

**CALIFORNIA DEPARTMENT OF TECHNOLOGY**

707 3rd Street,
West Sacramento, CA 95605
(916) 319-9223

Russell Nichols, Acting Director
Russell Nichols, Chief Deputy Director

January 3, 2022

Honorable Nancy Skinner, Chair
Joint Legislative Budget Committee

SUBJECT: DIGITAL IDENTIFICATION PILOT PROGRAM

Dear Senator Skinner:

Provision 1 of Item 7502-001-0001 of Chapter 69, Statutes of 2021 (SB 129) requires the California Department of Technology (CDT) "beginning January 1, 2022, and every six months, to submit a report to the Chairperson of the Joint Legislative Budget Committee of agencies and departments that are participating or expected to participate in its Digital Identification pilot program and the status of the developments and implementation."

This information is as of December 31, 2021.

The Digital Identification (Digital ID) project is dedicated to developing and deploying a Digital ID ecosystem for an initial subset of state services that will provide a consistent, secure, privacy-enabled, reliable, and consent-based method to authenticate and verify the identity of California residents (when accessing the subset of digital state services). By creating a single digital identifier, this effort will eventually eliminate the need for California residents to provide their identity and manage multiple user IDs to obtain state services. Milestones for this project include (but are not limited to): 1) selecting Initial Pilot Partners; 2) hiring necessary staff; 3) structuring and convening a stakeholder roundtable; and 4) developing a small-scale pilot with two state entities ('Initial Pilot Partners') intended to demonstrate single sign-on (SSO), privacy and fraud controls in a centralized and interoperable system. For more information about Digital ID, please refer to the budget change proposal located at: https://esd.dof.ca.gov/Documents/bcp/2122/FY2122_ORG7502_BCP4567.pdf.

Digital Identification (ID) Proof of Concept (POC) Milestones:

- Selected Initial Pilot Partners. Our initial development partners will be the Department of Alcoholic Beverage Control (ABC), and the Department of Parks and Recreation (DPR), who were the two departments that volunteered and met the requirements. These two departments are actively building California resident-facing services that require authentication, and are eager to implement

a simple and secure system for signing in. Both services are compliant with Provision 3 of Item 7502-001-0001 of SB 129 requiring CDT not to work with departments or agencies that knowingly hold personal information on minors and student or health data. Single sign-on using a shared authentication service is our goal for phase 1, to be delivered in the first half of 2022. Future efforts will explore identity verification, and multi-factor authentication, over the remainder of 2022 and early 2023.

- Made Progress on Hiring Plan. The CDT hired Greg Fair to lead the Digital ID POC project. Greg joined CDT after a decade as a product leader at Google; most recently in the Privacy and Data Protection Office. Additionally, CDT extended an offer to an Information Technology Specialist II candidate who will start in January 2022.
- Convened Quarterly Roundtable of Statewide Stakeholders. Participants included technology leadership from the Department of Motor Vehicles (DMV), California Health and Human Services, Department of Finance, Department of Justice, ABC, Labor and Workforce Development Agency, Employment Development Department, Government Operations Agency, California State Transportation Agency, California Governor's Office of Emergency Services, and others. The group met quarterly in September and December, shared emerging best practices in topics like identity verification, and learned about upcoming projects like DMV's Mobile Driver's License pilot. The group will continue to meet to ensure adoption of best practices pertaining to digital identity across state departments and agencies.
- Established a Working Prototype. Office of Enterprise Technology engineers partnered with engineers at the federal General Services Administration (GSA) to discuss GSA's login.gov platform. The CDT created a working prototype of an authentication system using login.gov's platform that will be helpful as we build out a workable system for our pilot partners to explore in 2022.
- Budget Status: To date, the project has incurred (or will incur shortly) costs for hiring only, equating to approximately \$362,016 (this is inclusive of the salaries of the CEA B (Greg Fair) and the ITS II candidate who has yet to accept their offer). We expect to fully encumber the \$1.1M annual allocation by July 1, 2022, given upcoming progress we will drive in the coming months.

Coming in 2022:

We expect to use lessons learned from our working prototype to help build a fully functional system that ABC and DPR can use in their systems. Our goal is to have that system ready for testing before the next report which is due on July 1, 2022. We will continue to gather requirements from other potential pilot partners and expect

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to learn from our early iterations with ABC and DPR that will inform system requirements.

If you have any questions or would like to discuss this report, please feel free to contact me at (916) 203-7675 or by email at Russ.Nichols@state.ca.gov.

Respectfully,

A handwritten signature in black ink, appearing to read "Russ Nichols". The signature is stylized with a large, sweeping initial "R" and a long, horizontal tail.

Russ Nichols, Acting Director
California Department of Technology

Cc: Keely Martin Bosler, Director, Department of Finance
Erika Li, Chief Deputy Director, Budget, Department of Finance
Yolanda Richardson, Secretary, Government Operations Agency
Justyn Howard, Deputy Secretary, Fiscal Policy and Administration, Government Operations Agency