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June 15, 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 May 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). 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

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 May 2016 and covers the period of May 1, 2016, through May 31, 2016. The volume of submissions received began to decline in May for both Statements of Information and Business Entities Filings. However, over the last few months both sections have experienced an increased vacancy rate in the Limited Term positions authorized in AB 113 (provided 3 year hiring authority in 2013). For May, the combined vacancy rate for the Business Programs Division Limited Term staff was 37%. To mitigate the impact of the loss of personnel, we continued to share resources within the Division and work overtime.

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

Document Processing	Business Entities	Statements of Information	Total
Documents in Processing as of May 1, 2016	8,214	12,099	20,313
Documents Received during This Reporting Period	34,987	54,060	89,047
Documents Processed during This Reporting Period [*]	35,088	54,254	89,342
Documents Awaiting Processing as of May 31, 2016	8,113	11,905	20,018
Documents Received since May 1, 2013	1,343,882	1,745,521	3,089,403
Documents Processed since May 1, 2013	1,361,512	1,805,467	3,166,979
Preclear/Expedites Processed during This Reporting Period	2,850	315	3,165
Preclear/Expedites Processed since May 1, 2013	116,903	8,611	125,514

Staffing	Permanent	Limited Term	Total
BPD FY 2015/16 Authorized Positions	273.1	52.0	325.1
Filled Positions as of May 31, 2016	258.6	31.0	289.6
Vacant Positions as of May 31, 2016	14.5	21.0	35.5
Estimated Average Vacancy Rate for this Reporting Period	5%	37%	10%

Staffing	Total
Number of Temporary Workers	109
Hours Worked by Temporary Workers during This Reporting Period	10,304
Temporary Hours Worked since May 1, 2013	396,219
Overtime Hours Worked during This Reporting Period	3,110
Overtime Hours Worked since May 1, 2013	92,514

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