

STATE OF CALIFORNIA
Budget Change Proposal - Cover Sheet
 DF-46 (REV 07/23)

Fiscal Year 2025-26	Business Unit Number 0890	Department Secretary of State
Hyperion Budget Request Name 0890-003-BCP-2025-GB		Relevant Program or Subprogram 0700-Filings and Registrations & 9900100-Administration

Budget Request Title
 Notary Automation Program Replacement Project (NAP 2.0)

Budget Request Summary
 The Secretary of State requests \$13.5 million Business Fees Fund in 2025-26 for the continuation of the Notary Automation Program Replacement Project (NAP 2.0).

Requires Legislation (submit required legislation with the BCP) <input type="checkbox"/> Trailer Bill Language <input type="checkbox"/> Budget Bill Language <input checked="" type="checkbox"/> N/A	Code Section(s) to be Added/Amended/Repealed Click or tap here to enter text.	
Does this BCP contain information technology (IT) components? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <i>If yes, departmental Chief Information Officer must sign.</i>	Department CIO Tristian Cormier, Chief Information Officer	Date 6/27/2024

For IT requests, specify the project number, the most recent project approval document (FSR, SPR, S1BA, S2AA, S3SD, S4PRA), the approval date, and the total project cost.

Project No.0890-053

Project Approval Document: S2AA

Approval Date: Click or tap to enter a date. **Total Project Cost:** Click or tap here to enter text.

If proposal affects another department, does other department concur with proposal? Yes No
Attach comments of affected department, signed and dated by the department director or designee.

Prepared By Betsy Bogart, Business Programs Division Chief	Date 1/10/2025	Reviewed By Tamara D Johnson, Chief Financial Officer	Date 1/10/2025
Department Director Reginald Fair, Deputy Secretary of State, Operations	Date 1/10/2025	Agency Secretary Lisa Martin, Chief Deputy Secretary of State	Date 1/10/2025

Department of Finance Use Only

Additional Review: Capital Outlay ITCU FSCU OSAE Dept. of Technology

Principal Program Budget Analyst Jessie Romine	Date submitted to the Legislature 1/10/2025
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A. Problem Statement

The Secretary of State (SOS) is responsible for the appointment of California notaries public. Prior to appointment, a notary public applicant must complete an education course and pass both a notary public examination and a background investigation from both the California Department of Justice and the Federal Bureau of Investigation.

The SOS currently utilizes a legacy Notary Automation Program (NAP) system to store and maintain notary public commission data. In addition, the NAP system is used to process apostille requests. An apostille is an authentication of public officials' signatures on documents for use outside the United States. The NAP system is approximately 30 years old and needs replacing. The NAP system was developed utilizing the PowerBuilder application which makes it very difficult to update and to find qualified information technology (IT) staff or vendors to support the application. Current technology has evolved since the NAP system was created, thus integration of the legacy NAP system with current and future technology, and possibly third-party systems, will be challenging. Creating a new system will allow the SOS to streamline business processes and offer more efficient online services to notaries and the public. In addition, updating the system will allow for easier amendments in the future should the Notary laws change.

The SOS requests \$13.533 million from the Business Fees Fund in 2025-26 to continue the Notary Automation Program Replacement Project (NAP 2.0), including 7.0 new IT positions and continued funding for 8.0 positions previously approved and temporary staff to backfill program positions redirected to the project. An additional \$2.449 million in project costs will be funded with existing resources for a total project cost of \$15.982 million.

B. Justification

This proposal will provide continued planning resources for building a new system which supports all the functionalities of the legacy NAP and incorporates online application and commission management, a searchable public database, and electronic apostille/authentication. Leveraging online technologies to modernize these functions will provide significant improvements in efficiency and convenience to the public, government partners, and California notaries public, and will allow for future enhancements should the law require.

Project Resources (SOS and Contracted Resources)

The SOS desires to launch a high-quality system while reducing risk during the development phase. To achieve this, the SOS requests funding to contract with the California Department of Technology (CDT) and other vendors for project management, advisory, oversight, and specialized IT-related skills, such as data clean-up.

