



Stage 1 Business Analysis

California Department of Technology, SIMM 19A.3 (Ver. 3.0.9, 02/01/2022)

1.1 General Information

1. Agency or State Entity Name: **1701 - Department of Financial Protection and Innovation**

If Agency/State entity is not in the list, enter here with the [organization code](#).

[Click or tap here to enter text.](#)

2. Proposal Name and Acronym: **Enterprise Systems Modernization (ESM)**

3. Proposal Description: (Provide a brief description of your proposal in 500 characters or less.)

The existing systems utilized by the Department of Financial Protection (DFPI) to support licensing, examination, enforcement, and complaints functions across the enterprise are obsolete in terms of meeting business needs and are reaching their end of life. The Department proposes to consolidate disparate systems under a single enterprise experience that will be dynamic and scalable to meet the needs of existing and future Programs regulated by DFPI

4. Proposed Project Execution Start Date: **7/1/2026**

5. S1BA Version Number: **Version 1**

1.2 Submittal Information

1. Contact Information

Contact Name: **Daniela Dell'Aera**

Contact Email: **Daniela.Dell'Aera@dfpi.ca.gov**

Contact Phone: **916-936-8262**

2. Submission Type: **New Submission**

If Withdraw, select Reason: [Choose an item.](#)

If Other, specify reason here: [Click or tap here to enter text.](#)

Sections Changed, if this is a Submission Update: (List all sections changed.)

[Click or tap here to enter text.](#)

Summary of Changes: (Summarize updates made.)

[Click or tap here to enter text.](#)

3. Attach [Project Approval Executive Transmittal](#) to your email submission.

4. Attach [Stage 1 Project Reportability Assessment](#) to your email submission.

1.3 Business Sponsorship

1. Executive Champion (Sponsor)

Title: [Chief Deputy Commissioner](#)

Name: [KC Mohseni](#)

Business Program Area: [DFPI Enterprise](#)

Title: [Deputy Commissioner](#)

Name: [Sophia Smith](#)

Business Program Area: [Administration](#)

Title: [Deputy Commissioner](#)

Name: [Rebecca Martin](#)

Business Program Area: [Consumer Services](#)

Title: [Senior Deputy Commissioner](#)

Name: [Suzanne Martindale](#)

Business Program Area: [Consumer Financial Protection](#)

Title: [Senior Deputy Commissioner](#)

Name: [Greg Young](#)

Business Program Area: [Corporations and Financial Institutions](#)

Title: [Deputy Commissioner](#)

Name: [Mary Ann Smith](#)

Business Program Area: [Enforcement](#)

Title: [Deputy Commissioner](#)

Name: [Christina Tetreault](#)

Business Program Area: Office of Financial Technology Innovation

Title: Deputy Commissioner

Name: Colleen Monahan

Business Program Area: Legal/Securities/Franchise

Title: Deputy Commissioner

Name: Jerry Twomey

Business Program Area: Broker-Dealer and Investment Advisors

Title: Attorney, Assistant Chief Counsel

Name: Brynly Llyr

Business Program Area: Digital Financial Assets Program

Title: Chief Information Officer

Name: Daniel Quach

Business Program Area: Information Technology

2. Business Owner

Title: Accounting Administrator II

Name: Bo Chen

Business Program Area: Accounting

Title: Staff Services Manager II

Name: Bryce Christensen

Business Program Area: Consumer Services

Title: Deputy Commissioner

Name: Marchael Kelly

Business Program Area: New Covered Persons

Title: Financial Institutions Manager

Name: Devin Bragg

Business Program Area: Student Loan Services (SLS)

Title: Deputy Commissioner

Name: Melinda Lee

Business Program Area: Debt Collectors (DC)

Title: Deputy Commissioner

Name: Aaron Prosperi

Business Program Area: Banks

Title: Deputy Commissioner

Name: Purvi Patel

Business Program Area: Credit Unions

Title: Deputy Commissioner

Name: Bob Venchiarutti

Business Program Area: Money Transmitters

Title: Deputy Commissioner

Name: Mona Elsheikh

Business Program Area: Financial Services

Title: Deputy Commissioner

Name: Sheila Oliver

Business Program Area: Escrow and Mortgage Lending

Title: Deputy Commissioner

Name: Mary Ann Smith

Business Program Area: Enforcement

Title: Deputy Commissioner (acting)

Name: Brynly Llyr

Business Program Area: Digital Financial Assets Law (DFAL)

Title: Attorney, Assistant Chief Counsel

Name: Brynly Llyr

Business Program Area: Securities Regulation

Title: Attorney, Assistant Chief Counsel

Name: Theresa Leets

Business Program Area: Franchise Regulation

Title: Portfolio Manager, Financial Institutions Manager

Name: Michael Nelson

Business Program Area: Broker-Dealer/Investment Adviser Program

3. Product Owner

Title: [Accounting Administrator I](#)

Name: [Irma Ellis](#)

Business Program Area: [Accounts Receivables](#)

Title: [Staff Services Manager II](#)

Name: [Bryce Christensen](#)

Business Program Area: [Consumer Services](#)

Title: [Deputy Commissioner](#)

Name: [Marchael Kelly](#)

Business Program Area: [New Covered Persons \(NCP\)](#)

Title: [Financial Institutions Manager](#)

Name: [Devin Bragg](#)

Business Program Area: [Student Loan Services \(SLS\)](#)

Title: [Deputy Commissioner](#)

Name: [Melinda Lee](#)

Business Program Area: [Debt Collectors \(DC\)](#)

Title: [Regional Deputy Commissioner](#)

Name: [Sukyee Lok](#)

Business Program Area: [Banks](#)

Title: [Chief Examiner](#)

Name: [Joni Kimbrell](#)

Business Program Area: [Credit Unions](#)

Title: [Deputy Commissioner](#)

Name: [Bob Venchiarutti](#)

Business Program Area: [Money Transmitters](#)

Title: [Deputy Commissioner](#)

Name: [Bob Venchiarutti](#)

Business Program Area: [Money Transmitters](#)

Title: [Financial Institution Manager](#)

Name: [Mohammad Imran](#)

Business Program Area: [Check Sellers, Bill Payers and Proraters \(CSBPPL\)](#)

Title: [Financial Institutions Manager](#)

Name: [Haben Hagos](#)

Business Program Area: [California Deferred Deposit Transaction Law \(CDDTL\)](#)

Title: [Financial Institutions Manager](#)

Name: [Frank Denegri](#)

Business Program Area: [California Financing Law \(CFL\), Property Assessed Clean Energy \(PACE\)](#)

Title: [Financial Institutions Manager](#)

Name: [Meircee Boulahround](#)

Business Program Area: [California Residential Mortgage Lending \(CRMLA\)](#)

Title: [Financial Institutions Manager](#)

Name: [Geraldine Young](#)

Business Program Area: [Mortgage Loan Originators \(MLO\)](#)

Title: [Financial Institutions Manager](#)

Name: [Paul Liang](#)

Business Program Area: [Escrow](#)

Title: [Attorney, Assistant Chief Counsel](#)

Name: [Daniel O'Donnell](#)

Business Program Area: [Escrow](#)

Title: [Attorney, Assistant Chief Counsel](#)

Name: [Daniel O'Donnell](#)

Business Program Area: [Escrow](#)

Title: [Attorney, Assistant Chief Counsel](#)

Name: [Brynly Llyr](#)

Business Program Area: [Digital Financial Assets Program](#)

Title: [Financial Institutions Manager](#)

Name: [Alla Karpuk](#)

Business Program Area: [Broker-Dealer Investment Adviser Program](#)

TIP: Copy and paste or click the + button in the lower right corner on any section to add additional Executive Champions, Business Owners, or Product Owners with their related Business Program Areas as needed.

