

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

Fiscal Year 2026-27	Business Unit Number 2740	Department Motor Vehicle
Hyperion Budget Request Name 2740-067-2026-GB		Relevant Program or Subprogram 2135 – Driver Licensing and Personal Identification

Budget Request Title
 State-to-State Verification System (S2S) Project

Budget Request Summary

The Department of Motor Vehicles (DMV) requests additional funding and personnel resources to continue DMV's compliance with the REAL ID Act of 2005 by implementing the State to State (S2S) Program. California's compliance date for State to State (S2S) is February 16, 2027, and the core DMV systems will interface and connect the driver license (DL)/identification card (ID) S2S data elements with the American Association of Motor Vehicle Administrators (AAMVA) electronic verification and history exchange.

Requires Legislation (submit required legislation with the BCP) <input checked="" type="checkbox"/> Trailer Bill Language <input type="checkbox"/> Budget Bill Language	<input type="checkbox"/> N/A	Code Section(s) to be Added/Amended/Repealed Vehicle Code 1653.5
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Does this BCP contain information technology (IT) components? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Department CIO Prashant Mittal	Date 12/30/2025
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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. 2740-229 **Approval Date:** 10/21/2025
Project Approval Document: Stage 4 Project **Total Project Cost:** \$55,999,282
 Readiness and Approval

If proposal affects another department, does other department concur with proposal? Yes No

Prepared By Angela Pyara	Date 12/30/2025	Reviewed By Lee Scott	Date 12/30/2025
Department Director Steve Gordon	Date 12/30/2025	Agency Secretary Toks Omishakin	Date 12/30/2025

Department of Finance Use Only

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

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

The Department of Motor Vehicles (DMV) requests \$56 million in 2026-27, inclusive of resources for both 2026-27 and 2027-28 with an extended encumbrance and liquidation period for greater flexibility, to develop and implement the State-to-State solution and to address the additional workload anticipated. The request includes one-time information technology (IT) resources in the amount of \$25 million for a system integrator, project and contract management, business analysis, and data extraction and cleansing. The request includes continuing IT resource costs and the onboarding and training of additional program staff beginning July 2026 to address S2S workload. The temporary help funding requested is equivalent to 98.4 positions in 2026-27 and 118.7 positions in 2027-28.

The department is developing a new system to be compliant with federal State-to-State (S2S) requirements by February 16, 2027. The system will interface with the core DMV systems and connect identification data elements with the American Association of Motor Vehicle Administrators (AAMVA) electronic verification and history exchange. Once implemented, the S2S inquiry service will interface with AAMVA to provide real time batch service during the processing of DL/ID applications. The service will send and process a request to other state licensing agencies to cancel a DL/ID card upon issuance in California as well as cancel California DL/ID cards upon issuance in requesting states. Additionally, the S2S service will send and process DL/ID record requests to other state driver licensing agencies.

The Commercial Motor Vehicle Safety Act (CMVSA) of 1986 is based on the Federal Motor Carrier Safety Regulations (FMCSRs) in 49 CFR §§ 383 and 384 and was passed in a national effort to remove unsafe and unqualified drivers from the nation's highways. Some significant features of the CMVSA, focused on improving traffic safety, include:

- All jurisdictions are required to participate in the Commercial Driver's License Information System (CDLIS) and the Problem Driver Pointer System (PDPS). PDPS enables jurisdictions to obtain information on all problem drivers.
- The single license requirement, which became effective on July 1, 1987, mandates that commercial drivers hold only one DL.

The REAL ID Act of 2005 was passed by Congress in response to the events of 9/11 and includes new requirements for state driver licensing agencies (SDLAs) to abide by for its DL/ID cards to be used to board a domestic flight or visit a military base or certain federal facilities. Enforcement of the REAL ID Act went into effect on May 7, 2025. In accordance with 6 CFR § 37.29, federal regulations state:

(a) An individual may hold only one REAL ID card. An individual cannot hold a REAL ID driver's license and a REAL ID identification card simultaneously. Nothing shall preclude an individual from holding a REAL ID card and a non-REAL ID card unless prohibited by his or her State.

(b) Prior to issuing a REAL ID driver's license or identification card,

(1) A State must check with all other States to determine if the applicant currently holds a driver's license or REAL ID identification card in another state.

(2) If the state receives confirmation that the individual holds a driver's license in another state or possesses a REAL ID identification card in another state, the receiving state must take measures to confirm that the person has terminated or is terminating the driver's license or REAL ID identification card issued by the prior state pursuant to state law, regulation, or procedure.

S2S provides the means for each state to check with all other states to determine if the applicant currently holds a DL or ID card from another state prior to issuing a REAL ID compliant DL card or ID.

States have historically relied upon an applicant's self-attestation when signing their DL/ID card application. With no ability to verify information beyond what an individual voluntarily offers an SDLA, there is no mechanism in place to confirm a person's identity and driving history. The REAL ID Act requires SDLAs to connect their DL/ID databases in a way that improves identity security as part of the licensing issuance process.

REAL ID Compliance

California submitted its REAL ID Compliance Package to DHS in January 2018. As part of its REAL ID Compliance Package, California is required to implement S2S to satisfy the requirements of the REAL ID Act, specifically with the requirement for California to verify REAL ID compliant DL and ID cards with the state of issuance (6 CFR § 37.13). To remain in compliance with the provisions of the REAL ID Act, DMV will report on driver and identification cardholder information, including a unique identifier for each cardholder.