On August 1, 2022, CDT approved the NAP 2.0 Project Approval Lifecycle (PAL) Stage 1 Business Analysis. On May 14, 2024, the SOS submitted the NAP 2.0 Stage 2 Alternatives Analysis to CDT. This includes all necessary plans, including the approved Project Charter, Governance Plan, and baselined Project Schedule; and other project plans which have been pre-reviewed by CDT. The NAP 2.0 team also completed a master project schedule and the Statements of Work for various contracts. Requirements gathering and development of the prime vendor Request for Proposal (RFP) has also started. As part of the CDT PAL Stage 2 requirements, the SOS also submitted the project Financial Analysis Workbook (FAW) for review and approval and contains complete cost numbers in support of 2025-26 matching this request.

The following vendors will work closely with the SOS to complete project planning and activities required to integrate the system and to implement NAP 2.0:

Vendor	High Level Responsibilities	Cost
Prime Vendor (new vendor)	The role of the Prime Vendor is to assist the SOS with integrating the new system into the production environment. This includes development, communication, testing, training, implementation, and warranty support.	\$4,000,000
Project Management Support (new vendor)	The Project Management Support vendor will assist the SOS Project Manager to implement NAP 2.0.	\$400,000
Independent Validation and Verification (IV&V)	Onboarded in 2023-24, this vendor will continue to assist the SOS in verifying the requirements written as part of the CDT Project Approval Lifecycle (PAL) process are clear and concise. This is vital input to the Request for Proposal (RFP) and overall success of the project. The vendor will also be working with data cleansing and procurement support consultants prior to the prime vendor onboarding.	\$400,000
Data Verification and Cleansing	Onboarded in 2023-24, this vendor will continue to assist the SOS with an understanding of the current state of the data in the system and provide confidence that the data is complete and accurate when migrated to the new system. This vendor also ensures that any new data collected in the system is prepared for migration into the new system.	\$250,000
Requirements Management (new vendor)	This vendor will review and analyze the NAP 2.0 requirements management tool and recommend improvements. They will also work collaboratively with the NAP 2.0 team to institute process improvements, and review and analyze current requirements, business rules, and use cases. They will assist with refinement of mid-level requirements and build out of detailed requirements, business rules, and use cases. Additionally, they will finish building out the requirements repository within the NAP 2.0 Microsoft Azure development and operations (DevOps) and work closely with the NAP 2.0 team to ensure requirements are imported and that the setup of cross connections, dependencies, business rules, and administrative templates are complete. They will also develop queries and a dashboard within a requirements management tool for real-time display of requirements status and ensure the dashboard is accurate and producing relevant reports.	\$370,000

Organizational Change Management (OCM) (new vendor)	This vendor will assist the SOS in developing strategies and plans including stakeholder assessment, communications, leadership alignment, organization transition, change readiness, capability transfer and end-user training to help the SOS transition to the new system smoothly and successfully. They will also help oversee team execution in accordance with project plans, tools, and methods.	\$384,000
Security Assessment (new vendor)	The Security Assessment vendor will assist the SOS by establishing a process to evaluate a third-party's ability to protect sensitive data and eliminate risks that arise from exposure. They will help SOS understand whether vendors are complying with necessary regulations and standards while maintaining a secure environment. Specifically, they will develop security policy and compliance guidelines for NAP 2.0; develop a security architecture design; configure security tooling and set up automation for development, security, and operations (DevSecOps); conduct security coaching for the development team; perform independent security vulnerability assessment; collaborate with development team to address security issues; and develop security and risk mitigation plans.	\$330,000
Cooperative Personnel Services (CPS HR)	The Cooperative Personnel Services (CPS HR) consultant provides notary examination services for the program. Project cost estimates are for tasks associated with the CPS HR/SOS transition to NAP 2.0. Tasks will include process mapping, meetings, communication, data transfer set-up, system mapping and testing, troubleshooting, and any other tasks associated with the setup and transition to NAP 2.0 between CPS HR and SOS.	\$53,500

The following table is a list of IT resources necessary for the system integration and to implement NAP 2.0:

Description	Cost
Experian Aperture Studio	\$55,000
Infrastructure Components	\$50,000
Secure Connection to Vendors	\$20,000
Security/Monitoring Software	\$200,000
Secure FTP	\$3,000
IDM Licenses	\$5,000
Solution Software Licenses	\$500,000
Azure Costs	\$800,000
Standard Technology Compliment (SOS Resources)	\$15,000
Payment Process Service	\$93,788