1.4 Stakeholder Assessment

The Stakeholder Assessment is designed to give the project team an overview of communication channels that the state entity needs to manage throughout the project. More stakeholders may result in increased complexity to a project.

1. Indicate which of the following are interested in this proposal and/or the outcome of the project. (Select 'Yes' or 'No' for each.)

State Entity Only: **Yes**

Other Departments/State Entities: **No**

Public: **Yes**

Federal Entities: **No**

Governor's Office: **No**

Legislature: **Yes**

Media: **No**

Local Entities: **No**

Special Interest Groups: **No**

Other: **No**

2. Describe how each group marked 'Yes' will be involved in the planning process.

The DFPI Organization is engaged on this project from the initial planning stages of the PAL process to gather input from all internally impacted stakeholders. Project Governance has been established comprised of deputies and project leads to facilitate decision-making and escalation throughout the planning process. DFPI also plans to engage external customers (licensees) to gather feedback for improvements during the planning process.

Oversight State Entities (CDT and DOF) will be engaged throughout the planning stages of this effort. Our CDT Deputy Director (Floyd Layer) and PAO Manager (Beth Jackson) will be engaged to review each PAL Stage Gate deliverable. Additionally, our Project Sponsor will be in close communication with the Legislature about this effort.

1.5 Business Program

1. Business Program Name: **Accounts Receivable**

2. Program Background and Context: Provide a brief overview of the entity's business program(s) current operations.

The Accounts Receivable (AR) Unit bills and collects all the revenue used to support the Department's programs. The AR Unit bills for time spent on regulatory examinations, travel

examination costs, and annual assessments using information from several systems, including DOCQNET, Tempo Timekeeping System, Fiscal Database, Licensee Information System (LIS), and the Accounting Interface. In addition, the Department also receives unbilled revenue from filings, applications, registrations, penalties, and settlement fees. The AR Unit collects billed and unbilled revenue for the different programs through third-party systems such as the Nationwide Multistate Licensing System & Registry (NMLS), North American Securities Administrators Association Electronic Filing Depository (NASAA EFD), Financial Industry Regulatory Authority (FINRA), and First Data Merchant Services in the form of ACH and credit card payments. In addition to third-party systems, AR collects payments sent directly to the Department in the form of ACH and check payments. All collected revenue is deposited in the Bank daily and must be reconciled to the payment detail reports extracted from the different systems. AR uses Payment Excel spreadsheet logs and DOCQNET to track payments. The AR Unit's goal is to bill and collect revenue for the Department efficiently and to post the funds to the appropriate accounts in the state's accounting system, Fi\$Cal.

The Department does not have a single system that caters to the needs of all the programs and accounting. Instead, we have multiple systems that the AR Unit must navigate depending on the Program. In most cases, accurate billing or payment information is not displayed.

3. How will this proposed project impact the product or services supported by the state entity?

The Proposed Project will impact the way AR Unit process payments, receives billing information, and obtains relevant and historical data available in the new system.

The AR Unit will shift with the Department's needs. Therefore, if the programs change their business processes, the AR Unit must also adjust to these changes as well. This will involve developing new procedures and training, as well as completing additional reconciliations.

One way the upcoming Franchise and Securities Electronic Submission (FRANCES) in-flight project will impact the AR Unit is the addition of the ACH payment option and the Broker Dealers and Investment Advisors (BDIA) Finder's registration to the electronic submission. Perhaps these processes can be leveraged for the Organization.

4. Business Program Name: Consumer Services

5. Program Background and Context: Provide a brief overview of the entity's business program(s) current operations.

The Consumer Services Office (CSO) has a critical role as the first point of contact for consumers and licensees. Communication takes place via email, through our complaint portal on the website, telephone, and US mail. As the facilitator of communication between consumers, financial institutions, companies, and products regulated by the department, CSO carefully evaluates and reviews complaints, working collaboratively with program and enforcement teams to ascertain potential violations of the laws and regulations. Additionally, CSO provides support and assistance throughout the dispute resolution process, ensuring the consumers receive prompt responses to their concerns. We are dedicated to supporting fair and honest business practices and protecting consumers from fraud and abuse.

On the last quarter of 2023, Consumer Services went live with a new Complaints Portal using the Service Now platform. The portal relies on organization data from the DOCQNET data store and DOCQNET relies on complaint data. One of the major pain points in the current state is the lack of integration between certain DOCQNET fields and Complaints in Service Now. There are limitations in the Complaints fulfiller (internal processing) functionality for the Enforcement Division, requiring Consumer Services to provide emails and do manual work to meet the needs of data points/information that is provided.

6. How will this proposed project impact the product or services supported by the state entity?

This project will likely have an impact on the way Complaints interfaces with DOCQNET. Moreover, depending on the future solution(s), there may be modifications needed for the Complaints fulfiller module and the way Consumer Service users process complaints in Service Now.

7. Business Program Name: Supervision and Registration of New Covered Persons (NCP)

8. Program Background and Context: Provide a brief overview of the entity's business program(s) current operations.

The Supervision and Registration of New Covered Persons (NCP) program is responsible for registering and supervising companies offering and providing financial products and services to California residents that are subject to the California Consumer Financial Protection Law (CCFPL). The NCP/CCFPL program will process registration applications, which is similar to our other licensing programs but a much "lighter touch". The NCP/CCFPL program will also conduct examinations of companies to determine if they are conducting any unlawful, unfair, deceptive, or abusive acts or practices while providing financial products and services to consumers. This would include reviewing relevant consumer complaints and conducting research on new and innovative financial products and services offered in CA. The NCP/CCFPL program is currently in the implementation stages and still awaiting pending regulations. While NCP/CCFPL has been added to DocQNet, program users are not currently using DocQNet and does not have any data stored in DocQNet yet. The NCP/CCFPL program plans to use the following DOCQNET functionality:

- Maintain CCFPL Registration Information – registration applications will be processed through the Nationwide Multistate Licensing System and Registry (NMLS) and this information will flow through to create Organizations in DocQNet for all registrants. Program plans to use DOCQNET to maintain historical data on past, present and future registrants.
- Examination Scheduling – program plans to utilize reports in DOCQNET to assist in planning and scheduling examinations of registrants.
- Track Examination Status – program plans to create Exam Records and track the status of current examinations and maintain historical records for past examinations. This includes tracking the number of projected and actual billable hours for exams to aid in future planning. This also includes tracking the violations from prior exams to scope future exams and track registrants with routine compliance issues.

