Senate Budget and Fiscal Review—Holly Mitchell, Chair

SUBCOMMITTEE NO. 4 Agenda

Senator Richard D. Roth, Chair
Senator Steven M. Glazer
Senator Scott Wilk

Thursday, March 23, 2017
9:30 a.m. or upon adjournment of session
State Capitol - Room 2040

Consultant: Renita Polk

PART B

PROPOSED FOR VOTE-ONLY

PROPOSED FOR DISCUSSION/VOTE

Pursuant to the Americans with Disabilities Act, individuals who, because of a disability, need special assistance to attend or participate in a Senate Committee hearing, or in connection with other Senate services, may request assistance at the Senate Rules Committee, 1020 N Street, Suite 255 or by calling (916) 651-1505. Requests should be made one week in advance whenever possible.

ISSUES PROPOSED FOR VOTE-ONLY

0690 OFFICE OF EMERGENCY SERVICES

Issue 1: Hazardous Materials Training Support

Budget. The California Governor's Office of Emergency Services (Cal OES) requests two positions for support of the Hazardous Materials Training Program at the California Specialized Training Institute (CSTI). Existing federal Hazardous Materials Emergency Preparedness (HMEP) grant funds will fund the positions.

Background. The US Department of Transportation's Pipeline and Hazardous Materials Safety Administration makes funding available to states, territories, and federally-recognized tribal governments through the HMEP Grant Program. The purpose of this program is to increase state, territorial, tribal, and local effectiveness in safely and efficiently handling hazardous materials incidents, enhance implementation of the Emergency Planning and Community Right-to-Know Act of 1986, and encourage a comprehensive approach to emergency training and planning by incorporating the unique challenges of responses to transportation situations. This grant program funds the California Hazardous Substances Incident Response Training and Education Program, which provides training and certifies hazardous materials first responder safety training, including basic, journey level, and advanced public safety training to organizations and agencies statewide.

Currently, Cal OES utilizes one temporary help maintenance mechanic full-time that provides mission critical support for courses five days in length with a high degree of hands-on training. The maintenance mechanic keeps all equipment, props and materials used during the courses in proper working order, including set-up each day. At the end of each course, all equipment must be cleaned, packed, and made ready for transportation to the next course location by the mechanic. All of these tasks require specific technical knowledge.

Since the courses are held throughout the state in addition to the CSTI campus in San Luis Obispo, the positions will work both in San Luis Obispo and at the other training sites. Cal OES is requesting two maintenance mechanic positions to work when two classes are held simultaneously at remote or separate locations.

Issue 2: Capital Outlay – Relocation of Red Mountain Communications Site

Budget. OES requests a re-appropriation of funds for the working drawings phase ($1,261,000 General Fund) of the Relocation of Red Mountain Communications Site project. OES also requests that $1,856,000 (General Fund) be shifted from the construction phase of the project to the working drawings phase, to allow for the purchase, configuration, and installation of long-lead tower equipment to ensure that the relocated communications towers are operational before the existing site is demolished. Total project costs are estimated to be $19,999,000 ($2,683,000 for preliminary plans; $3,117,000 for working drawings; and $14,199,000 for construction).

Background. The Red Mountain communications site hosts five communications vaults and towers needed to support critical radio communications for 12 government public safety agencies and private industry serving the western side of Del Norte and Humboldt counties. The State of California owns one vault and two towers at this location which serves as the primary public safety communication hub. The Red Mountain communications facilities provide public safety communication services supporting a population of approximately 250,000 people in Del Norte and Humboldt counties and provide vital communication links to state, federal, and local law enforcement, transportation, and resource agencies.

In the 1990s, the United States Forest Service and the California Department of Forestry and Fire Protection entered into a lease agreement with a termination, vacate, and clear date of December 31, 2022. Due to delays in awarding the architectural and engineering contract and in pursuing long-term leases for the sites, which resulted in delays in the other elements of the preliminary plans phase, the preliminary plans phase will not be completed until August 2017. This proposal also includes a shift of $1.8 million agency retained costs from the construction phase to the working drawing phase.

The Public Safety Communications Office of OES has identified three alternative sites at Alder Camp, Rodgers Peak, and Rattlesnake Mountain. This project will also construct a road to the Rattlesnake Mountain site and road improvements to the Rodgers Peak site.

Issue 3: Capital Outlay – Public Safety Communications Network Operations Center

Budget. OES requests $5,571,000 (General Fund) for the construction phase of the continuing Public Safety Communications Network Operations Center project. Total project costs are estimated to be $6,272,000 ($609,000 for preliminary plans, $92,000 for working drawings, and $5,571,000 for construction).

Background. The California Public Safety Microwave Network (CAPSNET) is a critical public safety communications network on which the state's emergency responders depend. OES oversees the operation of CAPSNET through the Network Operations Center (NOC), located in the Water Resources building in Sacramento.

Currently, the NOC is the state's single point for OES staff to monitor the network, troubleshoot outages, and perform system repairs for the entire system. If the NOC were to become damaged or destroyed the network would be severely impacted, potentially debilitating the state's public safety radio communications. In addition, the Water Resources building that currently houses the NOC is scheduled for renovation and potential relocation to a new property site in 2021 and the site will no longer be available for use at that time. After 2021 OES will need to relocate the NOC to another site.

This project will design and construct a new NOC at the OES headquarters complex in Rancho Cordova, but will not result in the construction of a new building. The project includes design and construction of a new microwave path and a 120-foot communications tower next to the headquarters complex, as well as testing and installing microwave circuit monitoring devices at various locations in the Sacramento Area.

Issue 4: Domestic Violence Victims Fund

Budget. OES requests $250,000 (California Domestic Violence Victims Fund) ongoing local assistance authority, pursuant to Assembly Bill 1399 (Baker), Chapter 289, Statutes of 2016.

Background. The OES' Victim Services Division provides federal and state financial assistance to victim service agencies in California through competitive and non-competitive processes. These programs provide a wide range of support services for victims and their families including, but not limited to, direct services, advocacy, training, and technical assistance. AB 1399 authorizes taxpayers to designate on their tax returns that a specified amount in excess of their tax liability be transferred to the California Domestic Violence Victims Fund. All moneys contributed to the fund pursuant to these provisions, upon appropriation by the Legislature, will be allocated to OES for the distribution of funds to domestic violence programs in California. These programs must be in active status, as reflected on Secretary of State's website, exempt from federal income taxation as an organization described in Section 501(c)(3) of the Internal Revenue Code, and active grant recipients under the Comprehensive Statewide Domestic Violence Program within OES as described in Section 13823.15 of the Penal Code.