The SOS Information Technology Division has undergone significant changes based on a substantial shift in modernizing our infrastructure, technology, and organizational structure within the last four years. The SOS is moving from legacy mainframe systems to off-premises and cloud-based solutions and improving our internal support systems. Our current resources and staffing are adequate to continue improvements for the systems that have been migrated while meeting legislative mandates and continued enhancement growth for the converted systems. However, the NAP legacy system requires a complete overhaul in both the application as well as the technical environment in which it will reside. To accomplish both the project phase and long-term support, staff augmentation is necessary as the ability to redirect existing staff is extremely limited based on current workload and commitments. This includes the technical areas of architecture, networks, database administration, communication, system analysis, application programming, quality assurance and validation, training, support, and security. The new staff resources will require a period of training and immersion into the current environments and methodologies to be viable partners when the solution provider for NAP 2.0 is onboarded.

In addition to the eight previously approved project positions, the following seven positions are requested to support the project. It is important to mention that the SOS does not have sufficient resources to redirect to the NAP 2.0 project to achieve initial success and long-term support in this area without jeopardizing existing support of other current critical systems. Specifically, the SOS lacks a core group of system testers for applications in the performance of quality assurance and validation prior to gaining user acceptance of any system changes. It is planned that this support would continue throughout the life of this project and into continued post implementation support. Without these resources, delays in delivering changes can occur along with incorrect changes being deployed that can further degrade system performance and accuracy.

The list below details the various resources required, including classifications, the number of resources for each classification, and justification for the resources.

(1.0) Information Technology Specialist II – Lead Developer

The Information Technology Specialist II Lead/Developer will serve as lead developer for the integration of the provided solution to the existing SOS enterprise system by developing any needed interfaces and conducting quality assurance and validation. They will work with vendors for the data cleansing and migration efforts. They will also learn the new application and coordinate with the solution provider ensuring complete documentation is created and maintained for the continued maintenance, operation, and development of reports not provided by the solution. They will coordinate the integration of the selected solution into existing technologies here at the SOS through the change control board process and by cross utilization of resources when needed.

The Information Technology Specialist II Lead Developer will lead and coordinate development of interfaces with external agencies that either provide input to or extract information from the end solution. They will work with the solution provider in developing and conducting quality assurance, validation, and testing of the solution and any interfaces and reports developed by the SOS staff. They will work with the IT Supervisor II and System Architect in the review and acceptance of project deliverables and provide regular and timely status updates to the project for assigned work.

(1.0) Information Technology Specialist I – Developer/Tester

The Information Technology Specialist I Developer/Tester will assist the Lead Developer working with the solution provider in developing and conducting quality assurance, validation, and testing of the solution and any interfaces and reports developed by the SOS staff. They will also learn the new application and assist in coordinating with the solution provider ensuring complete documentation is created and maintained for the continued maintenance and operation and development of reports not provided by the solution. This position will assist other developers in the creation and maintenance of interfaces with external agencies that either provide input to or extract information from the end solution. They will work with the IT Supervisor II in the review and acceptance of project deliverables and provide regular and timely status updates to the project for assigned work.

(1.0) Information Technology Specialist II – Network Engineer

Upon arrival of the Prime Vendor, it is anticipated there will be a need to install portions of a pre-built COTS/MOTS solution to test compatibility with the existing SOS technical environment. The Information Technology Specialist II Network Engineer resource will conduct the most complex tasks in the development of servers, support virtual infrastructure, and the overall environment for NAP 2.0 within the existing SOS technical enterprise. They will monitor, evaluate, and identify security vulnerabilities and provide risk assessment. Duties include, but are not limited to, the design and support of data storage and backup of systems, and manage required NAP 2.0 configurations within Active Directory, Windows Operating Systems, Unix Operating Systems, and Domain Services unique to this solution.

(1.0) Information Technology Specialist II – IT Policy Standards

The Information Technology Specialist II IT Policy Standards resource will lead support and governance of use for information technology assets. They will manage the repository of policies, inter-agency agreements, and memos of cooperation related to NAP 2.0. They will provide point of contact for problem management and issues related to NAP 2.0 for the integration of solution with existing enterprise environment. They will also coordinate all change control items to minimize impact to legacy systems and the existing SOS enterprise system.

