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October 10, 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 September 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

October 10, 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 September 2016 and covers the period of September 1, 2016, through September 30, 2016.

Document Processing	Business Entities	Statements of Information
Processing Times as of September 1, 2016	5 days	7 days
Processing Times as of September 30, 2016	5 days	5 days
Average Processing Times ¹	5 days	6 days

Document Processing	Business Entities	Statements of Information	Total
Documents in Processing as of September 1, 2016	7,611	10,383	17,994
Documents Received during This Reporting Period	30,866	46,648	77,514
Documents Processed during This Reporting Period ²	29,742	48,189	77,931
Documents Awaiting Processing as of September 30, 2016	8,735	8,842	17,577
Documents Received since May 1, 2013	1,480,572	1,936,103	3,416,675
Documents Processed since May 1, 2013	1,497,580	1,999,112	3,496,692
Preclear/Expedites Processed during This Reporting Period	2,915	347	3,262
Preclear/Expedites Processed since May 1, 2013	128,579	9,983	138,562

Staffing	Permanent	Limited Term	Total
BPD FY 2016/17 Authorized Positions	270.1	50.0	320.1
Filled Positions as of September 30, 2016	256.1	28.0	284.1
Vacant Positions as of September 30, 2016	14.0	22.0	36.0
Estimated Average Vacancy Rate for this Reporting Period	6%	43%	12%

Staffing	Total
Number of Temporary Workers	105
Hours Worked by Temporary Workers during This Reporting Period	8,025
Temporary Hours Worked since May 1, 2013	438,547
Overtime Hours Worked during This Reporting Period	954
Overtime Hours Worked since May 1, 2013	97,633

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 12%. However, a decrease in the number of Statements of Information received in September, along with the use of targeted overtime, allowed us to achieve a 5 business day processing time by month's end. Additionally, the average processing time for the month was 6 days, compared to 7 days in August.

² Documents Processed includes Preclear/Expedites processed.