

**CALIFORNIA DEPARTMENT OF TECHNOLOGY**

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July 1, 2025

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

Honorable Buffy Wicks, Chair
Assembly Appropriations Committee
1021 O Street, Suite 8220
Sacramento, CA 95814

Honorable Anna Caballero, Chair
Senate Appropriations Committee
State Capitol, Room 412
Sacramento, CA 95814

SUBJECT: SEMI-ANNUAL REPORT TO THE JOINT LEGISLATIVE BUDGET COMMITTEE ON TECHNOLOGY MODERNIZATION FUNDING AND TECHNOLOGY STABILIZATION FUNDING IN ACCORDANCE WITH GOVERNMENT CODE (GC) 11546.45

Dear Senator Wiener,

In 2020 during the Coronavirus (COVID-19) pandemic, the State was thrust into a crisis mode to ensure that governmental services were uninterrupted even while employees were isolating at home. The reliance on information technology (IT) systems became ever more urgent. In addition, new IT systems were needed to address the evolving COVID-19 issues. The State proved it could deliver and stabilize critical state services in days and weeks standing up the California Contact Tracing System, California COVID Reporting System, California Exposure Notification System, California Vaccination Management, and Pandemic Unemployment Assistance System. At this time, the State also identified a need to proactively identify IT system weaknesses to prevent disruption to critical services. The traditional budget process was not conducive to providing funding for IT solutions rapidly. As a result, the California Department of Technology (CDT) received funding for Technology Modernization and Stabilization efforts enabling implementation of proactive solutions and timely funding of smaller and iterative modernization efforts without losing necessary oversight.

CDT received \$25,000,000 General Fund (GF) appropriations from the 2021 Budget Act as Technology Modernization Funding (TMF) to establish an innovative and streamlined process for identifying and implementing IT solutions

in a timely and accountable manner that are \$5,000,000 or less and meet any of the following purposes:

- (a) Technology modernization in state entities.
- (b) Improvement, retirement, or replacement of existing IT systems in state entities.
- (c) Improvement of information security in state entities.
- (d) Improvement of the efficiency and effectiveness of state entities.
- (e) Transition of state entities' legacy IT systems to cloud computing.

The 2022 Budget Act provided CDT additional GF appropriations of \$25,711,000 for TMF and \$30,000,000 for Technology Stabilization Funding (TSF). The TSF was established to mitigate potential risks to critical California services. Provision 3 of Item 7502-002-0001 of Chapter 43, Statutes of 2022 (SB 154), requires CDT to provide semi-annual reports to the Joint Legislative Budget Committee. These reports must include details about TMF and TSF projects and expenditures made available through the 2021 and 2022 Budget Acts, including:

- (a) All expenditures from Schedule 1.
- (b) Status and expected completion dates of IT projects funded by expenditures from Schedule 1.
- (c) Status and results of IT system assessments performed by CDT.
- (d) Prioritized IT project list approved by the Department of Finance, including project descriptions and cost estimates.

Expenditures from Schedule 1 – Technology Modernization Funding

The following provides details about actual expenditures through March 31, 2025. It should be noted that the TMF appropriation was reduced in January 2023 from \$50 million to \$29 million due to state budget reductions.

Table 1: TMF Expenditures through March 31, 2025

| Schedule 1 to Date | |
|--|-------------------------|
| Category / Description (Allocations) | Allocation |
| 2021-22 Technology Modernization Funding (Expires June 30, 2024) | \$ 25,000,000 |
| 2022-23 Technology Modernization Funding (Expires June 30, 2028) | \$ 25,000,000 |
| 2022-23 Technology Modernization Funding Staff (ongoing) | \$ 711,000 |
| 2023-24 Technology Modernization Funding Reduction | \$ (21,000,000) |
| Total Allocation | \$ 29,711,000 |
| Category / Description (Expenditures) | |
| Cost | |
| Encumbered, in contracts for approved projects | \$ 26,059,627 |
| - Of this amount, total expenditure is \$22,609,959 | |
| Staff Salaries, Consulting and Operation Costs | \$ 2,836,999 |
| Unencumbered Funds expired from Budget Act 2021 appropriation | \$ 614,374 |
| Approved project funding – not yet into contract | \$ 0 |
| Balance Remaining | \$ 200,000 ¹ |

TMF Project List, Status, and Expected Completion

The TMF Project List (Table 3) includes information on the status and expected completion dates of projects that have received funding approval. A total of 21 proposals have been approved through June 30, 2024. Nineteen projects are completed. The July 2024 and January 2025 reports highlighted 12 of the completed projects.