(1.0) Information Technology Specialist I – IT Policy Administrator

The Information Technology Specialist I IT Policy Administrator governs and establishes the guidelines for the use of information technology assets utilized by the project for both internal and vendor users. They provide a centralized point of contact for functional problems and issues with technical assets and coordinates implementation efforts between the multiple environments based on impact to existing system architecture for all proposed changes and fixes. They will also monitor the system for security threats and vulnerabilities.

(1.0) Information Technology Specialist II – Security Engineer

The Information Technology Specialist II Security Engineer is a software or hardware specialist charged with maintaining and updating security tools and systems for NAP 2.0. They are responsible for the documentation of all configurations, deviations, and standards for the security of the NAP 2.0 application, data, and equipment comprising the complete system and its position within the SOS technical enterprise. Working with the Security Analyst and solution provider, they will ensure the initial and ongoing NAP 2.0 system compliance with National Institute of Standards and Technology (NIST) and State Administrative Manual (SAM)

requirements are met for cyber security. They will be instrumental in providing liaison support to the solution provider in meeting these goals.

(1.0) Information Technology Specialist II - Security Analyst

The Information Technology II Security Analyst will continuously monitor and analyze the security procedures of the NAP 2.0 system within the SOS security framework. As a first responder to cyberthreats, the Security Analyst will identify threats and implement any changes needed to protect the system and organization. They're considered the last line of defense against cybersecurity threats. Working with the Security Engineer and solution provider, this position will address identified NAP 2.0 system security risks in compliance with NIST and SAM requirements by documenting and implementing necessary modifications and changes for security.

C. Departmentwide and Statewide Considerations

The SOS Notary Public Section fulfills two critical functions for the state: (1) appointment and administration of over 141,000 California notaries public, and (2) authentication of California public officials' signatures on documents to be used outside the country. Efficiency in both areas supports continuity and stability in state commerce, which relies on the functioning of the Notary Public Section and the NAP system.

Given the archaic programming language of the legacy NAP system and its associated paper-based business processes as well as the expected 4-to-6-year timeline of a system replacement for a project of this size and complexity, it is in the best interest of the state to allocate the proper planning and project resources to implement a successful replacement project as soon as possible.

D. Outcomes and Accountability

Approval of this request would allow the SOS to successfully plan and initiate a replacement project for the NAP system. Delivery of a technology project on time and within budget is challenging, and the task becomes exponentially harder without proper planning. The additional planning resources would add focus, knowledge, and expertise to the initial stages of the NAP 2.0 project.

E. Implementation Plan

The following schedule is a preliminary estimate based on NAP 2.0 PAL Stage 2 Alternatives Analysis with the expectation that the schedule will be updated as the project continues and progresses through the planning and execution phases of the project. Filing requirement due dates will be taken into consideration when determining a final deployment date.

Planning Activities	July 2023 – October 2025
CDT PAL Stage 2 Approval	June 2024
Onboard IV&V Vendor	June 2024
Onboard Data Vendor	June 2024
Prime Vendor Procurement	July 2024 – June 2025
Requirements Validation	Beginning August 2024
Business Process Reengineering	Beginning August 2024
Onboard Requirements Vendor	May 2025

CDT PAL Stage 3 Submission	June 2025
CDT PAL Stage 4 Approval	October 2025
Project Activities	October 2025 – October 2028
Onboard Prime Vendor	October 2025
Onboard OCM Vendor	June 2026
Onboard Security Assessment Vendor	June 2026
Design, Development, Data Migration, Testing, Training	October 2025 – October 2027
NAP 2.0 Go Live	October 2027
System Monitoring, M&O Transition	October 2027 – October 2028

F. Supplemental Information (If Applicable)

N/A

BCP Fiscal Detail Sheet

BCP Title: Notary Automation Project (NAP 2.0)

BR Name: 0890-003-BCP-2025-GB

Budget Request Summary

Personal Services

Personal Services	FY25 Current Year	FY25 Budget Year	FY25 BY+1	FY25 BY+2	FY25 BY+3	FY25 BY+4
Positions - Permanent	0.0	7.0	7.0	7.0	7.0	7.0
Total Positions	0.0	7.0	7.0	7.0	7.0	7.0
Earnings - Permanent	0	1,683	0	0	0	0
Total Salaries and Wages	\$0	\$1,683	\$0	\$0	\$0	\$0
Total Staff Benefits	0	992	0	0	0	0
Total Personal Services	\$0	\$2,675	\$0	\$0	\$0	\$0

