CALIFORNIA DEPARTMENT OF TECHNOLOGY
P.O. Box 1810
Rancho Cordova, CA 95741-1810
(916) 319-9223

Liana Bailey-Crimmins, Director
Jared Johnson, Chief Deputy Director

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Honorable Scott Wiener, Chair
Joint Legislative Budget Committee
1020 N Street, Room 553
Sacramento, CA 95814

SUBJECT: DIGITAL IDENTIFICATION PILOT PROGRAM

Dear Senator Wiener:

Provision 1 of Item 7502-001-0001 in Chapter 69, Statutes of 2021 (SB 129) and Provision 9 of Item 7502-001-0001 in Section 232, Statutes of 2024 (SB 108) 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 is to contain information about agencies and departments that are currently participating or expected to participate in the Digital Identification (ID) pilot program and updates on the program's development and implementation.

This is the most recent report as of June 30, 2025.

CDT is working to make it easier for millions of California residents to access state programs, benefits, and discounts by providing a secure, inclusive, and privacy-preserving identity and eligibility verification platform (the California Identity Gateway) while reducing costs for partnering state and local government entities. This first-in-the-nation framework is scalable and extensible, eliminating the need for residents to provide their identity and manage multiple paper or plastic user IDs and credentials.

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, policy authorization, privacy, and fraud prevention controls in a centralized and interoperable system;

- Expanding the scope and policy areas of digital identification pilots; and,
- Engaging with stakeholders including federal, state, and international governments for technical and policy input.

Digital ID Proof of Concept Milestones (January through June 2025):

1. **Digital Disaster Recovery Center:**

   CDT developed an application that utilizes the California Identity Gateway to facilitate a streamlined online vital records request through the California Department of Public Health. This project was undertaken as a part of the digital disaster recovery center to allow Californians affected by the Los Angeles area fires and future disasters to be able to request free certified copies of birth, marriage and death certificates as one of the first steps towards recovery.

2. **California Privacy Protection Agency – Deletion Request and Opt-out Platform**

   CDT is developing the Deletion Request and Opt-out Platform (DROP) for the California Privacy Protection Agency (CPPA). This application will enable all eligible California residents to request the deletion of their personally identifiable information from data brokers registered with the CPPA's data broker registry. The online verification of California residency will be facilitated through the integration of the California Identity Gateway in the DROP application.

3. **Pilot Demonstration:**

   a. CDT, along with Caltrans, has continued to add new regional transit agencies such as Nevada County Transit to the pilot demonstration, while continuing support of previously launched verification services for age-based and veteran verification benefits with the Monterey Salinas Transit and Santa Barbara Municipal Transit District. This is so that we can expand our reach to even more Californians. The broader benefit to providing support for seniors and veterans at these transit agencies through an open loop payment system is that these populations can use their pre-existing credit/debit cards once they are registered through the Benefits application, instead of having to use a separate dedicated transit card on which a portion of their funds is sequestered and unavailable for other purposes.

      This tap-to-pay system wirelessly charges eligible credit/debit card holders at a discounted rate when they ride transit. CDT has deployed age-based and

veteran benefits with Sacramento Regional Transit and the open-loop payment system with fare validators has become fully operational in the first quarter of 2025.

b. CDT continues to expand the transit pilot through the Sacramento Area Council of Governments (SACOG), which includes 28 member cities and counties in the Sacramento region, to provide verification of transit benefit eligibility for their diverse ridership population.

c. CDT continues to enhance the verification capabilities of the California Identity Gateway by integrating with the Centers for Medicare and Medicaid Services Blue Button application programming interface (API) as well as the CalFresh Confirm API. These integrations add support for approximately 6.6 million Medicare cardholders in California and 5.2 million CalFresh recipients as distinct eligibility criteria for State department benefit programs to qualify their applicants. All transit agencies that are currently supported by the Benefits application have started offering discounts based on these newly supported eligibility criteria. This is an example of the capabilities of technology to drive policy change to serve more Californians.

d. With the addition of Sacramento Regional Transit and Nevada County Transit, we have expanded our reach to nearly 70,000 veterans, 100,000 seniors and 150,000 Medicare recipients in those service areas.

e. Furthermore, CDT continues to actively engage with the California Public Utilities Commission (CPUC) on the working group providing recommendations for the Concurrent Application System (CAS). This application will enable Californians to apply for multiple CPUC utility discount programs, each of which requires income-based eligibility verification, which can be facilitated through the California Identity Gateway. CDT has also engaged with multiple utility companies such as Pacific Gas and Electric and Southern California Edison to gather requirements for additional support for verification of categorical eligibility as well as income-based eligibility criteria in the California Identity Gateway. The intention of this is to expand the capabilities of the platform as well as to deploy further pilots for eligibility verification in the public utilities space.