0845 CALIFORNIA DEPARTMENT OF INSURANCE (CDI)

Issue 1: CDI Menu Modernization Project (CMMP) – Year 4

Budget. The department is requesting a one-time increase of $2,061,000 (Insurance Fund) expenditure authority to support four positions and two temporary help position authority in Fiscal Year (FY) 2017-18 to complete year 4 implementation of a five-year project to replace/upgrade its legacy GDI Menu and Integrated Database (IDB). Specifically, the request includes $1,178,000 for external contracts for software, project management, training, travel, and project oversight and $883,000 to support positions.

Background. The CDI Menu Project is a gateway or portal (user interface) that was developed in 1992 using an Oracle Forms and Reports platform. The core of the CDI Menu is the IDB database, the backend database which includes the majority of the CDI Menu's rules and database triggers. Built over 20 years ago, the technology supporting the current IDB is outdated and the vendor will no longer provide support for this technology after June 2017. The CDI Menu provides access to over 90 different functions, reports, studies, and views. For example, Accounting - Financials which allows department staff to create customer invoice batches to "feed" the Oracle Financials system from various functions of the department such as Financial Analysis Division (FAD) Reviews, Certificate of Authority Billings, Late Filing Fees, and others. The system's aging technology has created several functionality issues and challenges,

In FY 2013-14, the California Department of Technology (CDT) approved the cDI's CMMP Feasibility Study Report (FSR) (0845-042) to replace its legacy CDI Menu and IDB database. As part of the FY 2014-15 budget process, the Legislature approved a Spring Finance Letter (SFL) to fund Year 1 of the CMMP. In addition, the Legislature has approved Budget Change Proposals (BCP) for Year 2 and Year 3 in each subsequent FY.

To date, the CMMP has received total resources of $6,855,000. The department is requesting year four resources of $2,061,000 to continue the project, which will include the completion of remaining CMMP systems.

Staff Comment. The CMMP is a five-year project and this proposal requests funding for year four only. CDI's estimated future resource requirements will be addressed during the annual budget process as seen in the chart below.

Resources	FY 2018-19
Positions	0
Funding	$278,000

Issue 2: Sacramento Headquarters Expansion

Budget. The department requests an increase in expenditure authority (Insurance Fund) of $321,000 in FY 2017-18 and $487,000 in FY 2018-19, and ongoing, to lease additional space at 300 Capitol Mall to implement a public counter, provide sufficient hearing, meeting and training space as well as accommodate additional staff.

Background. The department currently leases 93,600 square feet at 300 and 320 Capitol Mall in Sacramento, which serves as its Sacramento Headquarters with work space for approximately 400 employees. This building is privately-owned and open to the public and does not have the level of security available in most state and federal government buildings today. For example, visitors do not sign-in or validate their identity or reason for visit. In May 2016 the California Highway Patrol conducted a security assessment of this building and department occupied space and identified multiple security enhancement opportunities.

The department and the State Controller's Office (SCO) currently lease their primary Sacramento office space at 300 Capitol Mall. To ensure the efficient use of resources, CDI is partnering with the SCO related to some of these critical business needs. CDI and SCO will execute an interagency agreement to share the public counter and SCO will reimburse CDI for its share of costs, which are anticipated to be approximately $32,000 for about 700 square feet. The SCO is not requesting additional funding for its share of costs.

The additional space on the first floor would provide an area for CDI and SCO to set up a secure public counter where visitors and deliveries could be better handled and directed (i.e., single access point for visitors), thus enhancing the security of their workforces.

CDI holds over 50 public hearings and meetings on an annual basis and does not have adequate space in its current Sacramento Headquarters to host most of these events. Currently, CDI's largest meeting room only has the capacity to accommodate 40 participants. The space needed for public meetings exceeds this capacity. The additional space will provide an area for public hearings and meeting that will accommodate approximately 108 seats for public hearings and an additional 72 seats for stakeholder meetings; while providing conference rooms for meeting. Additionally, having the ability to live-stream would allow the public and insurers more opportunity to be aware of and participate in all meetings.

Issue 3: Spanish License Examinations (AB 1899)

Budget. The department is requesting an increase in expenditure authority (Insurance Fund) of $49,000 for Fiscal Year (FY) 2017-18, $13,000 for FY 2018-19, and $16,000 in FY 2019-20, through FY 2023-24, to support resources to address the increased workload to comply with the enactment of Assembly Bill 1899 (Calderon), Chapter 560, Statutes of 2016. Specifically,

- $14,000 in FY 2017-18, and $2,000 ongoing until FY 2023-24, for consulting and professional services.

- $5,000 for FY 2017-18, $11,000 for FY 2018-19 and $14,000 ongoing until FY 2023-24, for increased consulting and professional services for credit card convenience fees.

- $30,000 in FY 2017-18, to enhance the current licensing systems that will allow CDI to monitor applicants taking the examinations in Spanish and gather the necessary data in preparation for the report in FY 2023-24.

Background. California residents applying for an insurance producer license issued by the department must pass a qualifying license examination. CDI contracts with a national examination vendor to schedule and proctor most examinations. There are currently 14 types of examinations. Once candidates successfully pass the license examination they are then eligible to file an application for the applicable license. AB 1899 requires, beginning January 1, 2018 and ending January 1, 2024, that the following four license examinations be provided in Spanish in addition to the current English versions:

- Life - limited to the payment of funeral and burial expenses
- Life only
- Accident and Health
- Life, Accident and Health

In addition, AB 1899 also requires the Insurance Commissioner to evaluate the qualifying examinations taken in Spanish and submit a report to the Legislature by March 1, 2023.

Issue 4: Information Technology Infrastructure

Budget. CDI is requesting an increase in expenditure authority (Insurance Fund) of $1,300,000 in FY 2017-18, and $140,000 in FY 2018-19, and ongoing, for hardware, software and maintenance to upgrade the CDI's statewide Voice over Internet Protocol (VoIP) system, including its call center functions.

Background. In 2006, CDI migrated from a traditional private branch exchange (PBX) system to VoIP due to the rich features this application offers, such as unified communications, messaging, and customizable call center applications. The entire VoIP system reached end-of-life and support in October 2016. Some of the critical applications within VoIP such as call managers reached end-of-life and support in October 2014, and the operating system (Microsoft Windows 2003 Server) for the call center servers reached end-of-support in July 2015.