Once implemented, the service will send and process a request to other state licensing agencies to cancel a DL/ID card upon issuance in California as well as cancel California DL/ID cards upon issuance in requesting states. In addition, the S2S service will send and process DL/ID history requests to other state driver licensing agencies.

Upon implementation of S2S, California will add certain driver record information to the State Pointer Exchange Services (SPEXS) Central Site, which provides information to state driver licensing agencies when issuing DL and ID cards. The SPEXS Central site maintains the master pointer record, which contains the basic identifying information about an individual and informs other licensing agencies that an individual has a record belonging to California. Conversely, the SPEXS Central site will notify California if an individual applying for a DL or REAL ID-compliant ID card holds a credential in another state. California is required to provide the minimum identifying information below to the SPEXS Central site:

- Full Legal Name
- Date of Birth
- Last Five Digits of the Social Security Number (SSN)
- State of Record
- DL/ID Number
- Type of credential issued
- REAL ID indicator
- Commercial Driver License Information System (CDLIS) indicator

California's deadline to implement S2S is February 16, 2027. This is the last date on AAMVA's calendar for a state to implement S2S. Forty-three (43) states have actively implemented S2S with six (6) states coming onboard in the next twelve months. California is the fiftieth (last) state to join S2S. California must comply with the S2S provisions to remain compliant with the REAL ID Act, to continue issuing REAL IDs to Californians, and for the existing California-issued REAL IDs to remain valid for federal purposes (i.e. boarding domestic flights, accessing federal facilities, etc.). To date, there have been approximately 21.4 million unique Real IDs issued to Californians. In the absence of a valid REAL ID, Californians would be required to show a valid federal identification such as a United States Passport.

Existing CDLIS Workload

Currently, program validates and verifies the master pointer record data at the national CDLIS Central Site via the bi-weekly duplicate resolution and monthly CD31 Report processes. The CD31 and duplicate resolution process currently only applies to commercial drivers at the CDLIS Central site.

The Duplicate Record Report (96-hour Report) identifies driver records that appear in more than one state for prior and current California drivers. The duplicate resolution process entails:

- Retrieval and comparison of records
 - Master Pointer Record
 - Driver History Record
- Analysis to determine action needed to resolve duplicate record (i.e. mark unique, delete master pointer record, change state of record, or identify potential fraud)
- Update Driver History Record and Master Pointer Record
- Prepare and disseminate documentation (i.e. notice to customer, etc.)

The CD31 Report identifies "Broken Pointers," "Missing Pointers," or master pointer records that have errors and require correction. The CD31 process establishes a connection between the master pointer record and information on the California driver record and identifies any inconsistencies between the two. The goal of the CD31 process is to help states ensure that the master pointer records are complete and accurate. In support of this process, the Central Site checks for the following:

- "Broken Pointer" - Master pointer records that exist at the Central Site but do not have an associated California driver record.
- "Missing Pointer" - California driver records extracted with no corresponding master pointer record at the Central Site.
- Other Errors –
 - Inconsistencies between the master pointer record at the Central Site and the corresponding California driver record (e.g., CDLIS Date of Birth = "19500201" and California Date of Birth = "19500102")
 - Invalid data content on the master pointer record either at the Central Site or on the California driver record.

The Central Site then alerts California of the above information in a *Summary Results* file. For "broken pointers", program technicians must take corrective action to delete the master pointer record from the Central Site or restore the driver record to California's database. For "missing pointers", technicians must analyze and correct the mismatches, errors, and anomalies reported in the file. Lastly, for data issues, technicians must take corrective action to make various changes to the master pointer record at the Central Site, the California driver record, or both.

Additional S2S Workload

Beginning February 16, 2027, for California's S2S implementation, the CDLIS Central Site is expected to be applied to non-commercial DL and ID cardholders, in addition to the CDLIS records. This process will create additional workload in the Operations Division, Driver Licensing Branch and the Investigations Division.

Based on the lessons learned from other states that have implemented S2S, the initial load of California records into the S2S interface is anticipated to result in a 10 percent duplicative record rate for all DL and ID records. The DMV currently has 31.7 million DL and ID records of which approximately 3.2 million duplicate resolution records will require analysis and correction.

The total ongoing increased annual workload, from duplicates and incorrectly inputted data into the S2S system, anticipated after S2S implementation is 420,639 transactions, which is comprised of 114,334 duplicate record transactions and 306,305 CD31 error transactions. The duplicate record volume anticipated is based on the average annual volume of DMV transactions involving out of state DL/IDs. The 2025-26 annual CDLIS CD31 errors are anticipated to be approximately 5,412 for the total commercial driving population of 691,000 drivers. This represents an annual error rate of 1 percent of the total CDL cardholders. The department estimates that the rate of 1 percent for CDL cardholders will also apply to non-commercial DL and ID cards after the S2S implementation. The anticipated ongoing CD31 process workload of 306,304 errors will then require a technician to process the errors as outlined above. Based on 2023 U.S. Census data on state migration in and out of California, the Department anticipates 38 percent of the ongoing workload are associated with inbound population workload while the remaining 62 percent of the ongoing workload is associated with outbound population workload.

