

## **Business Information Modernization (BIM) Proposal Update December 1, 2010**

The 2010-11 state budget signed into law by the Governor on October 8, 2010, included funding for Secretary Bowen's Business Information Modernization (BIM) Proposal, which dozens of businesses and organizations throughout the state were kind enough to support.

The ability to improve and modernize the Secretary of State's business filing process has been restricted over the past years by state budgets that limited the office's ability to use 100% of the fees businesses pay to the Secretary of State's office. This, combined with the 25% cut to the office's budget over the past two years, has increased the amount of time it takes the Secretary of State's office to process documents filed by businesses.

The 2010-11 state budget permits the Secretary of State's office to retain a portion of the fees already paid by businesses instead of sending it to the state's General Fund and use it to both reduce the current processing backlogs and begin to modernize the entire filing process. The budget set aside \$500,000 in fiscal year 2010-11 and \$500,000 in fiscal year 2011-12. The money will be evenly split between paying personnel to work overtime and hiring temporary help to reduce the current backlog; and investing in information technology projects to make it easier for businesses to file their Statements of Information online.

More specifically, as of December 1, 2010:

Backlog Reduction: Since October 16, 2010, the office has reduced the longest turn around times for business filings submitted by mail by over 2 weeks (from 85 business days to 68 business days). The office has spent \$151,000 of the \$250,000 set aside in fiscal year 2010-11 for this purpose, processing more than 24,900 business filing documents. This \$151,000 spent on overtime and temporary help generated over \$698,000 in filing and service fees for the state's General Fund that would not have otherwise been brought in this year due to the filing backlog. This \$698,000 figure does not include the additional tax revenue generated for local and state governments or the benefits of job creation that occur once a business registers with the Secretary of State's office and can open its doors.

Information Technology Investment: The \$250,000 set aside in the 2011-12 state budget will allow the Secretary of State's office to expand the online Statement of Information system to allow all corporations and limited liability companies to file their Statements of Information online 24/7 and receive an electronic copy of their filing. This service is expected to be available in late 2011 or in early of 2012. Right now, the office processes over 1 million Statements of Information each year.

Thank you for your continued support. We will keep you updated on our efforts to work through the backlogs and modernize our systems. In the long-term, the Secretary of State's office will be working with the Governor and the Legislature to move forward with efforts to replace our current paper based processes and modernize the entire system to provide online filing and records retrieval for businesses. We will keep you updated on these efforts.