CDI has two call centers which rely on the VoIP call center system for everyday business – the consumer hotline and the licensing hotline. Between the two call centers, CDI has averaged more than 322,000 calls per year over the past five years. If the VoIP system is not upgraded, the risk of failure will increase. Failure in this system would shut down CDI call centers interrupting mission critical services to consumers and insurers.

Staff Comment. This project does not require California Department of Technology (CDT) project approval. Installations of VoIP phone systems that are standalone and do not interface with other systems on the network are exempt from CDT oversight under State Administrative Manual section 4819.32 Exclusions #4.

0890 SECRETARY OF STATE

Issue 1: Help America Vote Act (HAVA) Spending Plan

Budget. The Secretary of State (SOS) requests $4,065,000 (Federal Trust Fund) in expenditure authority for FY 2017-18, to continue implementation of the statewide mandates of the Help America Vote Act of 2002 (HAVA). The request amends a spending plan, which was created to distribute federal grant funds to implement HAVA.

Background. On October 29, 2002, President Bush signed the Help America Vote Act (HAVA), which provides federal funding to states to implement mandated elections changes. The requirements of HAVA include statewide modernization or replacement of voting equipment, education and training programs for election officials and poll workers, and a statewide voter registration database (VoteCal will be discussed in the next item).

To date, the state has received $392.4 million in federal funds to implement these mandates; including interest earned, total funds equal $436.5 million. There are three sources of funding provided by HAVA for use to improve the administration of federal elections and to meet HAVA requirements. Those sources are Section 101, Section 102, and Section 251 funds. Sections 261 and 271 provide additional funding specific to meeting the requirements of those sections.

The HAVA Spending Plan for 2017-18, includes the following activities:

HAVA Spending Plan for FY 2017-18

Activity	Amount	HAVA Citation
HAVA Activities		
Voting System Testing & Approval – Support	$ 380,000	HAVA Required – Section 301
Voter Education – Support	$ 500,000	HAVA Required – Section 302
Administration – Support	$ 1,421,000	HAVA Allowable – Sections 101, 251 & 261
Performance Measures – Support	$ 200,000	HAVA Allowable – Section 254
Local Assistance – Support	$ 1,564,000	HAVA Allowable – Section 251
HAVA Activities Total [1]	**$ 4,065,000**	

[1] Funds for the VoteCal program will be secured through a separate BCP

Staff Comment. It is estimated that the unexpended balance after implementation of VoteCal in FY 2017-18 will be $31,075,254. This estimate assumes that there will not be unexpected VoteCal changes or costs. The unexpended balance may be used to support future fiscal years' on-going costs of complying with the continuing federal mandates including maintenance and operation of the VoteCal system and voter registration list maintenance. It cannot be expended without budgetary authorization, and can be used solely for HAVA-related needs.

Issue 2: HAVA VoteCal

Budget. The SOS requests $7,102,000 (Federal Trust Fund) in spending authority for the budget year to cover the second year of maintenance and operations (M&O) costs of VoteCal, California's statewide voter registration database. The requested $7.102 million in spending authority includes $1.564 million of local assistance support.

Background. Section 303 of the Help America Vote Act (HAVA) of 2002 (Public Law 107-22, 107th Congress) mandates that each state implement a uniform, centralized, interactive, computerized voter registration database that is defined, maintained, and administered at the state level. The SOS is responsible for overseeing the administration of California elections and administers the VoteCal system, in conjunction with county elections officials. The VoteCal system serves as the single system for storing and managing the official list of registered voters in the state.

The SOS is requesting unexpended authority from FY 2015-16 be shifted forward to FY 2017-18 for continued local assistance to support unexpected county VoteCal challenges.

Staff Comment. The VoteCal Project was successfully deployed in August 2016 and declared the system of record for the state on September 26, 2016.

Issue 3: Information Technology and Management Services Staffing

Budget. The SOS requests three positions and an augmentation of $943,000 in FY 2017-18 ($778,000 Business Fees Fund and $165,000 General Fund), of which $928,000 is ongoing ($763,000 Business Fees Fund and $165,000 General Fund). This expenditure authority is requested for three accounting analysts and for software licensing costs associated with the Microsoft Enterprise Agreement.

Background. The Microsoft Enterprise Licensing Agreement is a state-supported procurement methodology for obtaining necessary licensing for Microsoft products. Previous Microsoft licensing was obtained via multiple Select Agreements. This was trouble prone and caused delays in obtaining proper legal licensing for new initiatives and maintaining currency with industry standards. Managing and procuring via the Select program was not as efficient as the Enterprise Agreement method. Also, many products are only available via the Enterprise-level agreement. The California Department of Technology recognizes the cost benefits that this licensing avenue provides over retail and Select-level agreements and is encouraging all state agencies and departments to join their licensing program model using Enterprise Agreement.

The Management Services division (MSD) is responsible for providing the agency's administrative support in the areas of accounting, budget, human resources, fiscal analysis, contracts and procurement, facility management, and emergency management. One of the biggest challenges facing the MSD is that, over the years, general staffing levels have not kept pace with the growing demands for support in the areas of accounting. Hiring freezes and budget cuts meant only mission-critical functions were staffed, often using retired annuitants (RAs) and/or students, resulting in a dependence on these workers to meet current workload levels. In recent years, the California Department of Human Resources (CalHR) has issued directives curtailing the use of RAs and students. Funding is requested to replace RAs and students with permanent positions. Approximately one third of staff is comprised of temporary help performing mandatory, critical work. Current monthly averages are $5 million-$7 million in deposits, 100,000 checks processed, and 5,500 entries into the accounting system.

Moreover, a recent conversion (within the last two years) to Remote Site Deposit, which was requested by the Centralized State Treasury System banks and enforced by the State Treasurer's Office, has created new workload. Work which was previously done by the bank (such as correction due to differing numeric/written amounts, MICR line issues, etc.) is now being done in-house prior to submission to the bank. When this work was pushed to state departments, no authorized positions were requested.

8620 FAIR POLITICAL PRACTICES COMMISSION

Overview The Fair Political Practices Commission (FPPC) is an independent non-partisan agency who regulates and enforces actions performed by governmental officials and agencies and requires extensive disclosure reports to provide the public with access to government processes. The FPPC provides education about the Political Reform Act of 1974 and according to the agency, "provides for public officials' disclosure of assets and income to avoid conflicts of interest."

