

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
ACTION AGENDA SUMMARY

DEPT: Clerk Recorder

BOARD AGENDA # 9:15 a.m. (b)

Urgent

Routine

AGENDA DATE April 22, 2008

CEO Concurs with Recommendation YES NO

4/5 Vote Required YES NO

(Information Attached)

SUBJECT:

Approval to Introduce and Waive the First Reading of an Ordinance to Establish New Fees for the Clerk Recorder Department

STAFF RECOMMENDATIONS:

1. Approve the introduction and waive the first reading of an ordinance to establish new fees for the Clerk Recorder Department.
 2. Direct the Auditor-Controller to conduct two reviews of the Social Security Number (SSN) Truncation Program pursuant to Government Code section 27361(d)(4). The first review to be completed between the dates of June 1, 2012 and December 31, 2013, and the second review to be completed between the dates of June 1, 2017 and December 31, 2017.
 3. Direct the Auditor-Controller to establish a separate Org Number within the existing Clerk Fixed Asset Acquisition fund to track the new fees and expenditures for the Social Security Number Truncation Program.
 4. Authorize the Clerk Recorder to prepare a Request for Proposal (RFP) for the SSN Truncation of Historical Records and a Request for Proposal (RFP) for the SSN Truncation of Future Records.
- Recommendations continued on page 2

FISCAL IMPACT:

The Social Security Number (SSN) Truncation Program is estimated to cost \$1,613,800 to truncate social security numbers from documents recorded starting in 1980 through 2017. This cost will be offset by the estimated revenue of \$1,600,000 (see Attachment A, Table 2) generated through 2017 by the \$1 per document charge. If approved, the new fee will be effective July 1, 2008 through December 31, 2017 and will be deposited into a SSN Trust Account. If costs related to the social security number truncation program have not been offset by December 31, 2017, the County Clerk Recorder may request that the Board extend the fee until the costs of the program are fully recovered.

BOARD ACTION AS FOLLOWS:

No. 2008-293

On motion of Supervisor Grover, Seconded by Supervisor DeMartini, and approved by the following vote,

Ayes: Supervisors: O'Brien, Grover, Monteith, DeMartini, and Chairman Mayfield

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

1) Approved as recommended

2) Denied

3) Approved as amended

4) Other:

MOTION:

INTRODUCED AND WAIVED THE FIRST READING OF ORDINANCE C.S. 1035

Christine Ferraro

ATTEST: CHRISTINE FERRARO TALLMAN, Clerk

File No. ORD-55-G-8

STAFF RECOMMENDATIONS: (cont'd)

5. Authorize the General Services Agency (GSA) Purchasing Division to issue an RFP for SSN Truncation of Historical Records and an RFP for the SSN Truncation of Future Records.
6. Authorize the Clerk Recorder to negotiate, award and execute contracts and authorize GSA-Purchasing to issue purchase orders to implement the SSN Truncation Programs.

FISCAL IMPACT: (cont'd)

If the Board authorizes the collection of this \$1 fee, the Board must also direct the Auditor pursuant to Government Code 27304(c) to conduct two reviews to verify that the funds generated by this fee are used only for the purpose of the social security number truncation program.

DISCUSSION:

Government Code 27300 – 27307 recognizes the need for government to act to protect individual members of the public from identity theft. Many documents are recorded or filed with the County Recorder that contain social security numbers. The County Recorder has the responsibility and authority to truncate social security numbers to display only the last four digits on official records recorded during the time period from January 1, 1980 to the present and into the future. Recognizing that this is a new responsibility, the law authorizes the County Recorder to collect, upon authorization of the Board of Supervisors, an additional \$1 charge per document to pay for this new program through December 31, 2017. Government Code section 27361(d)(2) provides for the County Recorder to seek reauthorization from the Board of Supervisors for an extension of the fee if any costs associated with maintenance and support of this program have not been collected.

As a condition of approving the fee, Government Code 27304(c) requires that the Board will direct the County Auditor to conduct two reviews of the program to verify that the funds generated by this fee are used only for the purpose of this program. The law requires the Board to direct that the first review be completed between June 1, 2012 and December 31, 2013, and that the second review be completed between June 1, 2017 and December 31, 2017.

Government Code 27301 requires the County Recorder to establish a social security number (SSN) Truncation Program. Included in this process is the preparation and issuance of a Request for Proposal (RFP) for the SSN Truncation Program. The County Recorder working in conjunction with the General Services Agency Purchasing Department will prepare, draft, issue the SSN Truncation Program RFP. The County Recorder will then evaluate, select, negotiate, award and execute a contract to implement the SSN Truncation Program.

The SSN Truncation Program is planned to start on July 1, 2008. The Program will be executed in two phases.

Phase One: The County Recorder will truncate social security numbers from historical official records recorded from January 1, 1980 thru June 30, 2008. This phase of the program contains three major elements:

1. Records from 1980 through March of 1993 require creation of an electronic image prior to truncation. The scope of this effort is under current development and is anticipated to include: creation of electronic images from microfilm and creation of electronic indexing of the 1980 through March 1993 records. An estimated 500,000 documents and 2,500,000 pages from

1980 through March 1993 require scanning. This element of the project is estimated to cost \$364,000.

