

**CALIFORNIA DEPARTMENT OF TECHNOLOGY**

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June 30, 2023

Honorable Nancy Skinner, Chair
Joint Legislative Budget Committee
1020 N Street, Room 553
Sacramento, CA 95814

SUBJECT: DIGITAL IDENTIFICATION PILOT PROGRAM

Dear Senator Skinner:

Provision 1 of Item 7502-001-0001 in Chapter 69, Statutes of 2021 (SB 129), requires the California Department of Technology (CDT) to submit a report every six months to the Chairperson of the Joint Legislative Budget Committee. The report should contain information about agencies and departments that are currently or expected to participate in the Digital Identification pilot program and updates on the program's developments and implementation. The first report was due January 1, 2022, and subsequent reports are required to follow every six months.

This is the most recent report as of June 30, 2023.

CDT is working to make it easier for millions of California residents to access state programs by providing a secure and privacy-preserving identity verification process. This Digital Identity Project aims to create a consistent and reliable way to access digital state services while reducing costs for partnering departments. The framework is scalable and extensible, eliminating the need for residents to provide their identity and manage multiple user IDs.

To achieve these goals CDT has established several milestones, some of which include:

- Selecting an initial pilot launch partner,
- Executing necessary service contracts,
- Defining and reviewing the technical architecture,
- Launching a small-scale pilot to demonstrate single sign-on (SSO), policy authorization, privacy, and fraud controls in a centralized and interoperable system, and

- Engaging with stakeholders for technical and policy input.

Digital Identification (ID) Proof of Concept (POC) Milestones (January through June 2023):

- 1. Pilot Demonstration.** CDT partnered with Sacramento Regional Transit (SacRT), the California Department of Transportation (Caltrans), the California Integrated Travel Project (Cal-ITP), and the US General Services Administration's (GSA) Login.gov to launch a pilot demonstration for age-based eligibility verification. The goal is to provide transit riders an online tool to verify their identity and benefit eligibility, linking fare discounts to their debit or credit card. Launch is planned for summer 2023.
- 2. Client and Vendor Partnerships.** To scale our eligibility verification service, CDT is fostering partnerships with state agencies and departments that operate as clients within the platform and with vendors who can help us solve new use cases. The main advancements in terms of partnerships involve the following:
 - a. Convening our identity management workgroup of state agency and department leaders as a forum to align and support strategic efforts.
 - b. Renewing our contract with the US General Services Administration for authentication and identity verification services through Login.gov.
 - c. Reestablishing an external advisory group with representation from leading companies and organizations in the identity, payments, and benefit delivery space to provide feedback and insights.
 - d. The anticipated product launch for student affiliation verification was delayed due to resource and capacity constraints at participating colleges, but the Digital Identity product is ready for integration. Currently, colleges are reviewing our template data-sharing agreement, with launches planned for the fall.
- 3. Enhanced Digital Identity Product.** The product will enable state agencies and departments to verify eligibility based on additional factors such as income level, school affiliation, and veteran status to make it easier and more secure to access and administer state services. The CDT team upgraded the core system to the latest version of .NET (V7) to keep current with security updates and other system changes. In addition, the product can support higher levels of identity assurance for applications that require the use of in-progress certifications from existing partners or alternative identification services.
- 4. New Pilot Demonstration.** Lastly, the team has identified a new pilot demonstration, in partnership with the Department of Social Services (DSS), to integrate the CalFresh

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Confirm API as a component of our platform. This will enable income verification for income-based benefits.

Digital ID programmatic updates:

Budget Status.

To date, the project has incurred \$550,303 in costs for hiring and vendor services.

Coming this year.

CDT's Digital ID team continues to enhance the delivery of government benefits to eligible recipients through partnerships and platform enhancements. This includes expanding partnerships with other state agencies and departments to facilitate identity and eligibility verification and with additional regional transit agencies through our existing and in-progress demonstrations. Expansion of the transit senior discount pilot with two additional regional transit agencies is planned for fall 2023. Enablement of two additional eligibility verification APIs (Veteran status and CalFresh status) are planned for Q4 2023. In addition, the team plans to publish policies, standards, and requirements for Identity Gateway integration, digital credentials and digital wallets in Q3 2023. Due to the longer-than-anticipated amount of time required for contracting and procuring new partnerships, we have revised our anticipated timeline for transitioning from the pilot program to the IT project in the second half of 2023.

If you have any questions or would like to discuss this report, please contact me at (916) 752-7808 or by email at liana.bailey-crimmins@state.ca.gov.

Sincerely,



Liana Bailey-Crimmins
Director
California Department of Technology

cc: Honorable Phil Ting, Chair, Assembly Committee on Budget
Hans Hemann, Consultant, Joint Legislative Budget Committee
Christian Griffiths, Chief Consultant, Assembly Budget Committee
Amy Tong, Secretary, Government Operations Agency
Joe Stephenshaw, Director, Department of Finance
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