Below are project summaries for the remaining completed projects, including testimonials from State departments and agencies, offering firsthand insights into the real-world impact of the work done utilizing TMF. These stories enhance transparency, build trust, and highlight how our efforts are improving lives across California. Additional testimonials are featured on our website at <https://cdt.ca.gov/tmf/>.

- 1. California Governor's Office of Emergency Services (CalOES) Warning Center Emergency Management System (WCEMS/CalWatch)**– The new emergency notification system alerts over 6000 state agency partners or stakeholders, who notify the public of earthquakes, wildfires, etc. These

¹ Remaining funds will be utilized for anticipated Department of General Services contracting fees.

warnings reduce the alert time from 25 to 7 minutes. The new system provides 99.999 percent uptime (Five Nines Reliability), operating with less than 6 minutes of annual downtime. Project cost: \$2,988,693.

"In an innovative step forward for California emergency management, Cal OES is proud to introduce the roll-out of "CalWatch," a cutting-edge system designed to streamline operations of the California State Warning Center (CSWC). CalWatch will empower local governments, state agencies, and key stakeholders across California to coordinate and collaborate in real time during emergencies. This comprehensive platform integrates data from multiple sources, supports secure communication, and provides a powerful common operational picture during crises. This system marks a transformative step in California's emergency response framework, aligning with Cal OES's mission to create a fully integrated, state-of-the-art approach to managing crises and enhancing public safety".

Randy Gonzales, California Governor's Office of Emergency Services, Duty Officer Program Chief

"The funding and resources provided through TMF have enabled us to upgrade critical systems, ensuring that vital services reach our communities faster and more effectively than ever before".

Michael Crews, California Governor's Office of Emergency Services, Chief Information Officer

- 2. California Department of Corrections and Rehabilitations (CDCR) Recruitment and Onboarding Modernization (ROM/SuccessFactors) Project** – The new system modernized CDCR's human resources (HR) functions, such as recruiting, onboarding, and offboarding. Using the new system, CDCR has reduced the time to hire from 92 to 57 days and created a more cohesive, efficient, and engaging experience for candidates and employees. Project cost: \$3,494,925.

"Implementing SuccessFactors has transformed how we manage our HR processes. By centralizing our data, we now have improved data integrity and accessibility, which allows for more efficient reporting and data-driven decision-making. Additionally, SuccessFactors' cloud-based architecture has provided us with enhanced security and data backup solutions, enabling us to comply more effectively with

regulatory requirements while safeguarding sensitive employee information. The user-friendly interface and automated workflows have also empowered our employees to self-manage many of their HR tasks, reducing administrative bottlenecks and increasing overall productivity. The scalability of SuccessFactors allows us to adapt as our organization grows, ensuring that our technology remains aligned with our evolving needs, which is at the heart of our organization's strategic technology goal".

Edmond Blagdon, California Department of Corrections & Rehabilitation, Chief Information Officer

"With the launch of SuccessFactors, we have been able to streamline and standardize core recruiting, onboarding, employee, and position management functions. The system has given us new tools to engage our employees more meaningfully and support them in achieving their career goals. This capability has already translated into improved employee satisfaction, as employees now have greater transparency during the recruitment and onboarding process and feel more connected to our organization's mission.

A particularly noteworthy achievement has been the transformation of our recruiting process. Our time-to-hire metrics have improved dramatically, with recent data confirming the successful attainment of a key project KPI: reducing the total days from job advertisement to onboarding. This accelerated hiring process is enabling us to fill critical roles quickly, reduce bottlenecks, and ensure our teams have the support they need to facilitate the successful reintegration of the individuals in our care back to their communities.

The implementation has also allowed us to better align our HR practices with best practices across our industry. Through automated workflows and standardized processes, our HR team has been able to shift its focus from administrative tasks to strategic initiatives that support organizational growth. Furthermore, the robust analytics tools in SuccessFactors have equipped us with valuable insights, enabling us to make data-driven decisions that directly impact employee satisfaction and productivity.

We are thrilled to see how this new system is enhancing our ability to create a positive, inclusive workplace where

employees feel valued and supported. None of this would have been possible without your investment in our success, and we are immensely grateful for your trust in our vision.

Danyal Noel, Deputy Director, California Department of Corrections & Rehabilitation

- 3. California Department of Parks and Recreation (DPR): Office of Historic Preservation (OHP), California Historical Resources Information System (CHRIS)** –The new system allows for real-time access by DPR’s Information Centers to OHP data, which is critical for planned statewide projects in support of environmental compliance. This online access will save an estimated 1 hour per request in OHP staff time retrieving and presenting documents. The ability to access documents and data through this web application will decrease waiting time in retrieving documents from several days to several hours. This is a net decrease of over 50 percent to complete data requests for the public, first respondents and construction companies. Project cost: \$725,524.