f. As a part of the broader Digital ID framework and strategy, the state is piloting a digital wallet feature, enabling residents to store their new mobile driver's

licenses (mDL) and other state mobile credentials on their mobile devices. As of August 2024, Californians can add their mDLs to Google Wallet, providing a convenient alternative for storing digital credentials on smartphones. In September 2024, the state adopted the Apple Wallet, allowing residents to add their mobile state licenses to their iPhones and Apple Watches. In the future, users will present their mobile credentials, such as park passes, professional licenses, and other credentials, to a growing list of government entities, businesses, and Transportation Security Administration airport security checkpoints.

4. Client and Vendor Partnerships:

a. CDT continues to explore additional API access from the US Department of Veterans Affairs to support benefit programs that require verification of distinguished service history and disability status of veterans seeking state benefits.

b. CDT executed a data-sharing agreement with the California Department of Social Services to gain access to the CalFresh Confirm API. This integration between the California Identity Gateway and the CalFresh Confirm API will enable CDT to support various state departments that require enrollment in CalFresh as an eligibility criterion as a proxy for income-based qualification for further benefit programs.

c. CDT is participating in ongoing advisory engagement in the California Public Utilities Commission's (CPUC) Concurrent Application System (CAS) Working Group to inform recommendations for the vendor solicitation to build a simple, secure, and inclusive web portal for eligible residents to apply for income-based energy programs. A key recommendation is to use the California Identity Gateway as a mechanism in the CAS to verify the eligibility of applicants.

d. To add depth to the product offering of the California Identity Gateway, CDT has procured an alternative identity provider that requires minimal personally identifiable information from Californians for select use cases. This gives CDT the flexibility to offer both a public and private option for identity verification solutions to maximize inclusivity in the preference of Californians.

5. Digital Wallets:

CDT, in coordination with the Department of Motor Vehicles is engaged in research and development of a state digital wallet. Ongoing conversations with several vendors to develop a proof of concept for a digital wallet with the intention of giving Californians control of their own credentials are under way. Mobile credentials such as the mobile driver's license, state park passes, and business licenses are distinguished from state-issued payment cards and are components of the Digital ID platform. These types of credentials would go into a digital wallet on an individual's mobile device after being verified for identity and eligibility authenticity through the California Identity Gateway.

Digital ID Programmatic Updates:

Budget Status:

To date, the project has incurred $1,217,440 in costs for hiring and vendor services.

Future Progress:

CDT's Digital ID team is continuing to deliver critical services to government administrators as well as eligible recipients through new and existing partnerships and enhancing the program's service offering. CDT plans to expand the program's eligibility verification and identity provisioning capabilities through partnerships with State and Federal partners and industry leaders. CDT is expecting to continue to launch eligibility verification pilots for other transit agencies such as SACOG, Los Angeles Metro, and Metropolitan Transportation Commission.

The Digital ID program is also expanding into other areas that require verification checks such as the CPPA's DROP application. Another example is the facilitation of a user authenticated vital records request experience within the upcoming California Disaster Recovery Center portal. CDT's approach is being informed by research and ongoing discussions around digital and social equity with entities such as the Tony Blair Institute for Global Change, as well as several international approaches to digital identity. Ongoing users experience research being conducted on the disaster survivor experience by the Office of Data and Innovation additionally informs CDT's approach to delivering services where they are most impactful.

CDT will continue to expand the footprint of the digital identity program across the state to serve even more Californians. Additionally, CDT's digital identity program intends to increase awareness, engagement and adoption of the platform through various publicity and outreach activities such as white papers, press releases and

public speaking engagements to further these same outcomes of increasing inclusivity and equity across the state.

If you have any questions or would like to discuss this report, please contact me at liana.bailey-crimmins@state.ca.gov.

Sincerely,

Liana Bailey-Crimmins
Director
California Department of Technology

cc: Honorable Jesse Gabriel, Chair, Assembly Committee on Budget
Hans Hemann, Consultant, Joint Legislative Budget Committee
Elisa Wynne, Staff Director, Senate Budget and Fiscal Review Committee
Christian Griffith, Chief Consultant, Assembly Budget Committee
Joe Stephenshaw, Director, Department of Finance
Nick Maduros, Secretary, Government Operations Agency