



**ALEX PADILLA** | SECRETARY OF STATE | STATE OF CALIFORNIA  
1500 11<sup>th</sup> Street, 6th floor | Sacramento, CA 95814 | Tel 916.653.7244 | Fax 916.653.4620 | [www.sos.ca.gov](http://www.sos.ca.gov)

March 9, 2018

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 February 2018 report on the time it is taking to process various business filings, in accordance with the Budget Act of 2017 (Chapter 14, Statutes of 2017). 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,

Alex Padilla  
Secretary of State

Attachment

cc: Ms. Diane Boyer-Vine, Legislative Counsel

March 9, 2018

## 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 2017 (Chapter 14, Statutes of 2017). 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 February 2018 and covers the period of February 1, 2018 through February 28, 2018.

| Document Processing                      | Business Entities | Statements of Information |
|--|-------------------|---------------------------|
| Processing Times as of February 1, 2018  | 12 days           | 5 days                    |
| Processing Times as of February 28, 2018 | 12 days           | 8 days                    |
| Average Processing Times <sup>1</sup>    | 11 days           | 7 days                    |

| Document Processing   | Business Entities | Statements of Information | Total     |
|---|-------------------|---------------------------|-----------|
| Documents in Processing as of February 1, 2018                | 23,726            | 5,191                     | 28,917    |
| Documents Received during This Reporting Period               | 38,004            | 26,013                    | 64,017    |
| Documents Processed during This Reporting Period <sup>2</sup> | 41,842            | 21,221                    | 63,063    |
| Documents Awaiting Processing as of February 28, 2018         | 19,888            | 9,983                     | 29,871    |
| Documents Received since May 1, 2013                          | 2,122,532         | 2,610,969                 | 4,733,501 |
| Documents Processed since May 1, 2013                         | 2,128,387         | 2,672,837                 | 4,801,224 |
| Preclear/Expedites Processed during This Reporting Period     | 4,048             | 120                       | 4,168     |
| Preclear/Expedites Processed since May 1, 2013                | 186,596           | 14,218                    | 200,814   |

| Staffing   | Permanent | Limited Term | Total |
|--|-----------|--------------|-------|
| BPD FY 2017/18 Authorized Positions                      | 263.6     | 49.0         | 312.6 |
| Filled Positions as of February 28, 2018                 | 249.6     | 27.0         | 276.6 |
| Vacant Positions as of February 28, 2018                 | 14.0      | 22.0         | 36.0  |
| Estimated Average Vacancy Rate for this Reporting Period | 5%        | 45%          | 11%   |

| Staffing   | Total   |
|--|---------|
| Number of Temporary Workers                                    | 88      |
| Hours Worked by Temporary Workers during This Reporting Period | 6,674   |
| Temporary Hours Worked since May 1, 2013                       | 594,594 |
| Overtime Hours Worked during This Reporting Period             | 1,969   |
| Overtime Hours Worked since May 1, 2013                        | 127,148 |

<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.

For the month of February 2018, Business Entities is reporting an average of 11 business days continuing the peak filing period, which will last at least through March. The high volume period for Statements of Information, which is reporting an average of 7 business days, normally follows that of Business Entities by about 60 days. Staff continues to work overtime to process documents as quickly as possible; however, maintaining the 5-business day processing goal during this peak filing period continues to challenge existing resources.

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