B. Justification

To continue compliance with the REAL ID Act of 2005, DMV is requesting additional funding and personnel resources to implement S2S. The Department requests \$7.1 million for temporary help funding equivalent to 98.4 full-time positions in 2026-27 and \$8.2 million for temporary help funding equivalent to 118.7 full-time positions in 2027-28. The IT staff request of 11 positions are continuing resources approved in the 2025 Budget Act to continue development of the IT solution to implement S2S by February 2027.

- This request includes \$25 million in one-time IT consultant and software resources for 2026-27 and 2027-28
- The program resources required are to address the additional initial and ongoing S2S workload
 - Increase in Duplicate DL/ID Record Resolution
 - Increase in CD31 Errors (i.e. Broken, Missing, or other errors)
 - Increase in Identity Fraud Investigative Casework

The continuing and new program staff resources requested are shown in the following table:

State to State			
Division	Workload	2026-27	2027-28
Information Systems Division	Information Technology	11.0	11.0
Operations Division	Initial S2S Workload	34.7	45.1
Operations Division	Ongoing S2S Workload	33.4	42.8
Investigations Division	S2S Identification Fraud Caseload	18.3	18.8
Investigations Division	Fraud Caseload Data Analytics	1.0	1.0
Total Resource Request:		98.4	118.7

INFORMATION TECHNOLOGY RESOURCES

To support the S2S program, continuing IT resources are needed to supply essential services relating to data and software architecture, analysis, and testing. DMV needs staff who will

interface with the vendor during the initial design and development of the solution to learn the new system and to ensure that the S2S products and services are released in a fashion that is in sync with organizational change management to ensure a smooth transition to the new way of doing business. As this is a new system, after the initial implementation, during the maintenance and operation period, these staff will assist in the transition and integration of the S2S system with other departmental systems that are changed/upgraded due to legislative or system modernization efforts, such as DxP.

Information Systems Division			
Workload	Classification	2026-27	FY 2027-28
ETL/ELT Specialist	IT Specialist I	1.0	1.0
Senior ETL/ELT Specialist	IT Specialist II	1.0	1.0
Applications Architect	IT Specialist III	1.0	1.0
Application Developers	IT Specialist I	2.0	2.0
Senior Application Developer	IT Specialist II	1.0	1.0
Senior Business Analyst	IT Specialist II	1.0	1.0
Software Application Tester	IT Associate	1.0	1.0
Cloud Engineer	IT Specialist I	1.0	1.0
Senior Security Specialist	IT Specialist II	1.0	1.0
Section Manager	IT Manager I	1.0	1.0
Total Resource Request:		11.0	11.0

- **Extract/Transform/Load (ETL) /Extract/Load/Transform (ELT) Specialists**

- DMV is requesting one (1) IT Specialist I position to support ETL/ELT Specialists to plan, manage, and perform the data transformation activities required by the S2S program (i.e. extract, transform, and load). Typically, ETL is used for on-premises, relational and structured data while ELT is used for scalable cloud structured and unstructured data sources. The ETL/ELT Specialists will determine when and where each method is most applicable and how data transformations take place.
- DMV is requesting one (1) IT Specialist II to serve as the Senior ELT Specialist to lead in the extract/transform/load (or extract/load/transform) activities required by the S2S program to collaborate with existing product owners and provide oversight and peer review to the junior specialist. This position will be vital to provide guidance throughout the initial implementation and during any modernization efforts.

- **Application Architect**

- DMV is requesting one (1) IT Specialist III position to serve as an Applications Architect who will plan how all the applications used within the project will work together to achieve DMV business goals. This involves assessing the DMV's use of current and proposed software. The Application Architect will assess the business objectives and research and recommend application design alternatives. The Application Architect plans and develops application designs (aka blueprint) that contain information about the applications features, configuration, process flow and interactions including interfaces with internal and external components.

- **Application Developers**

- DMV is requesting two (2) IT Specialist I positions to serve as Application Developers who will create, test, and deploy S2S applications software. The developers will

determine data requirements for messaging to AAMVA and communicating with DMV systems for both solicited and unsolicited requests related to S2S. DMV is requesting one (1) IT Specialist II to serve as a Senior Application Developer to ensure that all needed data and messaging are created to work with AAMVA and integrate into the DMV DL System ensuring that the work done by the junior developers are reviewed and are consistent with project needs and system requirements. The Senior Application Developer will collaborate with existing legacy product owners to ensure messaging between the legacy and the S2S system occurs without issue. The Senior Application Developer would be responsible for the most complex issues, providing peer review to the other developers and would assist with other integrations into DMV systems because of legislation or modernization.

- **Senior Business Analyst**

- DMV is requesting one (1) IT Specialist II position to serve as a Senior Business Analyst for the S2S program. The Senior Business Analyst will determine and document the business requirements of the S2S program and communicate them clearly to DMV development staff, stakeholders, and business partners. This position will work with legacy staff and the new vendor to ensure integration of messaging will meet the needs of the business. Due to the complexity of the systems, this position is at a senior level based on the type of work and would assist with other integrations to DMV systems because of legislation or modernization.

