

STATE OF CALIFORNIA
Budget Change Proposal - Cover Sheet
 DF-46 (REV 03/25)

Fiscal Year 2026-27	Business Unit Number 0890	Department Secretary of State
Hyperion Budget Request Name 0890-005-BCP-2026-GB		Relevant Program or Subprogram 0700-Filings and Registrations & 9900100-Administration

Budget Request Title
 Notary Automation Program Replacement Project (NAP 2.0)

Budget Request Summary
 The Secretary of State requests \$9.8 million Business Fees Fund in 2026-27 for the continuation of the Notary Automation Replacement Project 2.0 (NAP 2.0).

Requires Legislation (submit required legislation with the BCP) <input type="checkbox"/> Trailer Bill Language <input type="checkbox"/> Budget Bill Language <input checked="" type="checkbox"/> N/A	Code Section(s) to be Added/Amended/Repealed Click or tap here to enter text.
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Does this BCP contain information technology (IT) components? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Department CIO Ed LaCroix, Acting Chief Information Officer	Date 12/29/2025
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For IT requests, specify the project number, the most recent project approval document (FSR, SPR, S1BA, S2AA, S3SD, S4PRA), the approval date, and the total project cost.

Project No. 0890-053 **Approval Date:** 7/23/2024
Project Approval Document: S2AA **Total Project Cost:** \$58,290,050

If proposal affects another department, does other department concur with proposal? Yes No
 Attach comments of affected department, signed and dated by the department director or designee.

Prepared By Betsy Bogart, Business Programs Division Chief	Date 1/9/2026	Reviewed By Tamara D Johnson, Chief Financial Officer	Date 1/9/2026
Department Director Reginald Fair, Deputy Secretary of State Operations	Date 1/9/2026	Agency Secretary Lisa Martin, Chief Deputy Secretary of State	Date 1/9/2026

Department of Finance Use Only

Additional Review: Capital Outlay ITCU FSCU OSAE Dept. of Technology

Principal Program Budget Analyst Jessie Romine	Date submitted to the Legislature 1/9/2026
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A. Problem Statement

The California Secretary of State (SOS) is responsible for the appointment of California notaries public. Prior to appointment, a notary public applicant must complete an education course and pass both a notary public examination and a background investigation from both the California Department of Justice and the Federal Bureau of Investigation.

The SOS currently utilizes a legacy Notary Automation Program (NAP) system to store and maintain notary public commission data. In addition, the NAP system is used to process apostille requests. An apostille is an authentication of public officials' signatures on documents for use outside the United States. The NAP system is approximately 30 years old and needs replacing. The NAP system was developed utilizing the PowerBuilder application which makes it very difficult to update and to find qualified information technology (IT) staff or vendors to support the application.

Current technology has evolved significantly since the NAP system was created, thus integration of the legacy NAP system with current and future technology, and possibly third-party systems, is challenging. Developing a new system would allow the SOS to streamline business processes and offer more efficient online services to notaries and the public. A new system is also necessary for integration of the statutory requirements for Remote Online Notarization (RON), Chapter 291, Statutes of 2024 (SB 696), which has an implementation date of January 2030. This law requires the State of California to provide online services for notaries public. Updating the system also ensures future requirements can be appended as Notary laws change.

The SOS requests \$9.7 million Business Fees Fund in 2026-27 for the continuation of the Notary Automation Project (NAP 2.0) including continued funding for 15.0 previously approved positions and temporary staff to backfill program positions redirected to the project. An additional \$2.861 million in project costs would be funded with existing resources for a total project cost of \$12.656 million.

B. Justification

This proposal requests funding for NAP 2.0 to build a new system which supports all functionalities of the legacy NAP and modernizes it by leveraging technology to incorporate online application and commission management, a searchable public database, and electronic apostille/authentication. This would provide significant improvements in efficiency and convenience to the public, government partners, and California notaries public, and would allow for integration of RON, and future enhancements should the law require.

On August 1, 2022, the California Department of Technology (CDT) approved the NAP 2.0 Project Approval Lifecycle (PAL) Stage 1 Business Analysis. On July 23, 2024, CDT approved the NAP 2.0 Stage 2 Alternatives Analysis, which includes the Project Charter, Governance Plan, Project Schedule, Financial Analysis Worksheet, and various project plans which have been reviewed and approved by CDT. The NAP 2.0 team has completed a master project schedule, onboarded ancillary consulting vendors, and is working on requirements gathering and development of the prime vendor Request for Proposal (RFP). Submission to the CDT of the NAP 2.0 Stage 3 Solution Analysis and prime vendor RFP is planned for Spring 2026.

The following table summarizes the 2026-27 funding request for NAP 2.0 for the first full year of project implementation.