- Annual Assessments – while annual assessments will be paid through directly through NMLS, program plans to maintain historical data on annual assessments for potential reporting and revenue tracking and analysis.
- Annual Reporting – program plans to have any annual reports related to CCFPL electronically submitted through our portal, and this information flows through to DocQNet to be maintained. DocQNet will be used to track the status of filing annual reports. The data gathered may be used for future examination scoping, identifying emerging trends and risks, or informing the public through aggregated reporting of this data.
- Maintain Records – program plans to use DocQNet to store registration and examination records for each individual organization.

Any new system/platform should permit the program to continue these business functions.

9. How will this proposed project impact the product or services supported by the state entity?

Since the NCP/CCFPL program is still in the implementation phase and is not currently utilizing or maintaining data in DocQNet, the proposed project impact would be minimal to current operations.

However, program management would likely need to be involved in the decision making to ensure any new system/platform is suitable for its business and operational needs. Also, staff would need to be adequately trained on any new system/platform procured.

It is anticipated that CCFPL registration regulations will be in effect in Quarter 3 of 2024 and the NCP/CCFPL program could start processing registration applications, thus utilizing DocQNet, as early as Quarter 4 of 2024.

10. Business Program Name: Student Loan Servicing (SLS)

11. Program Background and Context: Provide a brief overview of the entity's business program(s) current operations.

The DFPI Student Loan Servicing (SLS) Program administers DFPI's regulatory supervision (licensing and examination) function over federal and private student loan servicers. SLS interacts with licensed entities, advocates, other state agencies, federal agencies, and consumers in the administration of the Student Loan Servicing Act (SLSA) as well as the Student Borrower Bill of Rights (SBOR).

SLS internally utilizes DOCQNET for organization creation, maintenance, branch creation and maintenance, and tracking certain key officers and personnel of the servicer. To a lesser extent SLS utilizes ServiceNow for complaints and Freedom of Information Act information requests. Externally, and to a much larger extent, SLS utilizes the National Mortgage Licensing System (NMLS) for the licensure, invoicing, and reporting requirements of student loan servicers.

External users utilize the legacy DOCQNET external portal to provide the department with statutorily required annual reporting, create portal accounts for individual users, and register addresses for process service of non-licensed entities subject to the SBOR.

12. How will this proposed project impact the product or services supported by the state entity?

The proposed project will alter/change SLS's interface with our departmental database (DOCQNET) for organizational and key officer information tracking and recordkeeping. A Database that directly interfaces with NMLS will reduce the amount of manual information transfer and information tracking performed by SLS staff. Replacement of DOCQNET may also change external users' interface to submit statutorily required reports and submit addresses for non-licensed entities.

13. Business Program Name: Debt Collection (DC)

14. Program Background and Context: Provide a brief overview of the entity's business program(s) current operations.

The Debt Collector (DC) program currently licenses and examines 1,272 DC licensees. DC licensees must register branch locations and there are currently 676 branches. DCs are required by law to apply for a license through the Nationwide Multistate Licensing System & Registry (NMLS). Any changes to the DC application must be filed as an amendment in NMLS. Applications and amendments are not processed in DOCQNET. Applications are tracked on an Excel spreadsheet. Licensing fees and exam charges are invoiced and collected through NMLS. DC Program relies on NMLS as its main data source for applicants and licensees. There is no legal requirement for examinations to be conducted at specific time intervals. The Conference of State Bank Supervisors State Examination System will be used for exams. SharePoint is used as a document repository. Licensee DOCQNET external portal accounts are used to obtain designated emails and file annual reports. Complaints and PRA requests are received through the Service Now platform.

15. How will this proposed project impact the product or services supported by the state entity?

This proposed project will enable the DC program to operate more efficiently and better serve licensees and the public. There will be a central system vs the multiple systems we are currently using, data will not be siloed by program, and there will be improved data integrity.

16. Business Program Name: Banking

17. Program Background and Context: Provide a brief overview of the entity's business program(s) current operations.

The Banking program licensed and examined about 100 commercial banks, 23 foreign banking organizations (FBOs), and 7 independent trust companies. The Banking program does not use DOCQNET to track any licensee information other than consumer complaints. All banking-related applications are tracked by the Licensees Information System (LIS) which was developed by the DFPI Application Development Unit. Types of applications include but are not limited to new licenses, acquisition of control, sale of securities, acquisition and merger, charter conversion, establishment or discontinuance of office, office relocation, sale of business units, etc. Examinations are conducted every 12 to 18 months.

18. How will this proposed project impact the product or services supported by the state entity?

The proposed project will impact the banking program operations if the LIS application is included as part of the scope of this effort. The program would need to be involved in the future solution requirements and selection processes. The program staff would need to be trained on the new processes during the implementation phase.

19. Business Program Name: Office of Credit Unions

20. Program Background and Context: Provide a brief overview of the entity's business program(s) current operations.

The Office of Credit Unions licenses about 112 state credit unions, which we examine at least once every 24 months by statute. We rely on DOCQNET to facilitate credit union complaint handling by the Consumers Services Office. The Office of Credit Union uses the Licensee Information System (LIS) and the Financial Institutions Management Information System (FIMIS). We use the LIS system developed internally for institution data and administrative application tracking. The FIMIS system is connected with LIS and is used for examination data tracking and reporting, including problem licensee reporting.

21. How will this proposed project impact the product or services supported by the state entity?

This proposed project will have an impact to the Office of Credit Unions if the LIS and FIMIS applications will be part of its scope.

22. Business Program Name: Money Transmitters (MT)

23. Program Background and Context: Provide a brief overview of the entity's business program(s) current operations.

The Money Transmitters program licenses and examines about 110 money transmitters. The program uses (a) LIS for maintaining licensee contact information and tracking of applications (which includes new license applications, acquisition of control applications, and certain reviews for licensees that are referred to Legal), (b) FIMIS for tracking examination report data and managing of some licensee oversight activity (such as tracking enforcement actions and recording data/generating reports for "problem licensees"), (c) MTFD for tracking quarterly call report data provided by licensees (via Excel sheets filled out by licensees and data uploads generated from NMLS) and other administrative data for MT licensees, (d) NMLS (external database) for data upload to MTFD, and (e) DBOFiscal (note that this is not the same as Fi\$Cal) for generating examination invoices. DOCQNET is only used for searching for complaints.

24. How will this proposed project impact the product or services supported by the state entity?

The proposed project will impact the MT program operations if LIS, FIMIS, or MTFD are included as part of the scope of this effort. The program would need to be involved in the future solution requirements and selection processes. And the program staff would need to be trained on the new processes during the implementation phase.

25. Business Program Name: Local Agency Security Program (LASP)

26. Program Background and Context: Provide a brief overview of the entity's business program(s) current operations.

The main function of the Local Agency Security Program ("LASP") is to monitor the local agency deposits (cities, counties, school districts, water districts, etc.) received by depositories (banks, credit unions, savings and loans, and thrift and loans) and ensure that depositories maintain sufficient collateral pledging to cover the local agency deposits.