The California Office of Historic Preservation (OHP) Automation Project, funded by the Technology Modernization Fund, achieved production in October 2024. This effort began the development of a single-system (CA-SHPO-Online) to automate and integrate business processes at the OHP and eight Information Centers (IC), which comprise the California Historical Resources Inventory System (CHRIS). The CHRIS maintains a wide range of documents and materials relating to historical resources (e.g., buildings, structures, objects, historic and archaeological sites, landscapes, districts) and provides cultural resources information to local governments, state and federal agencies, Native American tribes, and individuals, critical for planned statewide projects. With this first phase, access by the OHP and the eight ICs to the statutorily defined inventory for historic properties and resources, a subset of the overall database, as well as to federally mandated reporting data is a critical achievement.

This commencement of the project was made possible for OHP by the Technology Modernization Fund. The OHP and the California Department of Parks and Recreation will continue the development and enhancement of the CA-SHPO-Online automated database that began using the Fund grant. The OHP and the Department of Parks and Recreation appreciate the opportunity and support from the Fund to develop this

integrated system for the benefit of the State of California and its residents.

Jody L. Brown, Deputy State Historic Preservation Officer/Tribal Liaison, California Office of Historic Preservation

4. **California Air Resources Board (CARB) Refrigerant Registration and Reporting System (R3)**– The new system integrates 125 business rules increasing automated and staffing efficiencies through a reduction in manual reports processing. The system allows users to register their company, add new facilities or refrigeration systems and fill out leak inspection records and annual reports in less than 10 minutes. In the past, staff would manually input the registrations to administer programmatic requirements which took several days. The new automated process better serves the public's health and safety needs and state regulatory requirements. Project cost: \$1,135,118.
5. **Department of Motor Vehicles (DMV) Improving Field Office Access to the Public (IFOAP)** – This is DMV's first centralized position control system for the department's Field Operations Division (FOD). The FOD has 169 offices throughout the state, providing motor vehicle services to over 32 million Californians. The new system streamlined the recruitment process, allowing vacancies to be filled faster. With more staff, wait times at the DMV will be reduced from 1 hour to 10 minutes (with appointments), and 2 hours to 25 minutes (non-appointments), annually. Project cost: \$981,038.
6. **Department of Consumer Affairs (DCA) Mobile Inspection Optimization Initiative (MOI)** –The system modernized DCA's cumbersome manual process of paper checklists and handwritten notes that staff used to document the inspection reports. After returning to the office, staff would then input the information into the department's system of record. Each report was then printed and mailed to constituents. The entire inspection process, which took many days to complete, was inefficient for everyone involved. The new system will automate this process resulting in a reduction in on-site inspection time by 15 percent, overall staff inspection time by 33 percent, and increase inspection capacity by 20 percent. Project cost: \$447,349.
7. **Delta Stewardship Council (DSC) Contrakker 2.0** – The DSC's critical mission is to improve the health of the Sacramento-San Joaquin Delta by compiling scientific information to inform water and environmental management decisions. Their old system was outdated causing inefficiencies and opportunities for errors. The new system helps DSC to

optimize and streamline all aspects of DSC's operations and provide quality assurance of the data used for forecasting, projections, and implementation plans. The modernized system will increase communication flow, unify data entry, integrate real-time project management, and consistent tracking of key performance indicators for successful achievement of the DSC's critical mission. Project cost: \$419,942.

For more information on each engagement, Table 3: "TMF Project Status" provides the projects' status and expected completion dates as required in provision (b) and project descriptions and prioritization as required in provision (d).

Expenditures from Schedule 1 – Technology Stabilization Funding

The following provides details about actual expenditures through March 31, 2025. Note that in January 2023, the TSF appropriation was reduced from \$30 million to \$12.5 million due to state budget reductions.