2026-27 NAP 2.0 Budget Proposal	Amount (Dollars in Thousands)
Personal Services (Salary and Benefits, 15.0 Permanent State Staff)	\$2,754
Operating Expense and Equipment (OE&E)	
Staff OE&E (Standard Complement)	\$180
Postage for Outreach Mailer	\$318
Travel Related to NAP 2.0 Training	\$83
Interdepartmental Services	
CDT Services and Admin Costs	\$599
Department of General (DGS) Services Admin Costs	\$160
External Consulting and Professional Services	
Prime Vendor	\$2,000
Project Management Support Services	\$300
Independent Verification and Validation	\$300
Data Verification and Cleansing	\$263
Requirements Management	\$278
Organizational Change Management	\$288
Security Assessment	\$248
Cooperative Personnel Services HR (CPS HR)	\$43
Quality Assurance and Test Lead	\$225
University Enterprises, Inc. (UEI) Student Assistants	\$445
Information Technology	
Experian Aperture Data Studio Licenses	\$41
Infrastructure Components	\$38
Secure Remote Access Lines	\$15
Security Monitoring Software	\$150
Secure File Transfer Protocol	\$2
Identity Management Licenses	\$4
Solution Software	\$375
Cloud Platform Services via CDT (Azure Costs)	\$600
SOS Staff OE&E – Software Licenses (IT Standard Complement)	\$11
Equipment (Printers and Scanners)	\$77
Total 2026/27 NAP 2.0 Budget Proposal from Business Fees Fund	\$9,795

SOS' request of \$9.795 million to build a new NAP system is for the first full year of NAP 2.0 implementation. The funding request supports 15.0 previously approved positions to assist in achieving goals for the replacement of the legacy NAP system (with NAP 2.0) and implementation of RON legislation. The 15.0 positions provide technical expertise in the areas of architecture, networks, database administration, communication, system analysis, application programming, quality assurance and validation, training, support, and security.

Ongoing Operating Expense and Equipment (OE&E) costs include OE&E general expenses, printing, communication costs, postage, and training; resources for outreach mailers; and travel related to NAP 2.0 training.

Interdepartmental Services comprises the following CDT and DGS costs:

- CDT (\$599k)–
 - Provides NAP 2.0 and its stakeholders with formal project oversight services for PAL; and ensures project adherence to State Administrative Manual, State Information Management Manual, and State Contract Manual policies that govern state work.
 - Provides Statewide Technology Procurement services for prime vendor contract development and execution, and review of ancillary consulting contracts.
 - Charges an administrative fee on all services provided to SOS including consulting services and Azure costs.
- DGS (\$160k)–
 - Provides contract services for SOS and charges an administrative fee on contracts executed each fiscal year.

NAP 2.0 External Consulting includes multi-year contracts including the prime vendor contract and nine ancillary services contracts. Most of the contracts end upon completion of project implementation while only a few will continue into the first year of maintenance and operations.

Information technology costs cover databases, data readiness tools, third party software, security tools, technology licenses, staff OE&E costs related to software, and equipment (printers and scanners) which will be utilized during User Acceptance Testing and beyond.

C. Departmentwide and Statewide Considerations

The SOS Notary Public Section fulfills two critical functions for the state: (1) appointment and administration of over 146,000 California notaries public, and (2) authentication of California public officials' signatures on documents to be used outside the country. Efficiency in both areas supports continuity and stability in state commerce, which relies on the functioning of the Notary Public Section and the NAP system.

An important development in NAP related legislation occurred when SB 696 for RON was passed into law in September 2023. RON stipulates that California must service California notaries public with full online capabilities by 2030. This will provide functional modernization, more efficient online services, and easier amendments/enhancements to the new system should the law require it. Pausing the project will negatively impact the SOS' ability to comply with SB 696 deadlines.

D. Outcomes and Accountability

Approval of this proposal would allow the SOS to successfully implement NAP 2.0, a compliant replacement for the legacy NAP system. The SOS and California notaries public would benefit from a new system by:

- Allowing functional modernization and streamlining business processes;
- Ensuring more efficient online services to government partners, California notaries, and the public;
- Incorporating online application and commission management, a searchable public database, and electronic apostille/authentication; and
- Allowing easier amendments to the NAP system to comply with new or updated legislation.

E. Implementation Plan

The following plan is a preliminary estimate based on NAP 2.0 PAL planning, with the expectation that the schedule will be updated upon approval of the PAL Stage 4 Project Readiness and Approval and onboarding of the project's prime vendor. Milestone due dates on the table below take into consideration the estimated final deployment date.

