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February 11, 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 January 2016 report on the time it is taking to process various business filings, in accordance with the Budget Act of 2015 (Chapter 10, Statutes of 2015). During the historically high volume month of January, the processing times for business filings rose above the 5 business day average to an average 6 business days for the first time since November 2013. By redirecting staff and doing additional cross-training, we anticipate being back down to the average 5 business days by mid-February. The good news is business formation filings have increased, which is a sign the economy may be improving.

As always, 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,

A handwritten signature in black ink that reads "Alex Padilla".

Alex Padilla
Secretary of State

Attachment

cc: Ms. Diane Boyer-Vine, Legislative Counsel

February 11, 2016

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

The Business Programs Division Backlogs Finance Letter was approved and incorporated into the Budget Act of 2015 (Chapter 10, Statutes of 2015). 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 January 2016 and covers the period of January 1, 2016, through January 31, 2016. During the historically high volume month of January, the processing times for business filings rose above the 5 business day average to an average 6 business days for the first time since November 2013. By redirecting staff and doing additional cross-training, we anticipate being back down to the average 5 business days by mid-February. The good news is business formation filings have increased, which is a sign the economy may be improving.

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

Document Processing	Business Entities	Statements of Information	Total
Documents in Processing as of January 1, 2016	14,670	11,419	26,089
Documents Received during This Reporting Period	41,070	48,083	89,153
Documents Processed during This Reporting Period*	48,973	46,274	95,247
Documents Awaiting Processing as of January 31, 2016	6,767	13,228	19,995
Documents Received since May 1, 2013	1,186,186	1,525,867	2,712,053
Documents Processed since May 1, 2013	1,205,102	1,584,490	2,789,592
Preclear/Expedites Processed during This Reporting Period	3,031	268	3,299
Preclear/Expedites Processed since May 1, 2013	105,503	7,299	112,802

Staffing	Permanent	Limited Term	Total
BPD FY 2015/16 Authorized Positions	273.1	52.0	325.1
Filled Positions as of January 31, 2016	270.1	36.0	306.1
Vacant Positions as of January 31, 2015	3.0	16.0	19.0
Estimated Average Vacancy Rate for this Reporting Period	2%	23%	5%

Staffing	Total
Number of Temporary Workers	117
Hours Worked by Temporary Workers during This Reporting Period	11,661
Temporary Hours Worked since May 1, 2013	357,201
Overtime Hours Worked during This Reporting Period	3,903
Overtime Hours Worked since May 1, 2013	78,552

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.

² Documents Processed includes Preclear/Expedites processed