Local Agencies deposit their funds in depositories. The depositories are required to collateralize the deposits by pledging securities with the Agents of Depository (trust company). The Agent of Depository holds the collateral in security pools. The depositories are required to submit various reports (weekly and quarterly) to LASP to ensure compliance. Currently, there are 121 financial institutions (banks and credit unions) sending reports to LASP. LASP does not perform any examination of the licensees (depositories) and does not verify customer complaints. LASP is considered a small program among other programs, based on the annual assessment amount.

The program utilizes two different software programs to save the weekly and quarterly reports in Excel format. When a financial institution submits an Excel report to LASP, I will use the software, named "DBOLASP2017.Ink", to upload the report. After the report is uploaded, Access software is used to download the report into the database. The name of the Access software is "LASP\LASP_fe.mdb." The Access database efficiently serves multiple functions, including saving financial institution's information, recording the information of the Letter of Credit, and providing all the information from the weekly and quarterly reports.

27. How will this proposed project impact the product or services supported by the state entity?

The proposed project will impact the LASP program operations if LASP is included as part of the scope of this effort. In this case, the program would need to be involved in the future solution requirements. And the program staff would need to be trained on the new processes during the implementation phase.

28. Business Program Name: Premium Finance Company Program (PFC)

29. Program Background and Context: Provide a brief overview of the entity's business program(s) current operations.

PFC, a small DFPI unit, is the only program that remains under the Industrial Loan Law after industrial banks and other depositories have been incorporated in the Banking Division. Permissible activities for PFC are limited to advancing money to pay insurance premiums directly to an insurer or producer at the request of an insured. Terms and conditions of the contract are specified in a premium finance agreement.

The Industrial Loan Law requires the licensee to submit reports, i.e., annual audit report prepared by external CPA certified to practice in California, as well as quarterly unaudited financial statements prepared in-house.

As of 12/31/2023, there were 95 premium finance companies licensed under the California Industrial Loan Law. The Law does not require onsite examination because PFCs do not accept deposits and risk to the public is minimal.

PFC program operations do not utilize any software, system, or platform other than Excel to organize, store, and analyze financial statements submitted by licensees.

30. How will this proposed project impact the product or services supported by the state entity?

The proposed project will impact the PFC is included as part of the scope of this effort. In this case, the program would need to be involved in the future solution requirements. The program staff would need to be trained on the new processes during the implementation phase.

31. Business Program Name: California Deferred Deposit Transaction Law (CDDTL)

32. Program Background and Context: Provide a brief overview of the entity's business program(s) current operations.

The California Deferred Deposit Transaction Law (CDDTL) program licenses and regulates payday lenders in California. Our team is made up of a licensing and examination unit. The licensing unit processes initial license applications and amendments related to changes to the license. The examination unit is responsible for conducting regulatory exams under a 2-year statutory examination cycle. At times, examination findings may lead to enforcement referral memos and potential enforcement actions. The CDDTL program currently uses a combination of computer systems to assist in the licensing and examination process. For the purposes of storing data such as licensing records, examination work papers, reports of examination findings, examination billable time, etc...., the CDDTL program utilizes the department's shared network drive, DOCQNET, and Tempo for timekeeping. When enforcement referral memos are created, DOCQNET is the primary system of record in communicating with the enforcement division.

33. How will this proposed project impact the product or services supported by the state entity?

This proposed project will impact the program workflows and stakeholders need to be included on the selection of a system and training activities related to the changes.

34. Business Program Name: California Financing Law (CFL), Property Assessed Clean Energy (PACE)

35. Program Background and Context: Provide a brief overview of the entity's business program(s) current operations.

The CFL program is responsible for licensing financial lenders and brokers who make consumer and commercial loans. Any company engaged in finance lending or finance brokerage in California must obtain a license under the California Financing Law (Fin. Code, § 22000 et seq.) The CFL is responsible for the safety and soundness of lenders, brokers, and Property Assessed Clean Energy (PACE) program administrators through a comprehensive program of licensing and

regulatory oversight. The CFL collects industry wide annual report information and produces three different aggregated annual reports (CFL + PACE, RSDL, Non-Profit) yearly.

36. How will this proposed project impact the product or services supported by the state entity?

The proposed project will directly affect all of the functions related to the licensing and regulation of CFL licensees. DOCQNET is the main database used by CFL to maintain all information related to current licensees, including past exam and enforcement information. DOCQNET interacts with a licensee portal used to provide Annual Report information. DOCQNET is used to store completed exam information for completed exams. The program team will need to be included in decisions for a new system and be trained on the different workflows.

37. Business Program Name: California Residential Mortgage Lending Act (CRMLA)

38. Program Background and Context: Provide a brief overview of the entity's business program(s) current operations.

California Residential Mortgage Lending Act (CRMLA) is responsible for licensing and regulating residential mortgage lenders, servicers, and lenders & servicers under the California Residential Mortgage Lending Act. All license applications are filed electronically through the Nationwide Multistate Licensing System (NMLS). The CRMLA Program comprises two key units: the licensing unit, which conducts thorough reviews of licensing applications, and the exam unit, responsible for conducting detailed examinations of licensees.

The licensing unit assigns application reviews & processing to examiners. Applications and fees are submitted along with financial statements, business plans, formation documents, management & organizational charts, electronic surety bonds, and required signed notices and written statements through NMLS, except for fingerprints and fingerprinting fees. The examiners review this information, and where information is lacking or deficient, the examiners will request additional information that should be provided by the applicant via license item within the NMLS system. Documents uploaded into NMLS are stored in NMLS. The Application and Review Checklists and some duplicate uploaded documents along with the license approval documents are saved in the License Record of DOCQNET and in the hard copy file located in the LA-4th Street Office.

Examiners conduct regulatory examinations of licensees at least once every 48 months but may conduct an examination as often as deemed necessary and appropriate. The examination ensures that mortgage lenders and services comply with State laws and regulations, operate in a safe and sound manner, protect consumers, and maintain the integrity of the residential mortgage lending market. The licensee is responsible for the actual cost, including travel expenses, of the regulatory examination.

In the current state, CRMLA uses DOCQNET as part of its operations as its system of record. NMLS is heavily used as well to communicate with licensees via license items and for updated Company information and documentation outside of a regulatory examination. The program historically has been utilizing the network drive and Microsoft Excel working papers to document examinations. However, the transition is currently in process to utilize the Conference of State Bank Supervisors (CSBS) State Examination System (SES) and DOCQNET in conjunction with

examination documentation. In addition, the Research & IT unit is in the preliminary stages of assisting the program in utilizing PowerBI to create Dashboards in interpreting CRMLA data.

Although CRMLA is transitioning to utilizing SES for examination software DOCQNET remains the system of record. Due to record retention policies in that all electronic documents must be retained permanently, the program relies on DOCQNET, SharePoint, and the network drives heavily. DOCQNET maintains all licensing information and examination information, annual report & financial statement reviews, and other support documents.

