



**ALEX PADILLA** | SECRETARY OF STATE | STATE OF CALIFORNIA  
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August 9, 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 July 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](http://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 blue ink that reads "Alex Padilla".

Alex Padilla  
Secretary of State

Attachment

cc: Ms. Diane Boyer-Vine, Legislative Counsel

August 9, 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 15<sup>th</sup> 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 July 2016 and covers the period of July 1, 2016, through July 31, 2016.

| Document Processing                   | Business Entities | Statements of Information |
|---------------------------------------|-------------------|---------------------------|
| Processing Times as of July 1, 2016   | 4 days            | 4 days                    |
| Processing Times as of July 31, 2016  | 5 days            | 8 days                    |
| Average Processing Times <sup>1</sup> | 5 days            | 7 days                    |

| Document Processing   | Business Entities | Statements of Information | Total     |
|---|-------------------|---------------------------|-----------|
| Documents in Processing as of July 1, 2016                    | 5,718             | 12,083                    | 17,801    |
| Documents Received during This Reporting Period               | 29,112            | 42,632                    | 71,744    |
| Documents Processed during This Reporting Period <sup>2</sup> | 27,035            | 41,283                    | 68,318    |
| Documents Awaiting Processing as of July 31, 2016             | 7,795             | 13,432                    | 21,227    |
| Documents Received since May 1, 2013                          | 1,411,143         | 1,839,416                 | 3,250,559 |
| Documents Processed since May 1, 2013                         | 1,429,091         | 1,897,835                 | 3,326,926 |
| Preclear/Expedites Processed during This Reporting Period     | 2,510             | 322                       | 2,832     |
| Preclear/Expedites Processed since May 1, 2013                | 122,534           | 9,291                     | 131,825   |

| Staffing   | Permanent | Limited Term | Total |
|--|-----------|--------------|-------|
| BPD FY 2015/16 Authorized Positions                      | 270.1     | 50.0         | 320.1 |
| Filled Positions as of July 31, 2016                     | 256.6     | 32.0         | 288.6 |
| Vacant Positions as of July 31, 2016                     | 13.5      | 18.0         | 31.5  |
| Estimated Average Vacancy Rate for this Reporting Period | 5%        | 42%          | 11%   |

| Staffing   | Total   |
|--|---------|
| Number of Temporary Workers                                    | 102     |
| Hours Worked by Temporary Workers during This Reporting Period | 10,486  |
| Temporary Hours Worked since May 1, 2013                       | 419,519 |
| Overtime Hours Worked during This Reporting Period             | 201     |
| Overtime Hours Worked since May 1, 2013                        | 95,933  |

<sup>1</sup> 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%. The limited term positions are more difficult to fill. That and the reduced funding for overtime implemented in this fiscal year are having an impact on processing times and our ability to maintain an average processing time of 5 business days.

<sup>2</sup> Documents Processed includes Preclear/Expedites processed