



January 11, 2017

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 Members of the Joint Legislative Budget Committee and Mr. Cohen:

Attached is the December 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

January 11, 2017

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 December 2016 and covers the period of December 1, 2016 through December 31, 2016.

Document Processing	Business Entities	Statements of Information
Processing Times as of December 1, 2016	6 days	5 days
Processing Times as of December 31, 2016	8 days	4 days
Average Processing Times ¹	6 days	5 days

Document Processing	Business Entities	Statements of Information	Total
Documents in Processing as of December 1, 2016	10,287	6,645	16,932
Documents Received during This Reporting Period	43,498	42,568	86,066
Documents Processed during This Reporting Period ²	34,779	44,061	78,840
Documents Awaiting Processing as of December 31, 2016	19,006	5,152	24,158
Documents Received since May 1, 2013	1,590,360	2,070,381	3,660,741
Documents Processed since May 1, 2013	1,597,097	2,137,080	3,734,177
Preclear/Expedites Processed during This Reporting Period	3,882	377	4,259
Preclear/Expedites Processed since May 1, 2013	137,761	10,895	148,656

Staffing	Permanent	Limited Term	Total
BPD FY 2016/17 Authorized Positions	269.1	50.0	319.1
Filled Positions as of December 31, 2016	254.6	37.0	291.6
Vacant Positions as of December 31, 2016	14.5	13.0	27.5
Estimated Average Vacancy Rate for this Reporting Period	7%	26%	10%

Staffing	Total
Number of Temporary Workers	108
Hours Worked by Temporary Workers during This Reporting Period	10,431
Temporary Hours Worked since May 1, 2013	464,866
Overtime Hours Worked during This Reporting Period	2,113
Overtime Hours Worked since May 1, 2013	101,639

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.

We are in the midst of our peak Business Entity filing season, which is anticipated to continue at least through March. Staff continue to work overtime to process documents as quickly as possible, but maintaining the 5 business day processing time during this peak filing period is challenging with the holidays and increased workload. In September and October, the Secretary of State received an average of 31,000 Business Entity documents per month as compared to December where we received approximately 43,500 documents - a 40% increase.

² Documents Processed includes Preclear/Expedites processed