Table 2: TSF Expenditures through March 31, 2025

| Schedule 1 to Date | |
|--|-------------------|
| Category / Description (Allocations) | Allocation |
| 2022-23 Technology Stabilization Funding (Expires June 30, 2026) | \$ 30,000,000 |
| 2022-23 Technology Stabilization Funding Reduction | \$ (17,500,000) |
| Total Allocation | \$ 12,500,000 |
| | |
| Category / Description (Expenditures) | Cost |
| Encumbered, in contracts for approved remediation projects | \$ 9,232,543 |
| - Of this amount, total expenditure is \$8,026,309 | |
| Approved project funding – not yet into contract | \$ 1,200,000 |
| Balance Remaining | \$ 2,067,457 |

Critical IT systems Inventory

Section 11546.45 of the California Government Code requires CDT to maintain an inventory of high-risk critical IT systems and services across state government, to determine which ones are most in need of stabilization or modernization. There is currently no single, statewide inventory that offers visibility into the most important IT systems across the State. While individual departments maintain their own lists, there has never been a centralized, statewide view of which systems are truly critical to public services or the risks they carry. CDT is in the process of creating such an inventory.

To date, CDT has catalogued 90 IT systems identified by departments as essential to their operations. Since the last legislative report in January 2025, CDT has received 7 more submissions for critical IT systems.

CDT does not publish the names of these systems in public reports because some of the systems assessed have significant stability or security risks. Instead, CDT provides aggregated statistics, case studies, and metrics that demonstrate the program's impact without compromising safety or trust.

CDT's Critical Services program focuses on the systems that Californians rely on most—and which would have serious consequences if they failed. CDT defines a critical service as any government service that is essential to the health, safety, economic security, or well-being of Californians. These services support the health and safety of the public—either directly or through enabling state operations—and are often most relied upon during moments of personal or societal crisis.

CDT believes that a critical service is one whose end-to-end experience must remain secure, stable, accessible, equitable, and usable to avoid compounding harm, particularly for vulnerable populations. Disruption, degradation, or complexity in the resident experience of these services would result in disproportionate impacts on individuals and cascading effects on economic participation, public trust, and state operations.

Systems are prioritized for assessment using a framework that considers two key dimensions:

- (i) Likelihood of exposure: What is the system's risk level based on technical health, age, complexity or known gaps?
- (ii) Impact of failure: What would happen to Californians and government operations if the system went down?

This prioritization model enables CDT to focus its limited resources where they can make the biggest difference, helping departments proactively stabilize or modernize systems before major harm occurs.

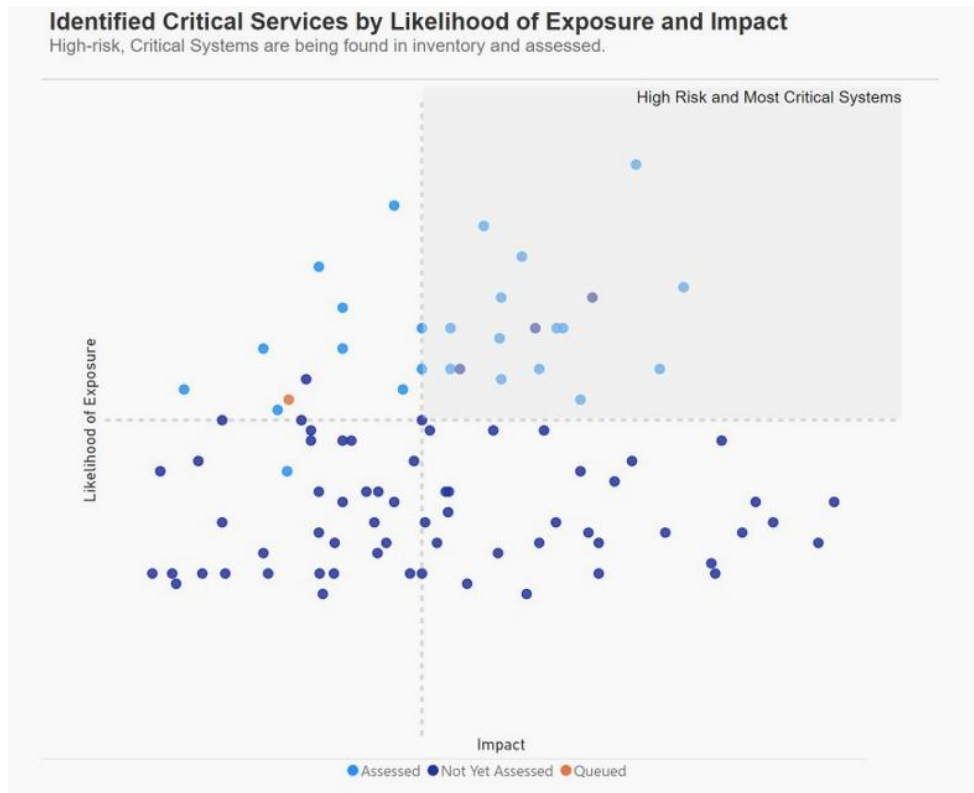


Figure 2 – Prioritized Critical Systems for Assessment

Critical Services impacts Californians

CDT helps state entities to take proactive measures to remediate assessment findings so that critical IT systems and services statewide are more reliable, useful, efficient, and effective, to boost government service delivery. As of June 2025, CDT has performed 19 IT system assessments and provided 176 total recommendations to be implemented during remediation.