Public officials whose decisions could affect their economic interests are required by law to file economic interest disclosure statements, titled "Statement of Economic Interests" (SEI) also known as "Form 700". These statements become public records after they are filed. The SEI reporting process provides transparency and ensures accountability in two ways: 1) it provides necessary information to the public about a public official's personal financial interests to ensure that officials are making decisions that do not enhance their personal finances, and 2) it serves as a reminder to the public official of potential conflicts of interests so the official can abstain from making or participating in governmental decisions that are deemed conflicts of interest.

Budget. The budget includes $11.78 million ($11.04 million General Fund and $741,000 reimbursements) and 66.3 positions to support the commission.

Issue 1: Cal-ACCESS Replacement Project (SB 1349)

Budget. The Fair Political Practices Commission is requesting increased General Fund expenditure authority of $145,000 in 2017-18 ($139,000 in 2018-19 and ongoing) to assist the Secretary of State to implement the provisions of Senate Bill 1349 (Hertzberg), Chapter 845, Statutes of 2016.

Background. The FPPC regulates and enforces actions performed by governmental officials and agencies and requires extensive disclosure reports to provide the public with access to government processes. Historically, this important disclosure has been done with a system administered by the SOS, the California Automated Lobbying and Campaign Contribution and Expenditure Search System (Cal-ACCESS). SB 1349 mandates that SOS, in consultation with the FPPC, develop and certify for public use an online filing and disclosure system for campaign statements and reports that provides public disclosure of campaign finance and lobbying information in a user-friendly, easily understandable format.

The FPPC is requesting funding to establish an authorized position for a data processing manager II to consult, collaborate, attend and facilitate meetings with the SOS and stakeholders. This position will work with FPPC program staff to train staff on the new system and develop efficient business practices because of the new system's increased functionality. In addition, the FPPC will have an increased workload due to changes in the technology, changes to reporting forms, and enacting or amending regulations to be in line with those technological changes.

ISSUES PROPOSED FOR DISCUSSION/VOTE

0690 OFFICE OF EMERGENCY SERVICES

Overview. The principal objective of the Office of Emergency Services (OES) is to protect lives and property, build capabilities, and support our communities for a resilient California. The OES director serves as both the Governor's Homeland Security Advisor and Emergency Management Director, with responsibility to implement and facilitate the state's homeland security and counter-terrorism strategy. The OES serves the public through effective collaboration in preparing for, protecting against, responding to, recovering from, and mitigating the impacts of all hazards and threats.

Budget. The budget includes $1.4 billion ($173.4 million General Fund, $998.7 million Federal Trust Fund, $232 million special funds and $4.5 million reimbursements) and 905.4 positions to support the office and its programs.

Issue 1: Public Assistance (BCP) - California Disaster Assistance Act Program

Budget. OES requests $3.5 million ongoing (General Fund) state operations and reduction of $3.5 million federal trust fund authority to realign the funding with workload in the Public Assistance Program which provides assistance during disaster recovery.

In addition, the Governor's budget includes adjustments totaling $56.7 million from the General Fund in 2017-18, for drought and other disaster purposes as follows:

- Drought-related California Disaster Assistance Act (CDAA) claims ($52.2 million). This would continue current-year funding levels related to emergency drinking water ($22.2 million) and tree mortality ($30 million).

- Non-drought-related CDAA adjustment ($1 million). The budget reflects a $1 million augmentation to fund disaster assistance through CDAA that is not linked to the drought.

- State operations related to drought ($3.5 million). The budget provides $3.5 million in 2017-18 for OES staff working on response, recovery, mitigation, and public awareness activities related to drought. This reflects a decrease in funding of $1 million from the current-year level of funding.

Public assistance and CDAA. OES acts as the conduit for state and federal assistance through disaster assistance grants and federal agency support. The Public Assistance Program is responsible for administering the CDAA program, providing financial assistance to eligible local and non-profit entities to recover from state-only disasters and those recovery activities not eligible for federal reimbursement. In managing the recovery efforts OES' Public Assistance program staff work one-on-one with all affected jurisdictions impacted, by implementing and administering the state CDAA and federal disaster programs. These programs provide services and financial assistance to help eligible entities recover after a disaster event. When California has met the threshold for a Presidential disaster declaration, the Public Assistance program staff work one-on-one with the impacted communities to ensure California maximizes the recovery of costs from the Federal Emergency Management Agency (FEMA).

Since 2007, 89 percent of the disasters in California were state-only events. Current baseline authority for the Public Assistance Program is 50 percent General Fund and 50 percent federal reimbursement authority; however, this does not sustain the program's state-only workload. The General Fund exclusively funds administration in support of state-only disaster events, activities which are not eligible for federal reimbursement, and shares costs for federal events. For all state-only disaster events, the state is responsible for all costs associated with disaster recovery. If a federal declaration occurs, the state is responsible for cost share, all pre-declaration recovery activities, and non-reimbursable costs such as time spent at the Joint Field Office, applicants' briefings, general travel, and per diem.

OES maintains a core cadre of recovery specialists to manage open disasters, maintain comprehensive knowledge on the state and federal public assistance programs, and retain expertise to meet future disasters' critical recovery needs. There are currently 575 CDAA-funded projects underway with a remaining open value of $74.8 million.

Drought response. In response to an extended drought in California that began in 2011, the Governor proclaimed a State of Emergency in January 2014. Since the drought has not been declared an emergency by the federal government, the state cannot use federal funds to support drought-related activities. Accordingly, drought-related local assistance must be funded exclusively by CDAA (rather than mostly by the federal government), and OES staff must be supported by state funds when engaging in drought-related activities.

Legislative Analyst's Office. The LAO recommends modifying the public assistance proposal to provide a smaller increase - $2 million – from the General Fund, which is consistent with historical expenditure levels.

The LAO has also raised concerns related to the OES' baseline budget adjustment ($56.7 million General Fund) which is slated to be used for CDAA claims and state operations related to drought. There is concern with the inclusion of this funding in a miscellaneous baseline adjustment, as it fails to provide the Legislature with the workload and cost information necessary to assess the proposal. The LAO recommends (1) delaying decisions on funding amounts until May when drought conditions are more certain, (2) segregating funding for drought purposes to ensure that it achieves its intended outcomes, and (3) directing OES to make any future request for funding through budget proposals—rather than as adjustments to the department's base funding amount—to ensure that the Legislature has the information it needs to make its budgetary decisions.