- **Software Application Tester**

- DMV is requesting one (1) IT Associate position to serve as a Software Application Tester for S2S applications. This individual will test, assess, and evaluate S2S applications to ensure they function correctly based on business requirements and technical specifications. This position will also work with the project staff to develop comprehensive test plans and ensure regression testing is completed. The Tester will maintain defect tracking and will lead testing efforts with AAMVA during the structured test period.

- **Cloud Engineer**

- DMV is requesting one (1) IT Specialist I position to serve as Cloud Engineer. This includes cloud adoption plans, cloud application design, and cloud management and monitoring. The Cloud Engineer will design and guide S2S application architecture and deployment in cloud environments -- including public cloud, private cloud, and hybrid cloud.

- **Senior Security Specialist**

- DMV is requesting (1) IT Specialist II position to provide the project/system team guidance in addressing security controls that adhere to industry best practices, departmental and oversight agency guidelines. The Senior Security Specialist will ensure that the information security requirements necessary to protect the DMV's core missions and business processes are adequately addressed in all aspects of S2S project.

- **Information Technology Section Manager**

- DMV is requesting one (1) IT Manager I position to evaluate technology needs, make recommendations, supervise employees, develop budget and training needs, provide guidance and direction, represent section and division, and provide support to the business areas. This position will provide full personnel management of the S2S staff and would report to a DMV IT Manager II.

S2S PROGRAM WORKLOAD RESOURCES

Operations Division – Additional Transaction Workload

The DMV requests temporary help funding equivalent to 68.1 full-time positions in 2026-27 and 87.9 full-time positions in 2027-28 for additional initial and ongoing workload as a result of S2S implementation in the Operations Division, Driver License Branch.

Operations Division			
Workload	Classification	2026-27	2027-28
S2S Initial Workload	Senior Motor Vehicle Technician	8.5	11.3
S2S Initial Workload	Motor Vehicle Representative	22.7	30.3
Supervision (1:12 ratio)	Manager I	3.5	3.5
	OPS Initial PYs	34.7	45.1
S2S Ongoing Workload	Senior Motor Vehicle Technician	18.9	25.2
S2S Ongoing Workload	Motor Vehicle Representative	9.4	12.5
Supervision (1:12 ratio)	Manager I	3.1	3.1
Administrative Support	Office Technician (Typing)	1.0	1.0
Oversight/Leadership	Manager IV	1.0	1.0
	OPS Ongoing PYs	33.4	42.8
Total PY Resource Request:		68.1	87.9

Initial Workload

It is anticipated that approximately 10 percent or 3.2 million of the current 31.7 million California DL/ID cardholders may have duplicate records in other states based on the duplicate resolution workload experienced from states that have implemented S2S. The initial duplicate resolution workload and the associated required resources are proposed to be spread across five (5) years due to the significant volume and workload anticipated. The initial duplicate resolution workload is anticipated to be completed between February 2027 and January 2032.

The DMV anticipates allocating the duplicate record resolution workload between the Motor Vehicle Representative (MVR) and Senior Motor Vehicle Technicians (SMVT) classifications based on the complexity and scenario encountered. We estimate that approximately 15 percent of the workload will be complex and will need to be addressed by a SMVT at 11 minutes per record. The remaining 85 percent of transactions are anticipated to be processed by an MVR at 6 minutes per record. In addition, it is estimated that 5 percent of the records will be audited by a SMVT at 5 minutes per record. Supervision is calculated based on a 12:1 ratio at the Manager I classification.

Initial Workload	Volumes	Task Time	Annual Hours	2026-27 *	2027-28
All DL/ID Records (includes approximately 371,000 records with driver history but no active DL)	31,692,476				
Initial Duplicate Records (10 percent)	3,169,248				
<i>Five-Year Annualized Initial Duplicate Workload</i> beginning February 2027 to January 2032 (3,169,248 / 5 Years = 633,850)	633,850				
Complex Duplicate Resolution - Analysis and take corrective action on 15 percent of duplicate workload at the SMVT Classification	95,077	11	17,431	8.4	9.8
Duplicate Resolution - Analysis and take corrective action on 85 percent of duplicate workload at the MVR Classification	538,772	6	53,877	22.7	30.3
Perform Record Audit of 5 percent of Duplication Resolution Records at the SMVT Classification	31,692	5	2,641	1.1	1.5
Total SMVT & MVRs:				31.2	41.6
Supervision (Manager I) - 12:1 Ratio				3.5	3.5
Resource Request:				34.7	45.1

* Management and support positions will start July 2026 with the SMVT and MVR production positions onboarding in October 2026.

Ongoing Workload

The total ongoing increased annual workload, from duplicates and incorrectly inputted data into the S2S system, anticipated after S2S implementation is 420,639 transactions, which is comprised of 114,334 duplicate record transactions and 306,305 CD31 error transactions. The duplicate record volume is based on the average volume of transactions involving out of state DL/IDs. In addition, the ongoing CD31 errors estimated for non-commercial DL and ID cardholders is based on the current rate of 1 percent of CDLIS CD31 errors compared to the overall CDL cardholders of 691,000. Based on U.S. Census data on state migration in and out of California, the Department anticipates 38 percent of the ongoing workload are associated with inbound population workload while the remaining 62 percent of the ongoing workload is associated with outbound population workload. The DMV anticipates allocating the ongoing CD31 and duplicate resolution workload between the MVR and SMVT classifications based on the complexity and scenario encountered. The workload associated with the inbound workload is anticipated to be complex and time intensive at 13.5 minutes. In addition, of the outbound transactions, we estimate that approximately 15 percent will be complex and will need to be addressed by a SMVT at 11 minutes per record while the remaining 85 percent are anticipated to be processed by an MVR at six (6) minutes per record. A 5 percent audit of the records is estimated to be performed by a SMVT at five (5) minutes per record. Supervision is calculated based on a 12:1 ratio at the Manager I classification.