39. How will this proposed project impact the product or services supported by the state entity?

This project will have a major impact on how CRMLA products and services interact with one another, such as: NMLS, SES, Secretary of State (SOS) database, NMLS Consumer Access, Franchise Tax Board (FTB) database, etc.

40. Business Program Name: Mortgage Loan Originators (MLO)

41. Program Background and Context: Provide a brief overview of the entity's business program(s) current operations.

The Mortgage Loan Originators (MLO) is under the Escrow and Mortgage Lending Office (EMLO). MLO licenses individuals who, for compensation or gain, or in the expectation of compensation or gain, take a residential mortgage loan application or offer or negotiate terms of a residential mortgage loan. Any person who provides services as a mortgage loan originator (MLO) in California under the California Residential Mortgage Lending Act (CRMLA) must apply for and receive a mortgage loan originator license. The MLO must also be employed by and sponsored by a Department of Financial Protection and Innovation licensee under the CRMLA and CFL. The program reviews the license applications of new MLOs and monitors the current licensees.

42. How will this proposed project impact the product or services supported by the state entity?

Program currently uses NMLS to process the MLO applications. DOCQNET is the system of record. Due to record retention policies in that all electronic documents must be retained permanently, program relies on DOCQNET, SharePoint, Access, external State websites and DFPI network drives. DOCQNET maintains records of all licensing information. This project will impact how MLO processes its workflow, and its ability to meet the needs of its stakeholders.

43. Business Program Name: Escrow

44. Program Background and Context: Provide a brief overview of the entity's business program(s) current operations.

The Escrow Law Program is under the Escrow and Mortgage Lending Office (EMLO) which reports under the Division of Corporations within the DFPI. The Escrow Program comprises of three functional teams: Licensing, Examination, and administrative.

The licensing team is primarily responsible for processing license applications and amendments. It also processes employment applications, background check reports, and reviews annual audit reports. The licensing team's business processes heavily rely on DOCQNET and some manual processing because there are no other ways of managing licensing functions electronically such as using NMLS. In order to put the program on NMLS, the law needs to be changed. The examination team also relies on DOCQNET for most of its business processes. Examinations are assigned on DOCQNET, billing information is entered into DOCQNET exam records, and examiners also review DocQNet complaint records, enforcement records before and during an examination. It is also a place where examination work papers are uploaded for record keeping. Similarly, the administrative team also relies on DOCQNET for various business processes from budgetary proposal, planning, communications, and outreach to licensees. For example, an email distribution list for all licensees' designated emails must be generated from DOCQNET. The Escrow Program is probably more reliant on DOCQNET than those who have an alternative system, such as NMLS or SES, to manage their business functions.

45. How will this proposed project impact the product or services supported by the state entity?

This project will touch most, if not all, aspects of the escrow program's business processes. DOCQNET is the repository for the program's electronic records as well as reports submitted by licensees on an annual basis through the DOCQNET external portal. DOCQNET is also linked to a public-facing search on the DFPI's website allowing the public to search for licensed escrow companies and view their public actions, if any.

46. Business Program Name: Check Sellers, Bill Payers and Proraters Law (CSBPPL)

47. Program Background and Context: Provide a brief overview of the entity's business program(s) current operations.

Under this program, the DFPI licenses and regulates four types of businesses. 1) Check Sellers – sells checks, money orders, or drafts to be used by others for the payment of obligations and the transfer of money. 2) Bill Payers – receives money as an agent of an obligor to pay bills. 3) General Proraters – are persons who, for compensation, engage in the business of receiving money or something of value from a debtor for the purpose of distributing the money or something of value among creditors in payment or partial payment of the debtor's obligations. 4) Special Proraters – pay customers' bills as part of their management of customers' affairs, and generally are business agents or managers. Additionally, under the CSBPPL program, the DFPI also maintains a list of nonprofit community service organizations (NPCSO). The portfolio of CSBPPL licensees and NPCSO is small. CSBPPL program information is not maintained in the DOCQNET system or the Nationwide Multistate Licensing System and Registry (NMLS). Currently, the program is using Excel spreadsheets to run the day-to-day operations and maintain the program information.

48. How will this proposed project impact the product or services supported by the state entity?

The CSBPPL program should be included in this proposed project and future system to process applications, exams, and enforcement actions.

49. Business Program Name: Enforcement

50. Program Background and Context: Provide a brief overview of the entity's business program(s) current operations.

Enforcement is responsible for enforcing the laws administered by the Department. The Commissioner has broad discretion to conduct investigations into current or past law violations; with authority to issue subpoenas, propound interrogatories, and take testimony. Enforcement attorneys appear in state Superior Court, Federal Court, Bankruptcy Court, the Court of Appeals, Office of Administrative Hearings, and criminal courts. If the investigation warrants, Enforcement has broad authority to open Enforcement Actions. Enforcement can: (1) issue administrative orders to stop violations of the laws, to deny, censure, suspend, revoke, or take possession of Licensees, and to censure, suspend, or bar individuals from participating in a regulated industry; (2) file civil injunctive actions in the name of the people of the State of California to enjoin violations of the laws, to appoint receivers over companies, and to obtain equitable remedies including rescission, restitution and penalties against the violators; and (3) file adversary proceedings in bankruptcy courts. In some cases, ENF orders refunds of overcharges and excess fees. Enforcement can also refer cases to the appropriate criminal agencies such as the United States Attorney, Attorney General, or District Attorney, even assisting in the criminal investigation and prosecution of the laws administered by the DFPI.

Enforcement cases originate from (1) public complaints regarding possible violations of our laws, including, but not limited to, entities and individuals engaging in unlicensed activity; (2) DFPI Program referrals regarding violations by licensees; and (3) referrals from outside agencies. Enforcement consists of Attorneys, Examiners, Investigators, Support Staff (which includes Legal Secretary, Legal Assistant, Legal Analyst, Senior Legal Analyst, AGPA, and SSM-1 positions), and Management. Each of these groups uses DOCQNET in unique ways.

Enforcement also formed a Complaint Team in 2007 to process complaints of unlicensed activity. The Enforcement Division Complaint Team (ENF CT) consists of one Staff Services Manager 1 (SSM-1) and an Assistant Chief Counsel (ACC). The ENF CT creates Complaint Records in DOCQNET for each complaint. If warranted, the ACC will open an ENF action in DOCQNET. In the current state Enforcement uses DOCQNET as part of its operations. Enforcement has used DOCQNET in the past as an Information System, a Case Management System, and a Document Management System. As DOCQNET has aged and its storage approached capacity, Enforcement has had to migrate to other software to take over some of these needs, notably, OneDrive and SharePoint for Case Management and Document Management, and CasePoint for Document Management (we may switch this to NetDocs soon) and ServiceNow (for complaint data).

51. How will this proposed project impact the product or services supported by the state entity?

This project will impact many of the business systems and process Enforcement currently uses, including DOCQNET, time keeping (Tempo) other program-related systems (e.g. NMLS, FINRA, LIS, FIMIS), and SharePoint.