Staff Comment. For the past three fiscal years between 66-70 percent of public assistance expenditures have come from the General Fund, with the remainder coming from federal funding. Approval of this proposal would split funding authority with approximately 83 percent coming from the General Fund and the remaining 17 percent from federal funds.

Public Assistance Expenditures					
FY 2013-14		FY 2014-15		FY 2015-16	
General Fund	Federal Funds	General Fund	Federal Funds	General Fund	Federal Funds
$6.4 million (69.5%)	$2.8 million (30.5%)	$6.5 million (66.6%)	$3.3 million (33.4%)	$6.9 million (65.9%)	$3.6 million (34.1%)

Issue 2: Victims of Crime Act

Budget. OES requests 23 permanent positions related to the increase in the Victims of Crime Act (VOCA) federal award. Funding for these positions will come from federal funds.

Background. In 2014, President Obama increased the 2015 Crime Victims Fund appropriation level from $745 million to just over $2.3 billion, quadrupling funding for VOCA grant programs administered through the Office of Victims of Crime. For California, the VOCA award increased from the 2014 amount of $52 million to $232 million in 2015. It was unknown if Congress would sustain this level of funding for future years, therefore, temporary positions were hired in the spring of 2016, to manage the increased workload. Temporary positions cannot be extended beyond a second year; therefore, the temporary positions will terminate in the spring of 2018. The 2016 VOCA award is increasing further to $268 million. The 2016 VOCA funds expire September 30, 2019, which, without approval of this proposal, leave approximately 18 months without these staff to manage the increased workload.

Staff Comment. As noted in the background, the award increase is not permanent and may not continue beyond 2019. The subcommittee may wish to inquire about plans for these positions if this award increase is not permanent.

0845 CALIFORNIA DEPARTMENT OF INSURANCE (CDI)

Overview. The California Department of Insurance (CDI) was created in 1868 as part of a national system of state-based insurance regulation. The state's publicly-elected Insurance Commissioner regulates the sixth largest insurance economy in the world, collecting more than $259 billion in premium annually. CDE licenses approximately 1,300 insurance companies and more than 400,000 insurance agents, brokers, adjusters, and bail agents.

Annually, the department receives and investigates around 200,000 complaints, performs examinations to ensure the financial solvency of companies, and receives approximately 30,000 suspected fraudulent claim referrals annually.

Budget. The budget includes $269.7 million ($263 million Insurance Fund, $6.4 million General Fund, $18,000 Federal Trust Fund, and $250,000 in reimbursements) and 1,256.8 positions to support the department and its programs.

Issue 1: Enhanced Auto Consumer Services

Budget. CDI requests an increase in special fund (Insurance Fund) expenditure authority of $2,112,000 over a four-year period beginning in Fiscal Year (FY) 2017-18 and extending through FY 2020-21 (FY 2017-18: $749,000; FY 2018-19: $519,000; FY 2019-20 and FY 2020-21: $422,000). These funds will support consumer services workload related to auto insurance and Assembly Bill 60 (Alejo), Chapter 524, Statutes of 2013. Specifically the request includes:

- $186,000 in FY 2017-18, and $179,000 for FY 2018-19 through FY 2020-21 to support one Attorney III position to address workload in the Legal Branch.

- $363,000 In FY 2017-18, $340,000 in FY 2018-19, and $243,000 for FY 2019-20 - FY 2020-21 to support one research analyst I position, one research analyst II position, and one research program specialist I position to address workload in the Statistical Analysis Division (SAD).

- $200,000 in FY 2017-18, to conduct a qualitative study about AB 60 licensees.

Background. California Insurance Code (CIC) Section 1872.81 authorizes the CDI to assess insurers doing business in California, an annual amount not to exceed $0.26 for each vehicle insured under an insurance policy it issues in California. The funds are to be used as follows:

- Two-thirds of the assessment shall be used for the purpose of funding the department's consumer service functions related to regulating automobile insurers.

- One-third of the assessment shall be used for the purpose of improving consumer functions that are related to regulating automobile insurers.

- Up to five cents ($0.05) of the assessment may be used to notify insurers and other members of the public about the existence of any low-cost auto insurance programs.

CDI has an excess cash balance in the $0.26 Auto Consumer Services line item within the Insurance Fund and is proposing to partially spend these funds. These funds will be used to address workload issues in the Legal Branch and SAD within CDI, as well as a research study related to AB 60.

Over the last few years, CDI has seen a significant and steady increase in the number of vehicle service contract filings and licensee disciplinary cases. CDI is responsible for licensing vehicle service contract providers and any contract forms must be filed with the department before being sold to California consumers. The Legal Branch is responsible for the receipt and review of the forms. The department has seen an approximate 60 percent increase in the number of fillings submitted since 2012. From 2012, to late 2015, the department had one staff reviewing forms full-time, and another assisting part-time. In 2016, the department spread reviews among nine staff attorneys in the Auto Enforcement Bureau, which reduced the time dedicated to work on enforcement cases. Vehicle Service Contract review work takes approximately two to four hours per file. In addition, there is approximately one and a half hours of administrative time required for each filing. As of February 23, 2017, review had not commenced on 197 filings. Forms are reviewed on a first in/first out basis, and currently forms filed in early October 2016, are being reviewed.

Vehicle Service Contract Review Filings

FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17 (projected)
240	269	327	371	380

AB 60 enables California residents to apply for a driver's license, regardless of immigration status; as long as they meet California's other licensing standards, including the requirement of showing proof of insurance coverage. In 2015, the DMV issued 605,000 drivers' licenses under AB 60, and it is assumed that many of these consumers are purchasing auto insurance for the very first time.

SAD is responsible for responding to all data collections and reporting requirements set forth in the California Insurance Code and the California Code of Regulations. SAD currently has several mandated projects that are backlogged. The majority of this backlog is on the Rosenthal Auto Insurance Nondiscrimination law which requires all private passenger auto insurance writers to provide to the department loss experience data by ZIP code annually. Additionally, SAD is also currently working on two new projects 1) annually calculating the number of uninsured motorists affecting California insured drivers and 2) determining the effects of AB 60 as it relates to auto insurance.

Currently, CDI does not have access to data necessary to effectively pursue its goals of consumer protection in the AB 60 insurance marketplace. The requested funding will be used to conduct a qualitative study about how AB 60 licensees accessed insurance coverage, market practices in AB 60 communities, and whether AB 60 resulted in more insurance coverage available for all Californians involved in auto collisions. Knowing whether AB 60 led to increased insurance purchases would help the department determine policy options for AB 60 drivers, effective allocation of resources, and decision-making for departmental programs. Additionally, stakeholder groups would benefit from data about how AB 60 drivers purchase their insurance and how long the policies are maintained.