After IT system assessments, CDT engages with departments in a one-year remediation period, where state departments and agencies are offered technical guidance. This may include the deployment of vendor resources through a shared services contract to quickly implement fixes that remediate the highest profile issues and provide the greatest return on investment. One of CDT's most successful use cases for how it improved the stability of a critical IT system was the Department of General Services (DGS) Office of State Publishing (OSP) engagement. CDT assessed the stability of the system, which supports the printing process for legislation that is to be voted on by the State Legislature--a constitutionally mandated function for OSP. The Critical Services team assisted DGS with implementing 78 percent of identified remediation items. The effort was completed in April 2025. Implementation of these remediation items helped

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streamline the printing workflow, reducing dependence on manual processes. It also strengthened the System's operational resiliency by mitigating high profile security vulnerabilities that resulted from outdated devices and software and increased network performance by 3.5 times. This has improved document printing time from 20 minutes to approximately 5 minutes.

Table 3: TMF Project Status

| Department | Project Name | Description | Approved Cost to Date | Encumbered Cost | Expenditures to Date ² | Project Status | Expected completion date | Category ³ |
|--|--|--|-----------------------|-----------------|---------------------------------------|---|---|-----------------------|
| Department of Corrections and Rehabilitations | Recruitment and Onboarding Modernization | Decrease time to hire; increased employee satisfaction and retention; real-time vacancy data | \$3,500,000 | \$3,500,000 | \$2,446,964 \$3,494,925 | On schedule, scope and within cost. | COMPLETE Phase 1: Aug. 2023 Phase 2: Dec. 2024 | c |
| Department of Consumer Affairs: Dental Board of California, Board of Barbering and Cosmetology, and Veterinary Medical Board | Mobile Inspection Optimization Initiative | A software solution with a mobile interface to improve the efficiency of the inspectors conducting an on-site inspection and sending the deliverables associated with inspection outcomes to businesses. 55,000 total licensee businesses were inspected, and the total annual inspection is 500. Project has modified its technical platform. | \$532,000 | \$447,358 | \$230,864 \$447,349 | Completion re-baselined to Nov. 2024 due to connectivity issues delaying User Acceptance Testing. | COMPLETE Nov. 2024 | c |
| Department of Parks and Recreation: Office of Historic Preservation | California Historical Resources Information System | Reduce the time to 30 days to accept, process, and respond to a submittal of statewide inventory of cultural resources. | \$750,000 | \$727,319 | \$416,435 \$725,524 | On schedule, scope and within cost. | COMPLETE Oct. 2024 | a, c, d |

² Expenditures to Date are based on amounts captured in FISCAL and may lag actual paid invoice amounts.

³ SB129 Budget Bill Categories A-D

(a) to improve, retire, or replace existing information technology systems in state entities.

(b) to improve information security in state entities.

(c) to improve the efficiency and effectiveness of state entities.

(d) to transition state entities' legacy information technology systems to cloud computing.

⁴ All struck-through text and values are information reported during the previous semi-annual report.

| Department | Project Name | Description | Approved Cost to Date | Encumbered Cost | Expenditures to Date ² | Project Status | Expected completion date | Category ³ |
|--|--|---|-----------------------|-----------------|---------------------------------------|---|-----------------------------------|-----------------------|
| California Office of Emergency Services | Warning Center Emergency Management System | Bring together real-time information across all levels of government to make timely and effective decisions for response and mitigation. | \$3,000,000 | \$2,988,693 | \$1,885,509 \$2,988,693 | Selected for TMF Jan. 2023 MVP achieved Apr. 19, 2024. On schedule, scope and within cost. | COMPLETE Nov. 2024 | a, c |
| California Air Resources Board | Refrigerant Registration and Reporting System | A public-facing web interface for companies with stationary refrigeration systems to register their facilities, upload servicing maintenance records, pay applicable fees, and download applicable emissions data. | \$1,250,000 | \$1,135,118 | \$383,838 \$1,135,118 | Selected for TMF Feb. 2023 On schedule, scope and within cost. | COMPLETE Dec. 2024 | a, c |
| Delta Stewardship Council | Contrakker 2.0 | Database for tracking critical research contracts and reporting. | \$498,813 | \$487,686 | \$102,302 \$419,942 | Selected for TMF May 2023 On schedule, scope and within cost. | COMPLETE Oct. 2024 | c |
| California Environmental Protection Agency | California Environmental Reporting System (CERS NextGen) MVP | Protecting Californians from Leaking Underground Storage Tanks (UST). Build technical infrastructure to collect and report data as the current California Environmental Reporting System (CERS) cannot track abandoned tanks. | \$4,500,000 | \$4,406,000 | \$606,000 \$1,565,530 | Selected for TMF Sept. 2023 Completion date adjusted due to procurement timeline , project timeline extension request approved by CDT. | Aug. 2025 Jan. 2026 | c |
| Department of Motor Vehicles | Improving Field Office Access to the Public | Implement a position management system for the DMV's Field Operations Division (FOD) to manage the FOD's positions and personnel to effectively meet the needs of the public. | \$1,045,640 | \$1,045,462 | \$615,015 \$981,038 | Selected for TMF Oct. 2023 On schedule, scope and within cost. | COMPLETE Dec. 2024 | c |

