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March 9, 2018

The Honorable Holly Mitchell, Chair
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 Mitchell and Mr. Cohen:

Attached is the February 2018 report on the time it is taking to process various business filings, in accordance with the Budget Act of 2017 (Chapter 14, Statutes of 2017). 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

March 9, 2018

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 2017 (Chapter 14, Statutes of 2017). 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 February 2018 and covers the period of February 1, 2018 through February 28, 2018.

Document Processing	Business Entities	Statements of Information
Processing Times as of February 1, 2018	12 days	5 days
Processing Times as of February 28, 2018	12 days	8 days
Average Processing Times ¹	11 days	7 days

Document Processing	Business Entities	Statements of Information	Total
Documents in Processing as of February 1, 2018	23,726	5,191	28,917
Documents Received during This Reporting Period	38,004	26,013	64,017
Documents Processed during This Reporting Period ²	41,842	21,221	63,063
Documents Awaiting Processing as of February 28, 2018	19,888	9,983	29,871
Documents Received since May 1, 2013	2,122,532	2,610,969	4,733,501
Documents Processed since May 1, 2013	2,128,387	2,672,837	4,801,224
Preclear/Expedites Processed during This Reporting Period	4,048	120	4,168
Preclear/Expedites Processed since May 1, 2013	186,596	14,218	200,814

Staffing	Permanent	Limited Term	Total
BPD FY 2017/18 Authorized Positions	263.6	49.0	312.6
Filled Positions as of February 28, 2018	249.6	27.0	276.6
Vacant Positions as of February 28, 2018	14.0	22.0	36.0
Estimated Average Vacancy Rate for this Reporting Period	5%	45%	11%

Staffing	Total
Number of Temporary Workers	88
Hours Worked by Temporary Workers during This Reporting Period	6,674
Temporary Hours Worked since May 1, 2013	594,594
Overtime Hours Worked during This Reporting Period	1,969
Overtime Hours Worked since May 1, 2013	127,148

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.

For the month of February 2018, Business Entities is reporting an average of 11 business days continuing the peak filing period, which will last at least through March. The high volume period for Statements of Information, which is reporting an average of 7 business days, normally follows that of Business Entities by about 60 days. Staff continues to work overtime to process documents as quickly as possible; however, maintaining the 5-business day processing goal during this peak filing period continues to challenge existing resources.

² Documents Processed includes Preclear/Expedites processed