52. Business Program Name: Office of Financial Technology Innovation

53. Program Background and Context: Provide a brief overview of the entity's business program(s) current operations.

The Office of Financial Technology Innovation (OFTI) was created by the Consumer Financial Protection Law (CCFPL) to foster early dialogue with external stakeholders interested in responsible innovation in financial services. External engagement is a key function of the office, this includes individual meetings, OFTI Office Hours, speaking events, and networking at fintech events. Additionally, OFTI works to enrich DFPI's understanding of emerging products, services and technologies, and to identify trends & and anticipate opportunities and risks. Examples of OFTI enrichment efforts include optional, lunchtime "Innovation Conversations" with outside experts, hosting smaller meetings with companies to demo their products, and facilitating connections (and receiving introductions) to external experts. OFTI also works to bring together discrete threads of expertise to weave together a unified DFPI approach on emerging issues. OFTI uses DOCQNET to research companies seeking meetings with OFTI. As part of this review, OFTI is looking for several things, including 1. Licensure and 2. consumer complaints. (Note that the OFTI will not meet with a company if it is currently the subject of an Enforcement investigation.)

54. How will this proposed project impact the product or services supported by the state entity?

This effort will not directly impact the products and services supported by OFTI. If there is a disruption of service, OFTI will need to discover licensure status and any complaints from alternate sources, such as NMLS, the CFPB consumer complaint database, and colleagues within DFPI such as CSO or the Markets and Research team.

55. Business Program Name: Legal Division

56. Program Background and Context: Provide a brief overview of the entity's business program(s) current operations.

The Legal Division provides general legal services to the Department. The Legal Division drafts internal and external opinions, drafts and adopts regulations, responds to subpoenas and Public Records Act requests, manages litigation against the Department, reviews and approves certain financial institutions transactions, reviews and drafts some legislation, reviews and makes recommendations on administrative hearing decisions, and provides other legal services. Currently, DOCQNET is used to track many assignments, while LIS is used to track financial institutions-related assignments. When legal assignments are entered into DOCQNET, information is captured such as the identity of the organization, if applicable, the law, the regulations, the subject matter, and the type of assignment, among various other pieces of information. In performing legal functions, the Legal Division requires access to information maintained in DOCQNET by other units, such as complaints, enforcement actions, and license status.

57. How will this proposed project impact the product or services supported by the state entity?

The Legal Division is frequently looking for historical activity to answer current legal questions. For example, Legal will want to know whether the legal issue is novel or whether we've provided advice in the past. If Legal is researching the applicability of a statute or regulation, Legal will want

to know the legislative or rulemaking history. The proposed project will help make Legal more efficient and transparent to programs by aiding in locating past advice and providing easier access to data for decision-making.

58. Business Program Name: Securities Regulations Division

59. Program Background and Context: Provide a brief overview of the entity's business program(s) current operations.

The Securities Regulations Division (SRD) regulates the offer and sale of securities and franchises. This includes the following activities: SRD regulates the offer and sale of securities and franchises. This includes the following activities: (1) processing securities and franchise exemption notices, (2) reviewing and analyzing securities and franchise applications, (3) conducting Fairness Hearings, (4) conducting compliance examinations, (5) investigating complaints, (6) reviewing advertisements, and (7) processing secondary securities transfers.

Unlike other DFPI programs, neither issuers nor franchisors are licensees. Instead, both programs regulate transactions; securities under a fair, just, and equitable standard and franchises under accurate and not misleading disclosure standards so investors can make an intelligent investment decision. Issuers or franchisors will file applications and exemption notices before conducting a "securities" offering or selling a franchise. Issuers or franchisor's counsel will file the required documentation with the DFPI to receive an order making their application effective or to perfect an exemption notice.

When applications are filed with DFPI, these applications are reviewed by attorneys. Applications and fees are submitted along with financial statements, prospectuses, Franchise Disclosure Documents, advertising, and other materials that are important and material to the offering. The SRD attorneys will review this information and perform both a financial and risk-based analysis, and where information is lacking or deficient, the attorneys will request additional information or amendments to the disclosure documents that must be provided to the investor.

Examiners conduct examinations of issuers, ensuring that issuers are complying with the requirements of their approved securities offerings, including complying with suitability (requirements related to who can purchase the security), books and records requirements, advertisements, and other documentation and processes.

60. Business Program Name: Securities Regulation Division (SRD) – includes two distinct units, one under the Corporate Securities Law (CSL) and the other under the Franchise Investment Law (FIL).

61. Program Background and Context: (Provide a brief overview of the entity's business program(s) current operations.)

SRD regulates the offer and sale of securities and franchises. This includes the following activities: (1) processing securities and franchise exemption notices, (2) reviewing and analyzing securities and franchise applications, (3) conducting Fairness Hearings, (4) conducting compliance examinations, (5) investigating complaints, (6) reviewing advertisements, and (7) processing secondary securities transfers. Unlike other DFPI programs, neither issuers nor franchisors are licensees. Instead, both programs regulate transactions; securities under a fair,

just, and equitable standard, and franchises under accurate and not misleading disclosure standards so investors can make an intelligent investment decision. Issuers or franchisors will file applications and exemption notices before conducting a “securities” offering or selling a franchise. Issuers or franchisor’s counsel will file the required documentation with the DFPI to receive an order making their application effective or to perfect an exemption notice. When applications are filed with DFPI, these applications are reviewed by attorneys. Applications and fees are submitted along with financial statements, prospectuses, Franchise Disclosure Documents, advertising, and other materials that are important and material to the offering. The SRD attorneys will review this information and perform both a financial and risk-based analysis, and where information is lacking or deficient, the attorneys will request additional information or amendments to the disclosure documents that must be provided to the investor.

Examiners conduct examinations of issuers, ensuring that issuers are complying with the requirements of their approved securities offerings, including complying with suitability (requirements related to who can purchase the security), books and records requirements, advertisements, and other documentation and processes.

The Franchise Unit has one senior counsel and paralegal dedicated to investigating and resolving franchise complaints. The most common securities exemption notices received by the DFPI are the Limited Offering Exemption Notice and Federal Form D under Regulation D of the 1933 Securities Act. Typical franchisor exemption notices include the Large Franchisor and the Experienced Franchisee. Securities applications include Permits, Coordinations, and Non-Issuer Transactions. Some exemption notices may be filed with the North American Securities Administrators Association (NASAA) through their electronic filing system, EFD, instead of directly with DFPI. If a filing is made in EFD, NASAA will then send the filing fees to DFPI.

In the current state, SRD uses DOCQNET as part of its operations. Filers (external parties) submit filings and information through a public facing portal, which has limitations in allowing multiple filers for one company to create accounts. In addition, DOCQNET, which is used by SRD staff, is not a flexible platform to adapt to changes in business practices. Therefore, SRD has been working for a full year on the requirements, design, and development work of a new solution, the Franchise and Securities Electronic Submission (FRANSES), which is anticipated to go-live at the end of 2024.

