

Shirley N.Weber, Ph.D. | California secretary of state

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February 15, 2022

The Honorable Nancy Skinner, Chair Joint Legislative Budget Committee State Capitol, Room 553 Sacramento, CA 95814

The Honorable Phil Ting, Vice Chair Joint Legislative Budget Committee State Capitol, Room 553 Sacramento, CA 95814

Ms. Keely Bosler, Director Department of Finance 915 L Street Sacramento, CA 95814

Dear Chairpersons Skinner, and Ting and Ms. Bosler:

Attached is the January 2022 report on the time it is taking to process various business filings, in accordance with the Budget Act of 2021 (Chapter 21, Statutes of 2021). Previous reports are posted on the Secretary of State's office website at 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

Shirley N. Weber, Ph.D.

Secretary of State

Attachment

cc: Members, Joint Legislative Budget Committee Hanz Hemann, Joint Legislative Budget Committee Counsel Ms. Erika Contreras, Secretary of the Senate Ms. Cara L. Jenkins, 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 2021 (Chapter 21, Statutes of 2021). 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 January 2022 and covers the period of January 1, 2022 through January 31, 2022.

| Document Processing | Business Entities | | Statement of Information | |
|---|----------------------|------|-----------------------------|------|
| Processing Times as of January 1, 2022 | 9 | days | 5 | days |
| Processing Times as of January 31, 2022 | 10 | days | 6 | days |
| Average Processing Times ¹ | 9 | days | 4 | days |

| Document Processing | Business Entities | Statement of Information | Total |
|---|----------------------|-----------------------------|-----------|
| Documents in Processing as of January 1, 2022 | 14,222 | 1,035 | 15,257 |
| Documents Received during This Reporting Period | 62,153 | 10,687 | 72,840 |
| Documents Processed during This Reporting Period ² | 64,451 | 8,365 | 72,816 |
| Documents Awaiting Processing as of January 31, 2022 | 11,924 | 3,357 | 15,281 |
| Documents Received since May 1, 2013 | 4,370,475 | 3,418,288 | 7,788,763 |
| Documents Processed since May 1, 2013 ² | 4,383,432 | 3,486,782 | 7,870,214 |
| Preclear/Expedites Processed during This Reporting Period | 0 | 0 | 0 |
| Preclear/Expedites Processed since May 1, 2013 | 286,155 | 18,794 | 304,949 |

| Staffing | Permanent | Limited Term | Total |
|--|-----------|--------------|-------|
| BPD FY 2021/22 Authorized Positions | 259.6 | 37.0 | 296.6 |
| Filled Positions as of January 31, 2022 | 237.6 | 25.0 | 262.6 |
| Vacant Positions as of January 31, 2022 | 22.0 | 12.0 | 34.0 |
| Estimated Average Vacancy Rate for this Reporting Period | 9% | 32% | 11% |

| Staffing | Total |
|--|---------|
| Number of Temporary Workers | 63 |
| Hours Worked by Temporary Workers during This Reporting Period | 5,825 |
| Temporary Hours Worked since May 1, 2013 | 924,871 |
| Overtime Hours Worked during This Reporting Period | 2,948 |
| Overtime Hours Worked since May 1, 2013 | 242,654 |

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. Due to the COVID-19 pandemic and the rise in COVID cases in California, we continue to have limited staff in the office at a given time. Business Entities is in the peak season of business filings which accounts for the increase in processing times. We continue to focus on online services, registrations, and statements of information to continue to support the California economy. The online services are allowing some staff to telework. Online services for Statements of Information are 1-5 days and Business Entities are 2-9 days.

² Documents Processed includes Preclear/Expedites processed