April 13, 2017

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 March 2017 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
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 March 2017 and covers the period of March 1, 2017 through March 31, 2017.

### Document Processing

<table>
<thead>
<tr>
<th>Document Processing</th>
<th>Business Entities</th>
<th>Statements of Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Processing Times as of March 1, 2017</td>
<td>8 days</td>
<td>6 days</td>
</tr>
<tr>
<td>Processing Times as of March 31, 2017</td>
<td>8 days</td>
<td>6 days</td>
</tr>
<tr>
<td>Average Processing Times (^1)</td>
<td>8 days</td>
<td>5 days</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Document Processing</th>
<th>Business Entities</th>
<th>Statements of Information</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Documents in Processing as of March 1, 2017</td>
<td>12,949</td>
<td>12,328</td>
<td>25,277</td>
</tr>
<tr>
<td>Documents Received during This Reporting Period</td>
<td>47,595</td>
<td>56,686</td>
<td>104,281</td>
</tr>
<tr>
<td>Documents Processed during This Reporting Period (^2)</td>
<td>46,645</td>
<td>56,985</td>
<td>103,630</td>
</tr>
<tr>
<td>Documents Awaiting Processing as of March 31, 2017</td>
<td>13,899</td>
<td>12,029</td>
<td>25,928</td>
</tr>
<tr>
<td>Documents Received since May 1, 2013</td>
<td>1,712,368</td>
<td>2,226,321</td>
<td>3,938,689</td>
</tr>
<tr>
<td>Documents Processed since May 1, 2013</td>
<td>1,724,212</td>
<td>2,286,143</td>
<td>4,010,355</td>
</tr>
<tr>
<td>Preclear/Expedites Processed during This Reporting Period</td>
<td>3,837</td>
<td>402</td>
<td>4,239</td>
</tr>
<tr>
<td>Preclear/Expedites Processed since May 1, 2013</td>
<td>148,240</td>
<td>11,904</td>
<td>160,144</td>
</tr>
</tbody>
</table>

### Staffing

<table>
<thead>
<tr>
<th>Staffing</th>
<th>Permanent</th>
<th>Limited Term</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>BPD FY 2016/17 Authorized Positions</td>
<td>268.1</td>
<td>50.0</td>
<td>318.1</td>
</tr>
<tr>
<td>Filled Positions as of March 31, 2017</td>
<td>253.6</td>
<td>36.0</td>
<td>289.6</td>
</tr>
<tr>
<td>Vacant Positions as of March 31, 2017</td>
<td>14.5</td>
<td>14.0</td>
<td>28.5</td>
</tr>
<tr>
<td>Estimated Average Vacancy Rate for this Reporting Period</td>
<td>6%</td>
<td>25%</td>
<td>9%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Staffing</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Temporary Workers</td>
<td>106</td>
</tr>
<tr>
<td>Hours Worked by Temporary Workers during This Reporting Period</td>
<td>9,115</td>
</tr>
<tr>
<td>Temporary Hours Worked since May 1, 2013</td>
<td>491,625</td>
</tr>
<tr>
<td>Overtime Hours Worked during This Reporting Period</td>
<td>2,717</td>
</tr>
<tr>
<td>Overtime Hours Worked since May 1, 2013</td>
<td>109,325</td>
</tr>
</tbody>
</table>

\(^1\) 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.

As reported in February, we are in the midst of our peak Business Entity filing season, which is anticipated to continue at least through March. Staff continues 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 holiday and increased workload.

\(^2\) Documents Processed includes Preclear/Expedites processed