Ongoing Workload	Annual Volumes	Task Time	Annual Hours	2026-27 *	2027-28
Non-Commercial DL and ID cardholders	30,630,447				
Ongoing CD31 Errors (1 percent of non-commercial DL and ID cardholders)	306,305				
Ongoing Duplicate Records	114,334				
Total Ongoing Workload	420,639				
Inbound Workload (38 percent of 420,639)	159,843				
Outbound Workload (62 percent of 420,639)	260,796				
Complex Inbound Workload (38 percent) - Analysis and take corrective action at the SMVT Classification	159,843	13.5	35,965	15.2	20.2
Complex Outbound Workload (15 percent of 260,796 Outbound Workload) - Analysis and take corrective action at the at the SMVT Classification	39,119	11	7,172	3.0	4.0
Outbound Workload (85 percent of 260,796 Outbound Workload) - Analysis and take corrective action at the MVR Classification	221,677	6	22,168	0.7	12.5
Perform Audit of 5 percent of ongoing workload (CD31 Error / Duplicate Resolution) at the SMVT Classification	21,032	5	1,753	9.4	1.0
Total SMVT & MVRs:				28.3	37.7
Supervision 12:1 (Manager I)				3.1	3.1
Resource Request:				31.4	40.1

* Management and support positions will start July 2026 with the SMVT and MVR production positions onboarding in October 2026.

Support & Oversight

DMV requests two (2) positions for the newly established State-to-State Section in the Driver Licensing Branch for program support and leadership.

One (1) Office Technician will provide administrative support to the management team in scheduling meetings, completing personnel documents, and disseminating management memos across the unit.

One (1) Manager IV position to oversee and support the management team and the State-to-State Section. The position will be responsible for planning, organizing, supervising, and coordinating the functions, personnel, and expenditures of the new unit to ensure consistency with departmental objectives and policies. They will speak on behalf of the unit with both external and internal stakeholders to prepare strategies or approve written correspondence regarding practices and procedures.

Investigation Division – Increased Identity Fraud Casework

The DMV requests temporary help funding equivalent to 19.3 full-time positions in 2026-27 and 19.8 full-time positions in 2027-28 for ongoing workload as a result of S2S implementation in the Investigations Division for increase fraud cases. In addition, to the temporary help resources requested, \$175,000 for Investigator overtime is requested in 2026-27 to address the additional identity fraud caseload.

The Investigations Division, Investigative Services and Support Unit, receives referrals of suspected identify fraud from departmental field offices, headquarters units, and from external partners (i.e. law enforcement, governmental agencies, health care professionals, private businesses, etc.). The cases are reviewed and assigned to field investigators for investigation and disposition. The investigative staff review photos, thumbprints, application documents, and legal presence and driver license exam documents for evidence of fraud. The Department may take action against the driving privilege when information concerning fraudulent activity is received for an individual. Common reasons encountered with DL/ID fraud include identity theft, avoiding actions on a driving record (i.e. driving under the influence and suspensions), avoiding exposure of a criminal history, and for financial gain.

In addition, the Department requests one (1) Staff Services Manager I (SSMI - Specialist) in 2026-27 and 2027-28 to be the identity Fraud Data Analytics Specialist. The Specialist will be the lead for the Investigations Division to understand business needs, analyze data requests thoroughly, and identify requirements necessary for data analysis. The Specialist will use both quantitative and qualitative methods to design and develop data visualizations, dashboards, reports, and data extracts for program monitoring and process improvement.

Investigations Division					
Identity Fraud Casework Tasks	Class	Volume	Task Time	2026-27	2027-28
Receives calls from field office or headquarters unit. Completes intake including adding notes and updates intake log.	MVR	3,991	10 minutes	0.3	0.4
Reviews INV Case Management System and documents. Runs address search (ANI), photos/fingerprints (i.e. CLETS, Cal Photo, CLEAR, etc.) for review and comparison. Compile/Prepare case file to be assigned. Update case management system database. Transfer to Investigations District Office.	SMVT	3,991	42 minutes	1.2	1.6
Review assigned case in INV Case Management System. Schedule and meet with applicant. Authenticate /copy/scan documents. Review/update record and send for record clearance/close case.	Special Investigator Assistant	3,991	1 hour	2.2	2.2
Conduct all case work on potential fraud applications	Investigator	3,991	6 hours	13.5	13.5
Review and assign cases to Investigators. Reviews investigative reports upon completion and recommends appropriate course of action. Evaluate workload input and backlog.	Supervising Investigator	3,991	30 minutes	1.1	1.1
Develop/Maintain Identify Fraud Caseload Data Analytics	SSM I, Specialist	N/A	1,778 hours	1.0	1.0
Total INV Resource Request:				19.3	19.8

S2S INFORMATION TECHNOLOGY SOLUTION

The S2S proposed solution is to hire IT vendor resources to develop and implement the solution by the February 2027 implementation date. DMV will require \$22.6 million in IT resources for 2026-27 and 2027-28 including \$19 million for contracts and \$3.6 million for software licenses.

