



September 14, 2016

The Honorable Mark Leno, Chairman
The Joint Legislative Budget Committee
1020 N Street, Room 553
Sacramento, CA 95814

Mr. Michael Cohen, Director
Department of Finance
915 L Street
Sacramento, CA 95814

Dear Senator Leno and Mr. Cohen:

Attached is the August 2016 report on the time it is taking to process various business filings, in accordance with the Budget Act of 2016 (Chapter 4, Statutes of 2016). Previous reports are posted on the Secretary of State's office website at www.sos.ca.gov/administration/agency-reports/business-filing-processing-time-agency-reports. If you have any questions about this report, please feel free to contact me at (916) 653-7244 or have your staff contact my Chief of the Business Programs Division, Betsy Bogart, at (916) 695-1197.

Sincerely,

Alex Padilla
Secretary of State

Attachment

cc: Ms. Diane Boyer-Vine, Legislative Counsel

September 14, 2016

Secretary of State's Report to Department of Finance and Joint Legislative Budget Committee

The Business Programs Division Filings Processing Budget Change Proposal was approved and incorporated into the Budget Act of 2016 (Chapter 4, Statutes of 2016). The Secretary of State is reporting on the 15th of each month to the Department of Finance and the Joint Legislative Budget Committee (JLBC) on the processing time for business filings.

This is the report for August 2016 and covers the period of August 1, 2016, through August 31, 2016.

Document Processing	Business Entities	Statements of Information
Processing Times as of August 1, 2016	5 days	8 days
Processing Times as of August 31, 2016	5 days	7 days
Average Processing Times ¹	6 days	7 days

Document Processing	Business Entities	Statements of Information	Total
Documents in Processing as of August 1, 2016	7,795	13,432	21,227
Documents Received during This Reporting Period	38,563	50,039	88,602
Documents Processed during This Reporting Period ²	38,747	53,088	91,835
Documents Awaiting Processing as of August 31, 2016	7,611	10,383	17,994
Documents Received since May 1, 2013	1,449,706	1,889,455	3,339,161
Documents Processed since May 1, 2013	1,467,838	1,950,923	3,418,761
Preclear/Expedites Processed during This Reporting Period	3,130	345	3,475
Preclear/Expedites Processed since May 1, 2013	125,664	9,636	135,300

Staffing	Permanent	Limited Term	Total
BPD FY 2016/17 Authorized Positions	270.1	50.0	320.1
Filled Positions as of August 31, 2016	251.6	29.0	280.6
Vacant Positions as of August 31, 2016	18.5	21.0	39.5
Estimated Average Vacancy Rate for this Reporting Period	6%	39%	11%

Staffing			Total
Number of Temporary Workers			98
Hours Worked by Temporary Workers during This Reporting Period			11,003
Temporary Hours Worked since May 1, 2013			430,522
Overtime Hours Worked during This Reporting Period			746
Overtime Hours Worked since May 1, 2013			96,679

¹ The processing times shown for the first and final day of the reporting period are snapshots in time. Processing times, in the form of business days, are tracked on a daily basis throughout the reporting period and from that information, the average processing time for the month is calculated. Throughout the month, the processing times fluctuate daily depending on the number of documents received each day (some days have higher volumes than others) and the number of documents processed.

The vacancies continue to be high at over 10%. Despite ongoing recruitment efforts, the limited term positions remain more difficult to fill. We are working on new recruitment strategies. We have added more overtime to help reduce the processing times but have concerns that reduced funding in this fiscal year will continue to have an impact on processing times and our ability to maintain an average processing time of 5 business days.

² Documents Processed includes Preclear/Expedites processed