



**ALEX PADILLA** | SECRETARY OF STATE | STATE OF CALIFORNIA  
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October 15, 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 September 2018 report on the time it is taking to process various business filings, in accordance with the Budget Act of 2018 (Chapter 29, Statutes of 2018). 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

October 15, 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 2018 (Chapter 29, Statutes of 2018). 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 September 2018 and covers the period of September 1, 2018 through September 30, 2018.

Document Processing	Business Entities	Statements of Information
Processing Times as of September 1, 2018	5 days	5 days
Processing Times as of September 30, 2018	5 days	4 days
Average Processing Times <sup>1</sup>	6 days	5 days

Document Processing	Business Entities	Statements of Information	Total
Documents in Processing as of September 1, 2018	5,886	2,757	8,643
Documents Received during This Reporting Period	43,275	18,874	62,149
Documents Processed during This Reporting Period <sup>2</sup>	41,862	19,498	61,360
Documents Awaiting Processing as of September 30, 2018	7,299	2,133	9,432
Documents Received since May 1, 2013	2,411,049	2,778,879	5,189,928
Documents Processed since May 1, 2013	2,429,263	2,848,597	5,277,860
Preclear/Expedites Processed during This Reporting Period	2,802	151	2,953
Preclear/Expedites Processed since May 1, 2013	213,415	15,422	228,837

Staffing	Permanent	Limited Term	Total
BPD FY 2017/18 Authorized Positions	261.6	43.0	304.6
Filled Positions as of September 30, 2018	240.6	25.0	265.6
Vacant Positions as of September 30, 2018	21.0	18.0	39.0
Estimated Average Vacancy Rate for this Reporting Period	7%	40%	12%

Staffing	Total
Number of Temporary Workers	74
Hours Worked by Temporary Workers during This Reporting Period	5,437
Temporary Hours Worked since May 1, 2013	650,176
Overtime Hours Worked during This Reporting Period	1,710
Overtime Hours Worked since May 1, 2013	140,067

<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 September 2018, Business Entities reported an average of 6 business days. Staff continues to work overtime to process documents as quickly as possible and to deepen cross training as new automation is introduced. Overall, automation of the Limited Liability Company (LLC) Statement of Information (implemented June 2017) and Formation (implemented May 2018) documents have improved the customer experience with the office of the Secretary of State. Automation of the LLC Termination documents in December 2018 will advance the agency's incremental automation plan.

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