Issue 2: Out-of-Network Coverage (AB 72)

Budget. CDI requests an increase in special fund (Insurance Fund) expenditure authority of $751,000 in Fiscal Year (FY) 2017-18; $730,000 in FY 2018-19; and $550,000 ongoing to support two and a half positions and an external contract to comply with the mandates of Assembly Bill 72 (Bonta), Chapter 492, Statutes of 2016. Specifically the request includes:

- One attorney III position and $186,000 in FY 2017-18 and $179,000 in FY 2018-19
- One and a half associate insurance compliance officers and $189,000 in FY 2017-18, and $175,000 in FY 2018-19, and ongoing
- $375,000 in expenditure authority for external contracting services

Background. Out-of-network providers often bill more than insurers pay, which results in the insured receiving a bill for the unpaid balance, also called a "balance bill." AB 72 prohibits out-of-network healthcare providers from balance billing for care provided at in-network health facilities, with the exception of emergency care. The law requires CDI to establish an independent dispute resolution process (IDRP) to resolve claims payment disputes between insurers and out-of-network health care providers. The department must also specify a standardized methodology to determine average contracted rates for purposes of claims payment. Finally, the department must collect information concerning the proportion of out-of-network providers practicing at network facilities in order to monitor the effect of AB 72 on health insurer contracting and network adequacy, as well as provide a report on AB 72 to the Governor and Legislature.

The proposal requests one attorney III position for two years to address workload associated with initial implementation of AB 72. The requested position will prepare the guidance for the IDRP and subsequently to conduct a formal rulemaking to adopt procedural requirements, conflict-of-interest standards, and user fees into regulation. The position will also be responsible for reviewing the average contracted rate information that insurers must submit to CDI, and assist in developing standardized methodology for determining the average contracted rate for services rendered subject to AB 72.

The Consumer Services Division will be responsible for administering the IDRP. Based on previous claims received, CDI estimates an annual receipt of 618 complaints that would potentially qualify for the IDRP. As a result, the department is requesting one and a half associate insurance compliance officer positions to comply with the mandates in AB 72. AB 72 authorizes the department to contract with one or more independent dispute resolution organizations to conduct the IDRP.

Issue 3: Rate Regulation Restructure and Rate Review – Predictive Model Analysis

Budget. CDI is requesting a special fund (Insurance Fund) expenditure authority increase of $586,000 in Fiscal Year (FY) 2017-18, and $570,000 in FY 2018-19, and ongoing to support two positions to address an inadequate management structure and engage outside actuarial consultants to assist in the technical analysis and additional workload associated with the review of complex predictive models. Specifically the request includes:

- $386,000 in FY 2017-18, and $370,000 in FY 2018-19, and ongoing, to support two permanent positions that will address increased workload.

- $200,000 for FY 2017-18, and ongoing, in order to engage outside actuarial consultants to assist in the review of predictive models as well as the continued training of staff in that review process.

Background. The Rate Regulation Branch (RRB) has the task of reviewing and approving all property and casualty insurance rate filings that are submitted for prior approval before those rates can be charged by insurers. The purpose of the review and analysis process is to ensure that rates charged to consumers in California are fair, meaning they are not excessive, inadequate, unfairly discriminatory, or otherwise in violation of the Insurance Code. Insurers are making increasingly greater use of predictive modeling in the development of their rating plans for homeowners, residential property, and commercial insurance coverages. Since they are used as part of the rating plan, it is RRB's responsibility to review those models.

The review of models itself is a complex process. The actuary must validate the steps taken by the developer to ensure that the data used was credible, that anomalies in the data were addressed, that none of the factors utilized are proxies for illegal considerations, that all determinations are documented and supported, and that the resulting model is sound. In order to keep up with the increasing use of predictive modeling in the insurance industry, CDI has had to engage with outside consultants. In FY 2013-14, the Governor and the Legislature augmented CDI's budget by $700,000 in order to hire external consultants to assist the department with reviews of predictive models. These contract funds will be fully utilized by the end of FY 2016-17.

CDI is requesting expenditure authority in order to execute a contract that would allow the department to continue to engage outside actuarial consultants to assist in the technical analysis and additional workload involved in the review of predictive models as well as the continued training of department staff in that review process. The allocation is likely to result in external analysis for four to eight filings annually. . With the continued augmentation, the department will be able to identify illegal or anti-consumer instances of price optimization, disparate impact, and unfair discrimination that are discretely veiled within modeled rating factors, and estimate the potential overall or individual rate impact of such reviews on an annual basis.

Over the last several years RRB has had a backlog of rate filings. RRB has taken many steps to make the processing of rate filings more efficient in an attempt to reduce its filing backlog: moving to an electronic-only filing system; prioritizing the workload to work the most critical files; providing additional training to staff; and updating its rate filing application. One such step involved adding positions to RRB, which included the addition of casualty actuaries. However, as positions were being added, no management positions were added to effectively supervise the workload and redistribute work as necessary among the six bureaus. Currently, the RRB Deputy commissioner oversees 13 direct reports of which six are bureau chiefs and seven are casualty actuaries. The total of 13 direct reports is significantly higher than the recommended number of four to five direct reports, as suggested by the California Department of Human Resources allocation guidelines. Restructuring the RRB and adding a management level between the bureau chiefs and actuaries and the deputy commissioner of RRB, will provide the appropriate level of leadership which in turn will create efficiencies in the branch that will have a positive impact on workload.

Issue 4: Workers' Compensation Fraud Program

Budget. CDI is requesting a special fund (Insurance Fund) expenditure authority increase of $3,424,000 (State Operations $1,677,000 and Local Assistance (LA) $1,747,000) in Fiscal Year (FY) 2017- 18 and ongoing, to fund workers' compensation fraud investigation and prosecution workload increases. Additionally, CDI is requesting ten permanent positions for this workload – eight in 2017-18 and another two in 2018-19. Specifically:

- $1,177,000 to support up to 10 permanent positions in FY 2017-18, and ongoing.
  - Four investigators in FY 2017-18 and ongoing.
  - Two staff services manager I (SSM I) (one in FY 2017-18, and two in FY 2018-19, and ongoing).
  - Two associate governmental program analyst (AGPA) (one in FY 2017-18, and two in FY 2018-19, and ongoing)
  - One staff services analyst (SSA) in FY 2017-18, and ongoing.
  - One office technician (OT) in FY 2017-18, and ongoing.

