended by SOS in June 2021:
 - In June 2018, SOS requested an extension of the February 1, 2019 deadline to December 31, 2019 to accommodate additional development and implementation activities and engage various stakeholders.
 - To accommodate further delays during development and implementation of the new system, the Legislature passed another extension of the deadline in Chapter 30 of 2019 (SB 84, Committee on Budget and Fiscal Review)—from December 31, 2019 to February 2021—and appropriated an additional \$7 million on top of the \$23 million already appropriated since 2016-17.
 - After four years working with the initial vendor to develop and implement CARS, SOS terminated the initial vendor’s contract effective June 30, 2020 and awarded a new vendor contract starting July 1, 2020.
 - By June 2021, SOS had paused CARS and asked CDT to provide an independent assessment of CARS’ readiness to launch. The assessment found CARS was not ready to launch, and recommended SOS restart the planning, development, and implementation of the project.



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- **Planning for Second CARS Iteration Began July 1, 2022.** To restart CARS, SOS first entered into a memorandum of understanding with CDT to voluntarily request the department’s expertise in (1) planning the project through the Project Approval Lifecycle (PAL)—the state’s IT project approval process—and (2) overseeing its development and implementation. The PAL process includes four stages, each of which builds on the prior stage to provide a complete project plan:
 - **Stage 1 Business Analysis.** Identification of project sponsors and stakeholders, justification of the business case for the project and its potential outcomes, and initial identification of project funding sources and start date.
 - **Stage 2 Alternatives Analysis.** Evaluation of solutions using market research and identification of a recommended solution with a preliminary baseline project cost, schedule, and scope.
 - **Stage 3 Solution Analysis.** Creation of a procurement plan as well as primary vendor and ancillary vendor (if needed) solicitation documents.
 - **Stage 4 Project Readiness and Approval.** Completion of procurement activities; awarding of the contract(s); and final review of the complete project plan with an updated baseline project cost, schedule, and scope.
- **Current PAL Status and Funding.** SOS received CDT’s approval of its Stage 1 Business Analysis in July 2022. SOS expects to submit its Stage 2 Alternatives Analysis to CDT in early 2023 and receive approval in spring 2023. A baseline project cost, schedule, and scope will be provided to the Legislature once CDT approves SOS through Stage 2 of the PAL process. The *2022-23 Budget Act* appropriated \$11.3 million for CARS in 2022-23, \$10.3 million of which was reappropriated from 2021-22. A table with CARS project appropriations and expenditures through 2021-22 is available on the following page.



CARS Appropriations and Expenditures

CARS IT Project Appropriations and Expenditures^a

(In Millions)

| Appropriations | | | | | | | |
|------------------------------|--------------|--------------|---------------|--------------|---------------|---------------|----------------------|
| Fund Source | Fiscal Year | | | | | | Total by Fund Source |
| | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 | |
| General Fund | — | \$5.5 | \$14.8 | \$7.0 | \$13.4 | \$10.2 | \$50.9 |
| PDATA Fund | \$1.8 | — | 1.0 | 0.7 | 0.7 | 0.5 | 4.7 |
| Totals by Fiscal Year | \$1.8 | \$5.5 | \$15.8 | \$7.7 | \$14.1 | \$10.7 | \$55.6 |

| Expenditures | | | | | | | |
|------------------------------|--------------|--------------|--------------|--------------|---------------|--------------|----------------------|
| Fund Source | Fiscal Year | | | | | | Total by Fund Source |
| | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 | |
| General Fund | \$0.2 | \$2.4 | \$8.5 | \$5.1 | \$13.2 | \$7.1 | \$36.5 |
| PDATA Fund | 1.3 | — | 0.4 | 0.1 | 0.7 | 0.5 | 2.9 |
| Totals by Fiscal Year | \$1.5 | \$2.4 | \$8.9 | \$5.1 | \$13.9 | \$7.6 | \$39.4 |

^a Appropriation and expenditure data as of September 30, 2022.

CARS = CAL-ACCESS Replacement System; CAL-ACCESS = California Automated Lobbying and Campaign Contribution and Expenditure Search System; IT = information technology; and PDATA = Political Disclosure, Accountability, Transparency, and Access.