| Department | Project Name | Description | Approved Cost to Date | Encumbered Cost | Expenditures to Date ² | Project Status | Expected completion date | Category ³ |
|--|---|--|-----------------------|-----------------|-----------------------------------|---|------------------------------------|-----------------------|
| The Department of Toxic Substances Control | Human Resources Technology Modernization Project (HRTMP) | Update the HR system proof of concept (POC) with improved processes that are more responsive to stakeholders and customers (particularly hiring managers) and promote visibility and transparency of recruitment workload. Will serve as a model for CalEPA and the other BDOs under its purview as they eventually build out their ServiceNow HR modules. | \$631,000 | \$629,081 | \$298,967 | Selected for TMF Oct. 2023 Completion date adjusted due to procurement timeline. project timeline extension request approved by CDT. | June 2025 Sept. 2025 | c |
| California Department of Food and Agriculture (CDFA) | Registered Service Agents | Improve timely payment of \$222,770 in annual registration and licensing fees. | \$1,222,332 | \$1,222,169 | \$1,222,169 | Complete functionality delivered Nov. 2022. | COMPLETE Nov. 2022 | a, b, c, d |
| Department of Consumer Affairs | Speech & Hearing Licensing Modernization | Develop an online application processing payment system for thirteen different license types. | \$415,000 | \$402,403 | \$402,403 | Delivered May 2023. | COMPLETE May 2023 | c |
| California Environmental Protection Agency (CalEPA) | Geospatial Data System for Certified Unified Program Agencies (CUPAs) | Graphically display the location and the related jurisdictional boundaries on a map for a given address and allows any interested entity to determine which jurisdiction is responsible for a specific location within seconds. | \$500,000 | \$497,631 | \$497,631 | Delivered May 2023. | COMPLETE Mar. 2023 | a, c |
| Department of Consumer Affairs: Court Reporter's Board (CRB) | Online Licensing and Enforcement Portal | Online application for exam and licensure. Ability to check the application status, license, and timely response to data request. | \$930,000 | \$911,810 | \$676,206 \$864,525 | Delivered June 2024 | COMPLETE June 2024 | c |
| Department of Fish and Wildlife (CDFW) | California Inland Recreational Angler Survey | For 40,000 anglers each year, reduce a paper-based 3-month process to minutes for completing a survey. | \$450,000 | \$449,007 | \$420,952 | Delivered Aug 2024 | COMPLETE Aug. 2024 | a, c, d |

| Department | Project Name | Description | Approved Cost to Date | Encumbered Cost | Expenditures to Date ² | Project Status | Expected completion date | Category ³ |
|---|---|--|-----------------------|-----------------|---------------------------------------|--|-------------------------------|-----------------------|
| California Department of Technology | Cost Estimation as a Service Proof of Concept | Uniform and accurate cost estimation for IT projects will benefit the state regarding direct cost savings and improved project outcomes. | \$250,000 | \$210,472 | \$210,472 | Tool Configuration and Calibration completed. Process deployment and organization change management completed. | COMPLETE June 2023 | c |
| Department of Managed Healthcare (DMHC) | Necessary Infrastructure Modernization for Business Unified Services (NIMBUS) | Reduce the schedule management process time from seven days to a few hours. | \$912,000 | \$912,000 | \$789,942 \$905,070 | Delivered June 2024 | COMPLETE June 2024 | a, c, d |
| Department of Toxic Substances Control (DTSC) | Laboratory Information Management System (LIMS) | Provide credible data used to support new regulations or public health investigations. The average number of days per case is 220 days. The new system is expected to reduce this by 50% to 110 days. | \$500,000 | \$485,690 | \$391,497 \$440,689 | Delivered May 2024 | COMPLETE May 2024 | c, d |
| Department of General Services | Outreach Tracking System (OTS) | Implement a Customer Service Management (CSM) system to track businesses from contact to contract and track the outreach events OSDS participates in to increase the amount of small business activity in the state. | \$281,250 | \$281,193 | \$254,117 \$281,114 | Delivered June 2024 | COMPLETE June 2024 | a, c, d |
| California Office of Emergency Services | California Resource Request Modernization (CRRM) | Provide a customer-centric resource requesting and mission-tasking solution with modern capabilities to simplify and streamline workflow processes and experiences for end-users at all levels of government. | \$3,500,000 | \$3,500,000 | \$2,724,600 \$3,500,000 | Delivered Sept 2024 | COMPLETE Sept. 2024 | a, c |