- $500,000 for incidental expenses

- $1,747,000 available for distribution to the local district attorneys

Background. Senate Bill 1218 (Presley), Chapter 116, Statutes of 1991, established the Fraud Assessment Commission (FAC). The FAC meets annually to determine the level of funding necessary to support CDI operations and district attorneys (DA) investigations, and is made up of seven members appointed by the Governor. In 2016, the FAC unanimously voted to approve a five percent increase in the Workers' Compensation Assessment for FY 2017-18. Historically, the DAs have received approximately 60 percent of the funding and CDI received 40 percent.

The enforcement branch of CDI is seeing a pattern where a large percentage of medical fraud is connected with workers' compensation claims and the providers operating within the workers' compensation system. Many of the large and complex cases in medical provider fraud lead to joint investigations with other law enforcement agencies. These investigations are labor and time intensive. They can take between one and three years to complete and generally require specialized expertise in investigations and prosecutions. It can then take an additional six months to several years of court and investigative time to navigate the case through the court process, tying up investigators and prosecutors in court for however long that process takes.

Recent criminal investigations and prosecutions have highlighted the need to redirect and add resources and expertise to address fraudulent provider organizations that entice genuinely injured workers to their practice for medical care and services. These investigations continue to highlight the need to protect the truly injured workers who seek medical care and services, and as these investigations demonstrate, find themselves in a process of invoice driven care or resources.

The requested funding would be used to investigate the cost drivers in the workers' compensation system, including medical provider fraud, using a regionalized task force model. The regional task force would include support from allied state and federal law enforcement agencies, along with county and federal prosecutors. This approach will allow the investigators and prosecutorial team to operate across multiple jurisdictions as determined by the fraud scheme.

There are currently 40 cases of medical provider fraud pending prosecution, with chargeable fraud in these cases exceeding $744 million dollars. The five percent increase approved by the FAC will result in additional funds available for distribution to the local DAs. DAs review completed investigations, provide investigators for joint investigations, provide legal advice regarding case strategies, review search warrants for legal sufficiency, and handle all aspects of criminal prosecution of workers' compensation fraud. Prosecutorial resources are needed to respond to motions filed and other defense attorney tactics to delay or dismiss the case. Motions by the defense attorneys and the discovery process also impact when a case is adjudicated, sometimes years after the initial case is filed. Cases filed in prior years can take up valuable investigator and prosecutorial time in the current fiscal year. Additionally, there is a four-year statute of limitations for prosecution that begins when the alleged offense is discovered or when it should have been discovered. Consequently, timely prosecutor resources are critical in addressing medical provider fraud.

0890 SECRETARY OF STATE

Overview. The Secretary of State (SOS) is the chief elections officer and administers and enforces election laws. The SOS also administers and enforces laws related to corporations, limited liability companies, partnerships, limited partnerships, unincorporated associations, and bonds and perfecting security agreements. The Secretary is the filing officer for lobbying and campaign documents under the Political Reform Act, and operates the Safe At Home program.

Budget. The budget includes $101.2 million ($11.4 million Federal Trust Fund, $49.3 million Secretary of State Business Fees Fund, $36.5 million General Fund, and $4 million other special funds) and 571.3 positions.

Issue 1: Cal-ACCESS Replacement Project

Budget. The SOS requests a one-time augmentation of $5.519 million (General Fund) and two information technology staff positons for fiscal year 2017-18, to meet the mandates of Senate Bill 1349 (Hertzberg), Chapter 846, Statutes of 2016. This request funds procurement of contracted services to design and develop campaign finance and lobbying activity electronic reporting and internet disclosure system to replace the current California Automated Lobbying and Campaign Contributions and Expenditure Search System (CAL-ACCESS) system as mandated by SB 1349.

The following chart provides a break out of the costs for this proposal:

Personal Services				
Total Salaries & Wages	2.0 F.T.E		$	170,000
Benefits			$	92,000
subtotal			$	262,000
Operating Expenses and Equipment				
Office Expense	(Note 1)		$	34,000
Training			$	137,000
Consulting & Professional Services - Interdepartmental				
Project Oversight			$	362,000
Consulting & Professional Services - External				
Software Customization	$	3,000,000		
Project Management	$	375,000		
Feasibility Study	$	168,000		
Alternatives Analysis	$	168,000		
IV&V Services	$	365,000		
Specialty Consulting	$	648,000	$	4,724,000
			$	5,519,000

Note 1 - Includes printing, communications, postage and IT costs.

Background. Cal-ACCESS is a public website/database that serves as the public's window into California's campaign disclosure and financial lobbying activity. SB 1349 establishes new functional requirements for CAL-ACCESS that the current system cannot meet, including the ability to accept local filings from city and county campaign committees and lobbying entities, and to assign unique identifiers to contributors who make aggregate contributions of $10,000 or more in a calendar year.

The current CAL-ACCESS system is a conglomeration of component applications that were developed at different times using now-obsolete coding languages, platforms, and technologies. The system cannot generally be modified to respond to changes in legal requirements and/or concomitant filing processes, particularly when those changes trigger modifications to the forms used by filers and viewed by the public. The SOS supports development of a new, automated campaign and lobbying reporting and disclosure system. In furtherance of that goal, the SOS pursued project approval through the Project Approval Lifecycle (PAL) process overseen by the Department of Technology in accordance with Statewide Information Management Manual (SIMM).

In May of 2016, a spring finance letter was approved in the amount of approximately $1.8 million for this project from the Political Disclosure, Accountability, Transparency, and Access (PDATA) fund. That onetime augmentation permitted the SOS to procure contracted services to support Project Approval Lifecycle Stage 2 and Stage 3 deliverables. This request is for a one-time augmentation to procure contracted services to continue consulting contracts for the project.

Additionally, SOS requests two positions: one senior programmer analyst and one systems software specialist III. The senior programmer analyst will assist in developing program specifications and then test, and document application code to meet program specifications, as well as participating in the review and test of code created by contract staff for quality assurance, and to ensure knowledge transfer. The system software specialist III will develop architecture, program, and interface specifications for hardware and software, as well as be responsible for documentation and deployment of network infrastructure, and operating systems necessary to support the new application. This individual will also oversee the design and deployment of network and database security, and facilitate development of database and program interface specifications.