The System Integrator (SI) and middleware vendor will create a system, hardware and software, that will provide data and responses to the AAMVA S2S system. The vendor's solution will include information technology solutions for database creation, data extraction and cleansing, and messaging/response capabilities for program staff to communicate with DMV and AAMVA systems.

The new system requirements will:

1. Create a new real time/batch service invoked during processing of DL/ID applications.
2. Integrate with DL/ID processing systems and Virtual Field Office workflows.
3. Send and process a request to other state driver licensing agencies to cancel a DL/ID card, upon issuance in California.
4. Receive and process requests from other states to cancel a CA DL/ID card, upon issuance in requesting states.

This funding request will also allow DMV to study, implement, and mature automation capabilities that reduce the reliance on manual work. It will enable DMV to learn how and where automation can be applied effectively by building long-term efficiency and resilience into the duplicate resolution process. DMV's deduplication automation strategy consists of three key parts.

- 1) Enhanced Master Pointer Matching (SSN, Name, Date of Birth, and Credential Issue/Expiration Date)
- 2) Improving Manual Workflows to make human interventions more efficient
- 3) Applying Robotic Process Automation (RPA) to reduce manual keying and data entry

DMV anticipates \$1.5 million in 2026-27 and \$2.5 million in 2027-28 is required for extended vendor support after S2S implementation for continuous maintenance and operations support, to adapt to evolving duplicate master pointer patterns, vendor system updates, and compliance requirements. In addition, \$3.5 million in FY 2026/27 is needed to implement automation capabilities utilizing RPA to reduce manual keying and data entry. Maintenance tasks include fixing bugs after hyper care, routine monitoring, service level agreement tracking, patching, and optimization activities necessary to sustain automation. Without dedicated maintenance and operations resources, the Department is at risk of reduced efficiency, disruption to customer services, and the emergence of workload backlogs.

Proposed Contracts	2026-27	2027-28	Total Request
System Integrator (SI) Vendor and Middleware Costs	\$5,520,000		\$5,520,000
Extended Vendor Support (M&O)	\$1,500,000	\$2,500,000	\$4,000,000
Automation (UI Path/RPA)	\$3,500,000	\$250,000	\$3,750,000
CDT PAL, Oversight and Procurement Support	\$197,000		\$197,000
Project & Deliverables Manager	\$633,000		\$633,000
Senior Business Analyst	\$211,000		\$211,000
Senior Technical Lead	\$317,000		\$317,000
Senior Programmer	\$317,000		\$317,000
Organizational Change Management (OCM)	\$42,000		\$42,000
Independent Verification & Validation (IV&V)	\$186,000		\$186,000
Quality Manager	\$218,000		\$218,000
Schedule Manager	\$218,000		\$218,000
Enterprise Architect	\$256,000		\$256,000
AAMVA Fees	\$1,700,000	\$1,700,000	\$3,400,000
Total	\$14,815,000	\$4,450,000	\$19,015,000

CDT Oversight and Support

DMV requests funding for services provided by the California Department of Technology in the areas of Statewide Technology Procurement (STP), Independent Project Oversight and Project Approval Lifecycle (PAL) support.

The CDT STP consultant will guide the procurement phases with the DMV IT Acquisitions Unit and the Project core team to identify the best solution vendor. They are essential to completing the statement of work (SOW), negotiating, and awarding the primary contract for the S2S Project.

The Independent Project Oversight consultant will provide oversight services to the senior project leadership and DMV project team. The PAL Manager will provide support and guidance to the DMV team regarding the necessary PAL deliverables.

Project & Deliverables Manager

DMV requests funding to hire a Senior Technical Project Manager and Deliverables Manager consultants to provide services in support of the initialization, planning, execution, and control of the project, including managing project activities. The Project Manager(s) will plan and designate project resources, prepare budgets, monitor progress, identify, and track project risks and issues, and present regular project status updates to stakeholders and the DMV Directorate.

Deliverables Management services are needed to ensure all the project deliverables are tracked to completion, facilitate reviews with the appropriate stakeholders, review comments resolution, facilitate approval of the deliverables, and tie the deliverables to the payment milestones. During project execution, the Deliverables Manager will also manage the re-baselining and approval of the project artifacts and project management plans that were developed during the project approval lifecycle.

Senior Business Analyst

A Senior Business Analyst is needed to draft and complete system requirements and to participate in development and testing activities.

Senior Technical Lead & Senior Programmer

DMV will hire Senior Technical and Senior Programmer Leads who will be responsible for gathering, validating, and documenting requirements, gather and document new requirements, review of existing architecture (infrastructure and application), and conduct knowledge sharing/mentoring sessions.

The Senior Technical Lead is necessary to create System Design documents, create System Requirements Specification documents, create Application Developer and Support guides, recommend modern architecture for existing applications, incorporate DMV's containment strategy and implement enterprise application development process improvements.

In addition, the Senior Programmer Lead will produce and write new code or modify existing code for the integration of applications. They will also transition code through various application environments and write automated tests to validate code functionality and coverage.