| Department | Project Name | Description | Approved Cost to Date | Encumbered Cost | Expenditures to Date ² | Project Status | Expected completion date | Category ³ |
|--|---|--|----------------------------------|---------------------|--|---|------------------------------|-----------------------|
| California Victims Compensation Board (CalVCB) | Adjustments system | Provide real-time information about benefit amounts available for victims. | \$1,650,000* *Funds Rescinded | - | - | On July 11, 2023, it was decided that CalVCB will re-pitch to the Selection Committee following TMF's intake/review process by submitting a new proposal to build a POC/Pilot application to modernize Cares System/Adjustments module. | | a, c |
| Department of Food and Agriculture | Produce Safety Program (PSP) Farm Inventory Project | A single, secure repository, accessible to California farmers and PSP stakeholders, of farm data and inspection reports. | \$1,329,988 | \$1,329,988 | \$420,108 \$1,326,002 | Delivered Aug 2024 | COMPLETE Aug. 2024 | b, c |
| Department of Veterans Affairs | Automated Drug Dispensing System Replacement | POC to replace existing drug dispensing systems at West LA Veterans Home for daily routine and urgent meds | \$504,661 | \$490,548 | \$481,846 | Selected for TMF June 2023 Delivered Aug 2024 | COMPLETE Aug. 2024 | a |
| Totals | | | \$26,502,684 | \$26,059,627 | \$14,276,072 \$22,609,959 | | | |

Table 4: TSF Remediation Effort Status

| Department | Approved Cost to Date | Encumbered Cost | Expenditures to Date ⁵ | Remediation Status ⁶ | Remediation Notes | Remediation Support Expiry |
|--|-----------------------|-----------------|------------------------------------|---|--|--|
| (New) California Student Aid Commission | - | - | - | 0 of 25 items complete | Assessment report delivered March 2025. Engagement transitioned to Remediation May 2025. | May 2026 |
| California Victim Compensation Board (CalVCB) | \$345,000 | \$345,000 | \$71,568 ⁷ \$247,590 | 8 of 19 items complete | CalVCB team is still making progress on outstanding remediation items. | Feb. 2025 Complete Feb. 2025 |
| California Department of General Services | \$400,000 | \$400,000 | \$306,944 | 2 of 23 18 of 23 items complete | Majority of remaining items are in testing. | Feb. 2025 Complete April. 2025 |
| Department of Alcoholic Beverage Control | \$54,400 | \$54,400 | - | 2 of 35 5 of 35 items complete | In Progress | May. 2025 Aug. 2025 |
| (New) Department of Financial Protection & Innovation (DFPI) | - | - | - | 1 of 20 items complete | In Progress– majority of outstanding items may be deferred to project in PAL | Aug. 2025 |
| (New) Governor's Office of Land Use & Climate Innovation (LCI) | - | - | - | 0 of 32 items complete | In Progress – remediation items deferred to Tier 3 data center move | Nov.2025 |
| (New) California Department of Food and Agriculture | \$750,000 | - | - | 6 of 36 items complete | Assessment report delivered December 2024. Engagement transitioned to Remediation February 2025. | Feb.2026 |
| Department of Industrial Relations (DIR) | \$1,825,179 | \$1,610,869 | \$1,263,774 | 10 of 30 items complete | Outstanding items deferred to a project in PAL to align with DIR's long-term objectives | Complete Aug. 2023 |

⁵ Expenditures to Date are based on amounts captured in FISCAL and may lag current, actual project amounts.

⁶ Due to further analysis during the 12-month remediation engagement, the remediation item count may increase or decrease – explanation provided in the Remediation Notes column.