Implementation. The project schedule calls for release of a solicitation to all interested vendors in July of 2017, and anticipates selecting a prime contractor by January of 2018. Vendor proposals will specifically identify the necessary hardware requirements as a part of the proposed solution. The following schedule represents the major milestones for implementing the proposed solution:

Project Stages	Milestone	Dates
Alternatives Analysis	Complete Alternatives Analysis	11/2016
Solution Development	Refine Business Requirements and initiate project management and procurement plans (data governance; communications; issue/risk management; project; and contract management)	12/2016 –07/2017
	Release Request for Solicitation	07/2017
Project Readiness and Approval	Confidential bidder discussions	07/2017 – 10/2017
	Evaluate final Vendor responses	10/2017-12/2017
	Issue Intent to Award	01/2018
	Award Contract	02/2018
Design Development & Implementation	Requirements Validation	02/2018 – 06/2018
	Design and Development	04/2018 – 12/2018
	Testing	10/2018 – 02/2019
Maintenance and Operations	Implementation	02/2019
	First Year Operation and Closeout	02/2020

Staff Comment. SB 1349 exempts this project from the Department of Technology (DOT) oversight process; however the SOS is working with the department on this project. SOS invited the DOT to participate on the executive steering committee and will provide the department with regular status reports on the project. The stage 2 preliminary assessment has been completed and submitted to the DOT, and SOS continues to utilize the DOT-recommended best practices, templates, methodologies, and processes. In addition, there will be independent verification and validation and an independent project oversight consultant on the project.

Issue 2: California Business Connect Project

Budget. The SOS requests $2.4 million in spending authority for FY 2017-18 from the Business Programs and Modernization Fund (BPMF), to continue implementation of the California Business Connect project. The total FY 2017-18 cost of the project is $4.11 million; of which $2.04 million will be funded through the use of existing resources, resulting in project funding need of $2.07 million. An additional $320,000 for temporary help (and corresponding DGS service fees) is also needed to backfill staff positions redirected to the project.

Background. The SOS has the responsibility for processing and filing important commerce and trade documents including business formations, changes, and terminations. Most business entity documents and information requests are submitted to the SOS via mail or in-person in Sacramento and Los Angeles. The office currently relies on several antiquated electronic and paper database (including 3" x 5" index cards) systems in order to process more than two million business filings and requests for information submitted on an annual basis.

The California Business Connect project is envisioned to automate paper-based processes, allowing businesses to file and request copies of records online and to process fee payments within one business day. The SOS received its feasibility study report (FSR) approval for the project on April 1, 2011; and a contract was awarded on January 10, 2014. On April 10, 2015, the SOS and its system integrator, Bodhtree Solutions Inc., mutually terminated the contract for $8.9 million. On December 28, 2015, the SOS submitted a Special Project Report (SPR) #2 to the California Technology Department (CalTech) to proceed with a business-based procurement and implementation for the project which was approved on April 1, 2016.

Implementation. Pursuant to the approved SPR#2, SOS proposes implementing a reduced project scope to focus on the largest annual volume of paper flings with a phased implementation approach, while also replacing outdated legacy systems. A phased implementation will enable the deployment of functionality based on business value. Limited liability companies and limited partnerships will be the first phase, corporations will be the second phase, Uniform Commercial Code will be the third phase, and trademarks will be the fourth phase, followed by one year Maintenance and Operation (M&O). With each of the first three phases, an existing legacy system will be replaced. The major milestones as reflected in the SPR #2 are presented below.

Major Milestones	Estimated Completion Date
Release of Request For Proposal	8/01/2017
Contract Award	09/01/2018
Vendor Onboard	11/1/2018
Phase 1: LLC & LP Deployment	8/30/2019
Phase 2: Corporations Deployment	2/28/2020
Phase 3: Uniform Commercial Code Deployment	8/31/2020
Phase 4: Trademarks Deployment	1/29/2021
First Year Contract Maintenance and Operations	1/31/2022
Post Implementation Evaluation Report	1/31/2022

Issue 3: TBL – Safe at Home Program Address Confidentiality

Budget. The budget provides trailer bill language that proposes that the SOS be required to provide notices regarding address confidentiality to victims of domestic violence, sexual assault, or stalking, and reproductive health care providers and their affiliates upon appropriation by the Legislature.

Proposed trailer bill language is below.

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 6209.5 of the Government Code is amended to read:

6209.5. The Secretary of State ~~shall~~ shall, upon appropriation, provide each program participant a notice in clear and conspicuous font that contains all of the following information:

(a) The program participant is authorized by law to request to use his or her address designated by the Secretary of State on real property deeds, change of ownership forms, and deeds of trust when purchasing or selling a home.

(b) The program participant may create a revocable living trust and place his or her real property into the trust to protect his or her residential street address from disclosure in real property transactions.

(c) The program participant may obtain a change of his or her legal name to protect his or her anonymity.

(d) A list of contact information for entities that the program participant may contact to receive information on, or receive legal services for, the creation of a trust to hold real property or obtaining a name change, including county bar associations, legal aid societies, domestic violence prevention organizations, state and local agencies, or other nonprofit organizations that may be able to assist program participants.

SEC. 2. Section 6215.12 of the Government Code is amended to read:

6215.12. The Secretary of State ~~shall~~ shall, upon appropriation, provide each program participant a notice in clear and conspicuous font that contains all of the following information:

(a) The program participant is authorized by law to request to use his or her address designated by the Secretary of State on real property deeds, change of ownership forms, and deeds of trust when purchasing or selling a home.

(b) The program participant may create a revocable living trust and place his or her real property into the trust to protect his or her residential street address from disclosure in real property transactions.

(c) The program participant may obtain a change of his or her legal name to protect his or her anonymity.

(d) A list of contact information for entities that the program participant may contact to receive information on, or receive legal services for, the creation of a trust to hold real property or obtaining a name change, including county bar associations, legal aid societies, state and local agencies, or other nonprofit organizations that may be able to assist program participants.

Background. Existing law authorizes victims of domestic violence, sexual assault, or stalking, and reproductive health care services providers, employees, volunteers, and patients, to submit an application to the SOS for the purposes of enabling state and local agencies to respond to requests for public records without disclosing a program participant's address contained in any public record and otherwise provides for confidentiality of identity for that person, subject to specified conditions. Existing law also requires the SOS to provide each program participant a notice in clear and conspicuous font that contains specified information, including that the program participant is authorized by law to request to use his or her address designated by the SOS on real property deeds, change of ownership forms, and deeds of trust when purchasing or selling a home.