Organizational Change Management (OCM)

OCM services are needed to focus on the people side of project changes, including changes to business processes, systems, and technology, along with impacts to job duties, roles and organization structures. Effective OCM directly contributes to the project's ability to realize value through faster speed of adoption, higher ultimate utilization, and a greater level of proficiency.

Independent Verification & Validation (IV&V)

DMV requests funding for IV&V consulting service to be performed in accordance with CDT SIMM 45. DMV will enter a contract with an independent provider for IV&V services. The IV&V consultants will provide monthly reporting on the status of the project from a technical aspect. IV&V will assess the project from an independent point of view while also ensuring that resources are used appropriately.

Quality Manager

DMV will hire a contractor for Quality Management services to ensure project artifacts and deliverables meet established quality standards and criteria and are reviewed and aligned with the solution and project methodology adopted by the project team. The Quality Manager will monitor, analyze, and evaluate the quality and effectiveness of the deliverables and ensure that the deliverables are produced with the highest quality which meets control agency requirements for approving IT projects. The Quality Manager will also oversee the entire quality assurance process, including testing and verification, to deliver high-quality results.

Schedule Manager

DMV requests funding to hire a contractor for Project Scheduler services to create and maintain project schedules, allocate resources, and track progress to ensure that the project stays on time and within defined timelines. The project scheduler will provide proactive monitoring of the project schedule to align it with the scope, time and cost allocated to the project.

Enterprise Architect

Enterprise Architecture consulting services are needed to assist in the development of action plans and strategies for the IT solution infrastructure of the S2S project and ensure alignment with business objectives. The Enterprise Architect will assist Business and IT leaders facilitate the decision-making process and provide actionable recommendations to help drive targeted business outcomes.

Software Licensing

Software licensing is required to access and operate the enterprise-grade tools needed to enable automation. Licensing costs cover vendor support for routine upgrades and security compliance updates. Without these licenses, DMV would not be able to implement a solution to meet the requirements for S2S, face unsupported integrations, limited scalability, and heightened security risks.

Software Licenses/Services	2026-27	2027-28	Total Request
Salesforce (Sandbox)	\$2,067,000	\$2,273,000	\$4,340,000
Mulesoft	\$35,000	\$39,000	\$74,000
Capado	\$46,000	\$50,000	\$96,000
Talend	\$65,000	\$8,000	\$73,000
Ownbackup	\$236,000	\$260,000	\$496,000
AWS	\$100,000	\$110,000	\$210,000
Total	\$2,549,000	\$2,740,000	\$5,289,000

C. Departmentwide and Statewide Considerations

The DMV's 2021-2026 Strategic Plan was designed to unify the many initiatives in the works and on the horizon, propelling us towards providing greater services and experiences to our customers. This effort supports the following objectives in that plan:

- **OBJECTIVE 2: DIGITAL SERVICES**

Deliver simpler, faster ways to fulfill customer needs through expanded digital services.

- **OBJECTIVE 3: TECHNOLOGY & DATA**

Create flexible, secure technology systems to enable innovation and continuous improvement.

- **OBJECTIVE 4: OPERATIONAL EFFICIENCY**

Embed measurable efficiency in every aspect of the organization.

- **OBJECTIVE 5: CUSTOMERS**

Become California's leading customer-centric public sector organization.

D. Outcomes and Accountability

Project Approval Lifecycle Review and Approval Process

The Project Approval Lifecycle (PAL) is divided into four stages, each separated by approval "gates". The gates provide a series of approval points, where CDT involves critical partners from across CDT and other state control agencies (such as DOF and DGS) to evaluate the PAL documents and provide approval to progress to the next stage. As additional information is collected and refined through the PAL, the cost estimates, schedules, and business objectives are progressively updated and evaluated to determine if the project is still practical to pursue the State investment. The PAL for the S2S Project was completed October 21, 2025.

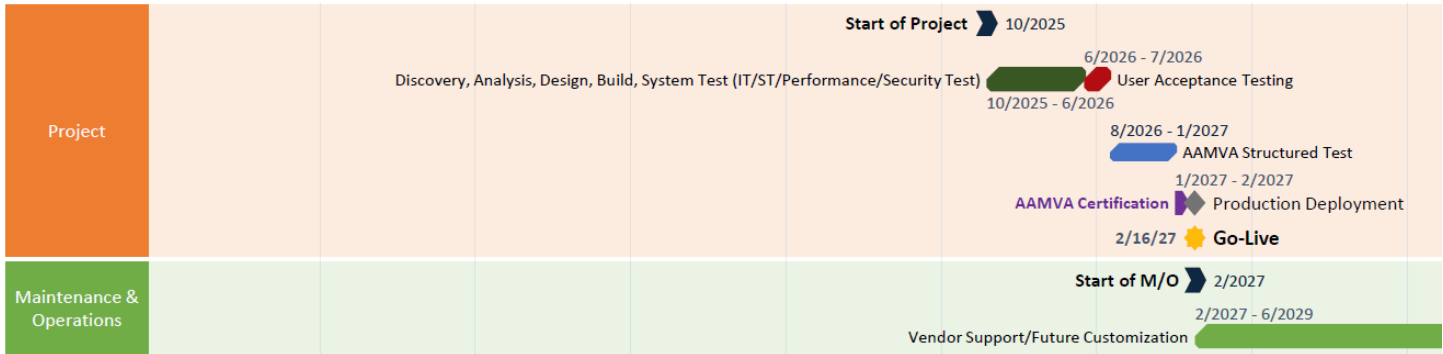
Controls and monitoring of the project and resources

