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January 1, 2026

Honorable John Laird, Chair
Joint Legislative Budget Committee
1020 N Street, Room 553
Sacramento, CA 95814

SUBJECT: DIGITAL IDENTIFICATION PILOT PROGRAM

Dear Senator Laird:

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 that contains 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 December 31, 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, which include:

- Selecting an initial pilot launch partner;
- Executing necessary service contracts;
- Defining, developing, and reviewing the technical architecture;
- Launching small-scale pilots to demonstrate single sign-on, policy authorization, privacy, and fraud 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 (July through December 2025):

1. **Vital Records Application on CA.gov/LAFires:**

   CDT has launched an application leveraging the California Identity Gateway to streamline online vital records requests for the California Department of Public Health. Developed as part of the digital disaster recovery center, this application allows Californians affected by disasters, such as the Los Angeles area fires, to easily request free certified copies of birth, marriage, and death certificates as part of their recovery. The team is also developing alternative online pathways using online notarization and identity verification services for disaster-affected residents. Enhancements are ongoing to improve the application's monitoring, resiliency, and accessibility for crucial support during critical times.

2. **Pilot Demonstrations:**

   a. To expand the service to more Californians, CDT, along with Caltrans, has continued to add new regional transit agencies such as Ventura County Transportation Commission (VCTC) to the pilot demonstration, while continuing support of previously launched verification services for age-based and veteran verification benefits with the Monterey Salinas Transit, Santa Barbara Municipal Transit District, Sacramento Regional Transit, and Nevada County Transit. An additional pilot demonstration benefit is support for an open loop payment system, which allows for use of pre-existing credit/debit cards rather than requiring separate dedicated transit cards that isolate rider funds in proprietary systems.

      This tap-to-pay system wirelessly charges eligible credit/debit card holders at a discounted rate when they ride transit. As of October 2025, Cal-ITP supports all four major credit card schemes (Visa, Mastercard, Discover, and American Express) on the open loop payment platform.

      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 full ridership population.

   b. CDT has initiated a new pilot in partnership with the Metropolitan Transportation Commission (MTC) to provide identity and attribute verification for the Clipper

Start program. This pilot will streamline the enrollment in this program for approximately 600,000 eligible Bay Area residents to be able to register and prove their enrollment in CalFresh as a qualifying criterion. The California Identity Gateway has been integrated into the MTC Clipper Start application and this program will become available to Californians in early 2026.

c. CDT continues to enhance the verification capabilities of the California Identity Gateway by updating our integration with the Centers for Medicare and Medicaid Services Blue Button application programming interface (API) to its latest version. These integrations add support for approximately 6.6 million Medicare cardholders in California.

d. CDT is developing the Deletion Request and Opt-out Platform (DROP) for the California Privacy Protection Agency (CPPA). This application will allow eligible California residents to request the deletion of their personally identifiable information from registered data brokers. The California Identity Gateway has been integrated into DROP to verify California residency. The platform is completing development and testing and is scheduled to launch in January 2026.

3. Client and Vendor Partnerships:

a. CDT is working with the U.S. Department of Veterans Affairs to expand its existing API integration to support benefit programs that require verification of distinguished service history and disability status of veterans seeking state benefits.

b. CDT is collaborating with the California Public Utilities Commission (CPUC) on recommendations for the Concurrent Application System (CAS). This system will allow Californians to apply for multiple CPUC utility discount programs, with income-based attributes for eligibility verified through the California Identity Gateway. CDT is also gathering requirements from utility companies such as PG&E and Southern California Edison to enhance the California Identity Gateway's support for categorical and income-based attribute verification for eligibility. This effort aims to expand the platform's capabilities and pilot further attribute verification for public utilities.

c. To add depth to the product offering of the California Identity Gateway, CDT has procured and integrated with an alternate identity provider that requires

minimal personally identifiable information from Californians for select use cases. This new service integration gives CDT the flexibility to offer both a public and private option for identity verification solutions, allowing greater customization for agencies and additional choices for Californians. This alternate identity provider will be launched with the CPPA's DROP application in January 2026.

4. Verifiable credentials and digital wallets:

California is piloting a state digital wallet feature as part of its Digital ID strategy, allowing residents to store verified mobile driver's licenses (mDLs) and other state credentials on their smartphones. Through a partnership with a vendor, a proof-of-concept is in development to give Californians control over their digital identity through verifiable credentials. Residents can add their mDLs to Apple and Google Wallets, with plans for these and other types of mobile credentials to be accepted by government entities and businesses in the future. The California Identity Gateway will support the issuance, reading, storage, and revocation of these verifiable credentials, enabling easier access to state services and identity verification.

Digital ID Programmatic Updates:

Budget Status:

To date, the project has incurred $2,185,025 in costs for hiring and vendor services.

Future Progress:

CDT 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 California Disaster Recovery Center portal, which was launched in phases between July and October. The team continues to build resiliency, monitoring, and additional accessibility into the application. 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 user experience research being conducted 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 to serve more Californians. To this end, CDT is working to advance administrative and budgetary steps that will help to formalize the Digital ID program as a statewide service. In addition, the Digital ID team continues to advocate regularly with Digital Identity safety and technology groups, policy and research institutes, and governmental organizations 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
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