Operating Expenses and Equipment

Operating Expenses and Equipment	FY25 Current Year	FY25 Budget Year	FY25 BY+1	FY25 BY+2	FY25 BY+3	FY25 BY+4
5301 - General Expense	0	155	0	0	0	0
5302 - Printing	0	304	0	0	0	0
5304 - Communications	0	15	0	0	0	0
5306 - Postage	0	15	0	0	0	0
5320 - Travel: In-State	0	49	0	0	0	0
5322 - Training	0	15	0	0	0	0
5324 - Facilities Operation	0	850	0	0	0	0
5340 - Consulting and Professional Services - Interdepartmental	0	726	0	0	0	0
5340 - Consulting and Professional Services - External	0	6,765	0	0	0	0
5346 - Information Technology	0	1,742	0	0	0	0
5368 - Non-Capital Asset Purchases - Equipment	0	222	0	0	0	0
Total Operating Expenses and Equipment	\$0	\$10,858	\$0	\$0	\$0	\$0

Total Budget Request

Total Budget Request	FY25 Current Year	FY25 Budget Year	FY25 BY+1	FY25 BY+2	FY25 BY+3	FY25 BY+4
Total Budget Request	\$0	\$13,533	\$0	\$0	\$0	\$0

Fund Summary

Fund Source

Fund Source	FY25 Current Year	FY25 Budget Year	FY25 BY+1	FY25 BY+2	FY25 BY+3	FY25 BY+4
State Operations - 0228 - Secretary of States Business Fees Fund	0	13,533	0	0	0	0
Total State Operations Expenditures	\$0	\$13,533	\$0	\$0	\$0	\$0
Total All Funds	\$0	\$13,533	\$0	\$0	\$0	\$0

Program Summary

Program Funding

Program Funding	FY25 Current Year	FY25 Budget Year	FY25 BY+1	FY25 BY+2	FY25 BY+3	FY25 BY+4
0700 - Filings and Registrations	0	13,533	0	0	0	0
9900100 - Administration	0	3,755	0	0	0	0
9900200 - Administration - Distributed	0	-3,755	0	0	0	0
Total All Programs	\$0	\$13,533	\$0	\$0	\$0	\$0

Personal Services Details

Positions

Positions	FY25 Current Year	FY25 Budget Year	FY25 BY+1	FY25 BY+2	FY25 BY+3	FY25 BY+4
1402 - Info Tech Spec I (Eff. 07-01-2025)	0.0	2.0	2.0	2.0	2.0	2.0
1414 - Info Tech Spec II (Eff. 07-01-2025)	0.0	5.0	5.0	5.0	5.0	5.0
VR00 - Various	0.0	0.0	0.0	0.0	0.0	0.0
Total Positions	0.0	7.0	7.0	7.0	7.0	7.0

Salaries and Wages

Salaries and Wages	FY25 Current Year	FY25 Budget Year	FY25 BY+1	FY25 BY+2	FY25 BY+3	FY25 BY+4
1402 - Info Tech Spec I (Eff. 07-01-2025)	0	199	0	0	0	0
1414 - Info Tech Spec II (Eff. 07-01-2025)	0	588	0	0	0	0
VR00 - Various	0	896	0	0	0	0
Total Salaries and Wages	\$0	\$1,683	\$0	\$0	\$0	\$0

Staff Benefits

Staff Benefits	FY25 Current Year	FY25 Budget Year	FY25 BY+1	FY25 BY+2	FY25 BY+3	FY25 BY+4
5150900 - Staff Benefits - Other	0	992	0	0	0	0
Total Staff Benefits	\$0	\$992	\$0	\$0	\$0	\$0

Total Personal Services

Total Personal Services	FY25 Current Year	FY25 Budget Year	FY25 BY+1	FY25 BY+2	FY25 BY+3	FY25 BY+4
Total Personal Services	\$0	\$2,675	\$0	\$0	\$0	\$0