CDT Project Approvals and Oversight will perform the Independent Project Oversight (IPO) services on the S2S Project. DMV will also enter a contract for an independent provider for Independent Validation and Verification (IV&V) consultant services. The IPO and IV&V assessors will provide required monthly reporting on the status of the project. This will not only assess the project from an independent point of view but also ensure that project management processes and deliverables along with technical assessments of the system's development, deliverables to determine if the requirements, quality, and customer needs are met. The CDT IPO will generate a monthly Independent Project Oversight Report (IPOR) to detail the S2S Project progress against the project objectives, scope, schedule, and costs defined in the approved PAL documents. The IPOR will identify any project risks, issues, findings, and recommendations throughout the project lifecycle.

According to California Department of Finance (DOF) Budget Letter 20-28, the S2S Project would be required to provide DOF quarterly Planning Expenditure Reports (DF-576) through the PAL Stages. The purpose of DF-576 is to account for all project planning expenditures throughout the PAL process and capture metrics on how planning relates to or increases project success.

E. Implementation Plan

With the approval of the PAL Stage 4, the main project vendor for the system integrator contract was awarded in October 2025 to begin development of the S2S solution. Structured testing with AAMVA is anticipated to start July 2026 in preparation for S2S go-live on February 16, 2027.



F. Supplemental Information

Requested Resources	2026-27	2027-28	Total Request
Personal Services			
Salaries	\$7,363,000	\$8,469,000	\$15,832,000
Staff Benefits	\$4,830,000	\$5,894,000	\$10,724,000
Total Personal Services:	\$12,193,000	\$14,363,000	\$26,556,000
Operating Expenses & Equipment			
Standard Compliment	\$1,326,000	\$1,522,000	\$2,848,000
System Integrator (SI) Vendor and Middleware Costs	\$5,520,000		\$5,520,000
Extended Vendor Support (M&O)	\$1,500,000	\$2,500,000	\$4,000,000
Automation (UI Path/RPA)	\$3,500,000	\$250,000	\$3,750,000
CDT PAL, Oversight and Procurement Support	\$197,000		\$197,000
Project & Deliverables Manager	\$633,000		\$633,000
Senior Business Analyst	\$211,000		\$211,000
Senior Technical Lead	\$317,000		\$317,000
Senior Programmer	\$317,000		\$317,000
Organizational Change Management (OCM)	\$42,000		\$42,000
Independent Verification & Validation (IV&V)	\$186,000		\$186,000
Quality Manager	\$218,000		\$218,000
Schedule Manager	\$218,000		\$218,000
Enterprise Architect	\$256,000		\$256,000
AAMVA Fees	\$1,700,000	\$1,700,000	\$3,400,000
Software Contacts/Services	\$2,549,000	\$2,740,000	\$5,289,000
Information Technology (Standard Compliment)	\$1,000,000	\$325,000	\$1,325,000
Investigator Vehicle (Standard Compliment)	\$557,000	\$140,000	\$697,000
Total Operating Expenses & Equipment:	\$20,248,000	\$9,177,000	\$29,424,000
Total Resource Request:	\$32,441,000	\$23,540,000	\$55,980,000

BCP Fiscal Detail Sheet

(Dollars in Thousands)

BCP Title: State to State Verification System (S2S) Project

BR Name: 2740-067-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 - Temporary Help	0	15,728	0	0	0	0
Salaries and Wages Overtime/Other	0	104	0	0	0	0
Total Salaries and Wages	\$0	\$15,832	\$0	\$0	\$0	\$0
Total Staff Benefits	0	10,724	0	0	0	0
Total Personal Services	\$0	\$26,556	\$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	1,906	0	0	0	0
5304 - Communications	0	239	0	0	0	0
5320 - Travel: In-State	0	233	0	0	0	0
5322 - Training	0	470	0	0	0	0
5340 - Consulting and Professional Services - External	0	11,917	0	0	0	0
5340 - Consulting and Professional Services - Interdepartmental	0	197	0	0	0	0
5346 - Information Technology	0	13,764	0	0	0	0
5368 - Non-Capital Asset Purchases - Equipment	0	567	0	0	0	0
539X - Other	0	131	0	0	0	0
Total Operating Expenses and Equipment	\$0	\$29,424	\$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	\$55,980	\$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 - 0044 - Motor Vehicle Account, State Transportation Fund	0	55,980	0	0	0	0
Total State Operations Expenditures	\$0	\$55,980	\$0	\$0	\$0	\$0
Total All Funds	\$0	\$55,980	\$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
2135 - Driver Licensing and Personal Identification	0	55,980	0	0	0	0
9900100 - Administration	0	5,261	0	0	0	0
9900200 - Administration - Distributed	0	-5,261	0	0	0	0
Total All Programs	\$0	\$55,980	\$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
TH00 - Temporary Help	0	15,728	0	0	0	0
Total Salaries and Wages	\$0	\$15,728	\$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
5150600 - Retirement - General	0	10,724	0	0	0	0
Total Staff Benefits	\$0	\$10,724	\$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	\$26,452	\$0	\$0	\$0	\$0