62. How will this proposed project impact the product or services supported by the state entity?

The FRANSES project is a replacement and improvement of the current DOCQNET system and external Self-Service portal. Because the FRANSES solution is an in-flight project and its data is still dependent on the DOCQNET data store, this PAL project will require the engagement of SRD program stakeholders to ensure the design of a future state solution will work with FRANSES.

63. Business Program Name: Digital Financial Assets Program

64. Program Background and Context: Provide a brief overview of the entity’s business program(s) current operations.

Governor Newsom signed Assembly Bill 39 and Senate Bill 401 into law on October 13, 2023. Together, this is the Digital Financial Asset Law or DFAL. DFAL requires persons who are

engaged in certain digital financial activity in California to have a DFAL license on July 1, 2025. Unless certain exclusions apply, businesses engaged in (1) digital financial asset exchange activity (think Coinbase, Kraken, or others); (2) digital financial asset custody (Gemini custody, for example); (3) stablecoin issuers (USDC or PayPal USD) and (4) digital financial asset kiosks, or “crypto” or “bitcoin” kiosks (coinme and CoinFlip as examples) will need to submit a completed DFAL application by no later than July 1, 2025.

The DFAL program and IT teams are working on a project to onboard this new law into the existing DOCQNET system used by other DFPI programs. The project is in-flight, and the new functionality is projected to be in production within DOCQNET by the end of 2025. The DFAL program is facing challenges with the inflexible workflows and non-intuitive screens in DOCQNET. Additionally, manual processes will need to be in place to provide transparency and communication of application statuses to outside parties (the existing external facing portal is at the end of life and no longer supported by the vendor).

65. How will this proposed project impact the product or services supported by the state entity?

DFAL is being onboarded into the DOCQNET system to process applications, exams, and enforcement actions. It is the project team’s expectation that DOCQNET will be used as a temporary solution until a new solution is in place as part of this project. Therefore, this PAL project will need to include the DFAL program stakeholders during the requirements and framing of a future state solution so that it will meet their needs along with other DFPI programs.

TIP: Copy and paste or click the + button in the lower right corner to add Business Programs, with background and context and impact descriptions as needed.

1.6 Project Justification

1. Strategic Business Alignment

Enterprise Architect

Title: Chief Technology Officer (interim Enterprise Architect)

Name: Mark Tran

Strategic Plan Last Updated? 5/31/2024

Strategic Business Goal: Drive operational excellence throughout the department

Alignment: Enhance DFPI technology for increased insight and improved efficiency

TIP: Copy and paste or click the + button in the lower right corner to add Strategic Business Goals and Alignments as needed.

Mandate(s): None

Bill Number/Code, if applicable: [Click or tap here to enter text.](#)

Add the Bill language that includes system-relevant requirements:

[Click or tap here to enter text.](#)

TIP: Copy and paste or click the + button in the lower right corner to add Bill Numbers/Codes and relevant language as needed.

2. Business Driver(s)

Financial Benefit: [No](#)

Increased Revenue: [No](#)

Cost Savings: [No](#)

Cost Avoidance: [No](#)

Cost Recovery: [No](#)

Will the state incur a financial penalty or sanction if this proposal is not implemented? [No](#)

If the answer to the above question is “Yes,” please explain:

[Click or tap here to enter text.](#)

Improvement

Better Services to the People of California: [Yes](#)

Efficiencies to Program Operations: [Yes](#)

Improved Equity, Diversity, and/or Inclusivity: [No](#)

Improved Health and/or Human Safety: [No](#)

Improved Information Security: [Yes](#)

Improved Business Continuity: [Yes](#)

Improved Technology Recovery: [Yes](#)

Technology Refresh: [Yes](#)

Technology End of Life: [Yes](#)

1.7 Business Outcomes Desired

Executive Summary of the Business Problem or Opportunity:

In 2013, the Department of Corporations (DOC) and the Department of Financial Institutions (DFI) merged to form the Department of Business Oversight (the DBO). In 2020, the DBO changed its

name to the Department of Financial Protection and Innovation (DFPI). DFPI was also given new regulatory powers to protect consumers from unfair, deceptive, or abusive practices committed by previously unlicensed financial services or products. The revamped department continues to report to the Business, Consumer Services & Housing (BCSH) Agency. Although the merger and increased regulatory role expanded business operations, the previously separated Departments continue to operate in separate systems – Department of Corporations Quality Network (DOCQNET), Financial Institutions Management Information System (FIMIS), License Information System (LIS), Money Transmitter Database (MTFD) Access Database, Local Agency Security Program (LASP) Access Database, and most recently, ServiceNow platform for Complaints and soon, Securities and Franchise filings. These systems support licensing, examination, enforcement, and complaints functions across the enterprise. Today, the different Divisions are required to search for information in multiple systems and/or databases and are required to resort to manual tracking processes to fulfill their evolving business needs that are not being met through the business solutions in place. Data is saved in multiple storage mechanisms (such as SharePoint, SQL Server, MS Access, and Network drives) and there is lack of interconnectivity between systems. Moreover, DOCQNET (which is the system utilized by most DFPI programs) is running on a platform that will reach the end of support in 2027 (extension through 2029), posing a huge risk to DFPI business operations.

Modernizing the DFPI's technology infrastructure with a focus on closing gaps and delays caused by manually processed workloads, will also provide more expedient services and better assurance of consumer protection. Moreover, without modernization, it is difficult to accommodate mandated changes due to the complexity of the systems, and with the continuously changing business and technology requirements, DFPI spends a huge amount of effort and resources developing and maintaining systems and integrations.

Therefore, this project aims to implement a comprehensive new solution (or a combination of solutions) to help business stakeholders achieve the goal of delivering a streamlined, consistent, and accurate experience to their customers.

Objective ID: 1.1

Objective: Consolidate separate databases into one centralized, enterprise data store to allow consistent information and access for all DFPI users

Metric: Number of existing disparate systems

Baseline: 6 different databases (DOCQNET, LIS, FIMIS, MTFD, LASP, ServiceNow)

Target Result: After implementation, all DFPI users will have one comprehensive experience

Objective ID: 1.2

Objective: Improve the external customer experience by providing an external portal that will allow flexibility for access and account management

Metric: External portal

Baseline: External DOCQNET legacy portal and ServiceNow portal

Target Result: After implementation, DFPI will offer an external portal experience with flexible account management and access for different external stakeholders

Objective ID: 1.3

Objective: Improve billing, payment reconciliation, and collection processes for Programs and Accounting users by reducing duplicate methods of entering data in multiple systems

Metric: Number of methods or systems

Baseline: 8 methods and systems (DOCQNET, NMLS, Tempo, exam workpaper, accounting spreadsheets, in-house Fiscal Access Database, FIMIS, LIS)

Target Result: After implementation, Programs and Accounting users will have one consolidated experience for billing, payment reconciliation, collection process, and reporting

Objective ID: 1.4

Objective: Allow better visibility for DFPI users into identifying, rating, and tracking the risk level for our entities for improved consumer protection

Metric: Identification, rating, and tracking visibility

Baseline: Rating and tracking mechanisms that is not visible and accessible to all DFPI users