Project Planning Activities	July 2022 – Early 2027
CDT PAL Stage 1 Business Analysis	August 2022 Approved
CDT PAL Stage 2 Alternatives Analysis	July 2024 Approved
Prime Vendor Procurement	Summer 2024 – Spring 2027
CDT PAL Stage 3 Solution Analysis	Spring 2026
CDT PAL Stage 4 Project Readiness and Approval	Winter 2027
Project Implementation Activities	Spring 2027 – Summer 2031
Onboard Prime Vendor	Spring 2027
Design, Development, Data Migration, Testing, Training	Spring 2027 – Fall 2029
NAP 2.0 Go Live	Fall 2029
System Monitoring and M&O Transition	Fall 2029 – Spring 2031

F. Supplemental Information

The \$9.7 million request for NAP 2.0 utilizes the Business Fees Fund which is comprised of fees received for the filing of documents (with the California Secretary of State's office) and/or certifying data or documents of record that are maintained by the California Secretary of State's office. Monies collected within the Business Fees Fund are to be used to support the programs from which the funds are collected.

BCP Fiscal Detail Sheet

(Dollars in Thousands)

BCP Title: Notary Automation Project (NAP 2.0)

BR Name: 0890-005-BCP-2026-GB

Budget Request Summary

Personal Services

Personal Services	FY26 Current Year	FY26 Budget Year	FY26 BY+1	FY26 BY+2	FY26 BY+3	FY26 BY+4
Salaries and Wages Earnings - Permanent	0	1,732	0	0	0	0
Total Salaries and Wages	\$0	\$1,732	\$0	\$0	\$0	\$0
Total Staff Benefits	0	1,022	0	0	0	0
Total Personal Services	\$0	\$2,754	\$0	\$0	\$0	\$0

Operating Expenses and Equipment

Operating Expenses and Equipment	FY26 Current Year	FY26 Budget Year	FY26 BY+1	FY26 BY+2	FY26 BY+3	FY26 BY+4
5301 - General Expense	0	120	0	0	0	0
5302 - Printing	0	333	0	0	0	0
5304 - Communications	0	15	0	0	0	0
5306 - Postage	0	15	0	0	0	0
5320 - Travel: In-State	0	83	0	0	0	0
5322 - Training	0	15	0	0	0	0
5340 - Consulting and Professional Services - Interdepartmental	0	759	0	0	0	0
5340 - Consulting and Professional Services - External	0	4388	0	0	0	0
5346 - Information Technology	0	1236	0	0	0	0
5368 - Non-Capital Asset Purchases - Equipment	0	77	0	0	0	0
Total Operating Expenses and Equipment	\$0	\$7,041	\$0	\$0	\$0	\$0

Total Budget Request

Total Budget Request	FY26 Current Year	FY26 Budget Year	FY26 BY+1	FY26 BY+2	FY26 BY+3	FY26 BY+4
Total Budget Request	\$0	\$9,795	\$0	\$0	\$0	\$0

Fund Summary

Fund Source

Fund Source	FY26 Current Year	FY26 Budget Year	FY26 BY+1	FY26 BY+2	FY26 BY+3	FY26 BY+4
State Operations - 0228 - Secretary of States Business Fees Fund	0	9,795	0	0	0	0
Total State Operations Expenditures	\$0	\$9,795	\$0	\$0	\$0	\$0
Total All Funds	\$0	\$9,795	\$0	\$0	\$0	\$0

Program Summary

Program Funding

Program Funding	FY26 Current Year	FY26 Budget Year	FY26 BY+1	FY26 BY+2	FY26 BY+3	FY26 BY+4
0700 - Filings and Registrations	0	9,795	0	0	0	0
9900100 - Administration	0	2,949	0	0	0	0
9900200 - Administration - Distributed	0	-2,949	0	0	0	0
Total All Programs	\$0	\$9,795	\$0	\$0	\$0	\$0

Personal Services Details

Salaries and Wages

Salaries and Wages	FY26 Current Year	FY26 Budget Year	FY26 BY+1	FY26 BY+2	FY26 BY+3	FY26 BY+4
VR00 - Various	0	1,732	0	0	0	0
Total Salaries and Wages	\$0	\$1,732	\$0	\$0	\$0	\$0

Staff Benefits

Staff Benefits	FY26 Current Year	FY26 Budget Year	FY26 BY+1	FY26 BY+2	FY26 BY+3	FY26 BY+4
5150900 - Staff Benefits - Other	0	1,022	0	0	0	0
Total Staff Benefits	\$0	\$1,022	\$0	\$0	\$0	\$0

Total Personal Services

Total Personal Services	FY26 Current Year	FY26 Budget Year	FY26 BY+1	FY26 BY+2	FY26 BY+3	FY26 BY+4
Total Personal Services	\$0	\$2,754	\$0	\$0	\$0	\$0