⁷ All struck-through text and values are information reported during the previous semi-annual report.

| Department | Approved Cost to Date | Encumbered Cost | Expenditures to Date ⁵ | Remediation Status ⁶ | Remediation Notes | Remediation Support Expiry |
|---|-----------------------|-----------------|-----------------------------------|---------------------------------|---|----------------------------|
| California Department of Veterans Affairs (CalVet) | \$38,473 | \$3,773 | \$3,773 | 23 of 24 items complete | Completed | Complete July 2023 |
| California Governor's Office of Emergency Services | \$350,000 | \$349,980 | \$349,980 | 7 of 17 items complete | Outstanding items were completed under two successful TMF projects | Complete Aug. 2023 |
| California Department of Food and Agriculture | \$734,638 | \$734,888 | \$462,830 \$507,430 | 2 of 19 items complete | Outstanding items will be remediated as a result of the Tier 3 data center move | Complete Aug. 2023 |
| California Department of Transportation (Caltrans) | - | - | - | 7 of 12 items complete | Outstanding items are being completed post engagement | Complete Aug. 2023 |
| California Department of Human Resources (CalHR) | \$383,979 | \$371,632 | \$228,782 | 10 of 17 items complete | Outstanding items were remediated as a result of a successful cloud migration, post the engagement with Critical Services | Complete Jan. 2024 |
| California State Lands Commission (SLC) | \$650,000 | \$650,000 | \$650,000 | 20 of 30 items complete | Outstanding items are being completed post engagement | Complete Oct. 2023 |
| California Environmental Protection Agency | - | - | - | 0 of 19 items complete | All 19 items were deferred to DIF | Complete Dec. 2023 |
| Department of Finance (DOF) | \$699,961 | \$699,961 | \$699,961 | 34 of 40 items complete | Completed | Complete May 2023 |
| California Unemployment Insurance Appeals Board (CUIAB) | \$2,300,000 | \$2,300,000 | \$2,299,920 | 23 of 29 items complete | Completed | Complete Aug. 2024 |
| California Department of State Hospitals (DSH) | - | - | - | 1 of 29 items complete | DSH will complete outstanding items as part of a modernization project that meets their long-term objectives | Complete July 2024 |
| California Department of Technology | - | - | - | 1 of 8 items complete | CDT will complete outstanding items as part of a modernization project that meets their long-term objectives | Closed May 2024 |

| Department | Approved Cost to Date | Encumbered Cost | Expenditures to Date ⁵ | Remediation Status ⁶ | Remediation Notes | Remediation Support Expiry |
|--|---|----------------------------|--|--|--|----------------------------|
| Remediation Service Offerings ⁸ | \$2,166,440 \$2,162,040 | \$2,166,440 \$1,712,040 | \$1,327,479 \$1,468,155 | - | Technical licensing, specialized consulting services, and DGS contracting fees | |
| Total | \$9,493,670 \$10,693,670 | \$9,232,543 | \$7,358,067 \$8,026,309 | 151 of 403 176 of 464 items complete | | |

⁸ Investments made to help with all stabilization remediation activities. Values may be lower as funds used in the shared services contract are reflected for individual agencies.

Hon. Scott Wiener

July 1, 2025

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The Technology Modernization and Stabilization programs have demonstrated that timely, targeted investment can transform the reliability and accessibility of California's public services. But this is just the beginning. Many critical systems across the state still require urgent attention. As initial funding sunsets, Critical Services is committed to sustaining and expanding this momentum by aligning future efforts with the state's highest priorities—such as Envision 2026, CDT-wide initiatives, and enterprise-wide efforts already in motion. By anchoring our work where momentum already exists, we aim to act as one CDT.

Our goal is clear: to build a force-multiplying ecosystem that keeps modernization momentum alive, even in lean budget years. As we begin exploring new pathways for partnerships and support, we will scale what works, stabilize what matters, and ensure that government technology always rises to meet the needs of Californians.

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

Respectfully,



Liana Bailey-Crimmins
Director
California Department of Technology

cc: Honorable Jesse Gabriel, Chair, Assembly Committee on Budget
Hans Hemann, Consultant, Joint Legislative Budget Committee
Jay Dickenson, Chief Consultant, Assembly Appropriations Committee
Mark McKenzie, Staff Director, Senate Appropriations Committee
Elisa Wynne, Staff Director, Senate Budget and Fiscal Review Committee
Christian Griffiths, Chief Consultant, Assembly Budget Committee
Nick Maduros, Secretary, Government Operations Agency
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