Target Result: After implementation, DFPI users will have the ability to identify and measure risk level of entities

Objective ID: 1.5

Objective: Align the new system data sources to enable comprehensive reporting (including reports such as applications under review, outstanding licensees, exam metrics) that will assist decision making and transparency for DFPI users

Metric: New data source(s)

Baseline: Existing data source(s)

Target Result: After implementation, DFPI will have consistent data sources that will produce uniform reports across all programs for easy reporting by users

Objective ID: 1.6

Objective: Improve the NMLS data import process to provide transparency, reduce manual processing, and improve data issue resolutions for DFPI programs

Metric: Tracking data transfer success and failures through logging reports

Baseline: Non-existent logging

Target Result: After implementation, DFPI programs will have transparency on data updates through the NMLS data feed and will be able to reference up to date documentation on the processes. In turn, programs will be able to see what data updates pertinent to their programs

Objective ID: 1.7

Objective: Improve the schedule of the FINRA data import process

Metric: Schedule of when the jobs run

Baseline: Jobs current run once in the morning and once in the afternoon

Target Result: After implementation, the FINRA data processing job will have a revised schedule of when the process runs

Objective ID: 1.8

Objective: Improve transparency and services to licensee applicants and current licensees by implementing a compliant external self-service portal that offers visibility of information pertinent and useful to them

Metric: Compliant self-service portal

Baseline: Non-compliant external self-service portal for some licensees and licensee applicants

Target Result: After implementation, DFPI will offer a compliant self-service portal for all DFPI licensees and licensee applicants

Objective ID: 1.9

Objective: Improve data integrity across DFPI by following Data Governance practices to ensure consistent data policies, standards, security, and compliance

Metric: Data Governance that includes policies, standards, and procedures

Baseline: Non-existent Data Governance

Target Result: After implementation, DFPI will adhere to established Data Governance policies, standards, and procedures

Objective ID: 1.10

Objective: Improve technology services by providing higher capacity storage for files stored on DFPI IT systems

Metric: Current storage and capacity

Baseline: Organization capacity for file storage is nearing 6 TB

Target Result: After implementation, increased capacity to be > (greater than) 12 TB while following record retention policies

Objective ID: 1.11

Objective: Improve disaster recovery by implementing system, application, and data redundancy, failover and daily backups

Metric: Redundancy, failover, and daily backups

Baseline: Non-existent failover or redundancy

Target Result: After implementation, application, system, and data will have improved redundancy, failover, and daily backup (99.995% reliability) practices in place

Objective ID: 1.12

Objective: Improve security by staying compliant within Department of Technology security standards

Metric: Security Standards

Baseline: Current version of DOCQNET legacy portal does not meet security standards

Target Result: A fully compliant secure portal system

TIP: Copy and paste or click the + button in the lower right corner to add Objectives as needed. Please number for reference.

TIP: Objectives should identify WHAT needs to be achieved or solved. Each objective should identify HOW the problem statement can be solved and must have a target result that is specific, measurable, attainable, realistic, and time-bound. Objective must cover the specific. Metric and Baseline must detail how the objective is measurable. Target Result needs to support the attainable, realistic, and time-bound requirements.

1.8 Project Management

1. Project Management Risk Score: 1.2

Follow the instructions in [Statewide Information Management Manual \(SIMM\) Section 45 Appendix B Project Management Risk Assessment Preparation Instructions](#).

Attach a completed [Statewide Information Management Manual \(SIMM\) Section 45 Appendix A Project Management Risk Assessment Template](#) to the email submission.

2. Project Approval Lifecycle Completion and Project Execution Capacity Assessment

Does the proposal development or project execution anticipate sharing resources (state staff, vendors, consultants, or financial) with other priorities within the Agency/state entity (projects, PALs, or programmatic/technology workload)?

Answer: Yes

Does the Agency/state entity anticipate this proposal will result in the creation of new business processes or changes to existing business processes?

Answer (No, New, Existing, or Both): Both New and Existing Processes

1.9 Initial Complexity Assessment

1. Complexity Assessment (Business Score): 2.3

Follow the instructions in the [Statewide Information Management Manual \(SIMM\) Section 45 Appendix D Complexity Assessment Instructions](#).

Attach a completed [Statewide Information Management Manual \(SIMM\) Section 45 Appendix C Complexity Assessment Template](#) to the email submission.

NOTE: Business complexity is initially completed in PAL Stage 1. Technical complexity is initially completed in PAL Stage 2.

- 2. Noncompliance Issues:** Indicate if your current operations include noncompliance issues and provide a narrative explaining how the business process is non-compliant.

Programmatic regulations: [No](#)

HIPAA/CIIS/FTI/PII/PCI: [No](#)

Security: [No](#)

ADA: [No](#)

Other: [No](#)

Not Applicable: [No](#)

Noncompliance Description:

[Click or tap here to enter text.](#)

3. Additional Assessment Criteria

If there is an existing Privacy Threshold Assessment/Privacy Information Assessment, include it as an attachment to your email submission.

How many locations and total users is the project anticipated to affect?

Number of locations: [5 locations \(Sacramento, San Francisco, Los Angeles 4th street, Los Angeles Spring Street, San Diego\)](#)

Estimated Number of Transactions/Business Events (per cycle):

Approximate number of internal end-users: [DOCQNET ~600 internal users; FIMIS ~ 200 internal users; LIS ~ 200 users, MTFD ~27 internal users; LASP ~27 internal users.](#)

Approximate number of external end-users: [DOCQNET external portal ~ 72,000 active external account users](#)

1.10 Funding

Planning

- 1.** Does the Agency/state entity anticipate requesting additional resources through a budget action to **complete planning** through the project approval lifecycle framework? [No](#)

If Yes, when will a budget action be submitted to your Agency/DOF for planning dollars?

[Click or tap to enter a date.](#)

- 2.** Please provide the Funding Source(s) and dates funds for planning will be made available:

Project Implementation Funding

1. Has the funding source(s) been identified for **project implementation**? [No](#)

If known, please provide the Funding Source(s) and dates funds for implementation will be made available:

[Click or tap here to enter text.](#)

Will a budget action be submitted to your Agency/DOF? [Yes](#)

If "Yes" is selected, specify when this BCP will be submitted: [Fall FY26/27](#)

2. Please provide a rough order of magnitude (ROM) estimate as to the total cost of the project:
[Between \\$10 Million and \\$50 Million](#)

End of agency/state entity document.

Please ensure ADA compliance before submitting this document to CDT.

When ready, submit Stage 1 and all attachments in an email to ProjectOversight@state.ca.gov.

Department of Technology Use Only

Original "New Submission" Date: [10/2/2024](#)

Form Received Date: [10/2/2024](#)

Form Accepted Date: [10/2/2024](#)

Form Status: [Completed](#)

Form Status Date: [10/2/2024](#)

Form Disposition: [Approved](#)

If Other, specify: [Click or tap here to enter text.](#)

Form Disposition Date: [Click or tap to enter a date.](#)

Department of Technology Project Number (0000-000): [1701-002](#)