2. Records from March 1993 through June 30, 2008 require review and the replacement of missing images re-created from microfilm. An estimated 30,000 documents and 150,000 pages require scanning from original microfilm. This element of the project is estimated to cost \$21,000.
3. Records from 1980 through June 2008 require examination and truncation of social security numbers. An estimated 3,000,000 documents and 15,000,000 pages require this process. This element of the project is estimated to cost \$748,800.

The Recorder plans to solicit bids and engage the professional services of specialists to complete the three elements of Phase One. The Department predicts this project will require four to five years to complete at an estimated cost of \$1,133,800. The estimated cost for the Phase One of the program is shown in Table 1 of Attachment A.

Phase Two: The establishment by the Clerk Recorder of new procedures to truncate social security numbers on documents presented for recordation will begin July 1, 2008. The Recorder will solicit bids for a system that will truncate social security numbers from recorded documents. The scope of this effort is under current development and is anticipated to include the following elements:

1. Records from July 1, 2008 through December 31, 2017 will require truncation. During this time period it is estimated 1,750,000 documents including 8,750,000 pages will be submitted to the truncation process that will include sight verification by staff. The requirement to redact and truncate social security numbers will continue beyond 2017. Truncation of the documents recorded July 1, 2008 through December 31, 2017 is estimated to cost \$480,000.

Those cost estimates are listed in the key at the bottom of Attachment A.

A comparison of California counties currently collecting SSN Truncation Program fees are included in the following summary table:

County Fee Comparison

County	Board Approval to Collect SSN Truncation Fees	Basic Recording Fee	SSN Truncation Fee	Total New Basic Recording Fee	Date Started Collecting SSN Truncation Fee
Fresno	Yes	\$7	\$1	\$8	1/2/2008
Kern	In Process	\$7	-	\$7	
Monterey	Yes	\$8	\$1	\$9	1/2/2008
Sacramento	Yes	\$7	\$1	\$1	1/2/2008
San Joaquin	In Process	\$7	-	\$7	-
Solano	Yes	\$7	\$1	\$8	1/2/2008
Sonoma	Yes	\$7	\$1	\$8	1/2/2008
Ventura	Going to board early March	\$7	-	\$7	

Additional Counties Contacted

County	Board Approval to Collect SSN Truncation Fees	Basic Recording Fee	SSN Truncation Fee	Total New Basic Recording Fee	Date Started Collecting SSN Truncation Fee
Mariposa	Yes	\$7	\$1	\$8	2/1/2008
Merced	In Process	\$7	-	\$7	-
Contra Costa	Yes	\$6	\$1	\$7	1/1/2008
San Luis Obispo	In Process	\$7	-	-	-
Alameda	Yes	\$7	\$1	\$8	7/1/2008

Stanislaus County Fees

County	Board Approval to Collect SSN Truncation Fees	Basic Recording Fee	SSN Truncation Fee	Total New Basic Recording Fee	Date Started Collecting SSN Truncation Fee
Stanislaus Current		\$7	0	\$7	
Stanislaus Proposed	In Process	\$7	\$1	\$8	7/1/2008

Since the cost of this program is greater than the program fee's initial revenue generated, Government Code 27304(c) authorizes the Clerk Recorder to seek a loan to start the program and to repay the loan with the revenue generated from fee collection. These funds will be loaned with existing cash in the Clerk Recorder's Trust Fund. Costs associated with this loan have not been included in the cost and revenue tables in Attachment A. The Auditor-Controller will need to establish a separate Org Number within the existing Clerk Fixed Asset Acquisition fund to track the new fees and expenditures for the Social Security Number Truncation Program.

Estimated cost and revenue for this program is listed in Attachment A.

POLICY ISSUES:

The Board of Supervisors approval of this item supports the Board's priority of efficient delivery of public services.

STAFFING IMPACTS:

There is no additional staffing impact associated with this request. It is anticipated that the SSN Truncation Program can be accomplished with existing staff.

ATTACHMENTS

Attachment A - Cost and Revenue Analysis

Attachment A

Cost and Revenue Analysis of the Social Security Number Truncation Program

Table 1 - Estimated Costs for Program

Years	Ave. # of Documents Per Year	Avg # of Pages/doc	Number of Years	Cost per Page	Items included in cost (see key below)	Cost Estimate
Historical Records						
1980-1993	40,000	5	13	0.14	A+B+C	\$ 364,000
Missing images	30,000	5	1	0.14	A+B+C	\$ 21,000
1993-2008	156,000	5	16	0.06	C	\$ 748,800
Total Estimated Cost for Historical Records						\$1,133,800
Future Records						
2009-2012	150,000	5	4	0.06	C	\$ 180,000
2013-2017	200,000	5	5	0.06	C	\$ 300,000
Total Estimated Cost for Future Records						\$ 480,000
Total Estimated for Complete Program						\$1,613,800

Table 2 - Estimated Revenue from \$1/Document Fee

Years	Ave. # of Documents Per Year	Number of Years	Revenue per Page	Items included in cost (see key below)	Revenue Estimate
2009-2012	150,000	4	1		\$ 600,000
2013-2017	200,000	5	1		\$ 1,000,000
Total Estimated Revenue					\$ 1,600,000

Key	Description	Cost Estimate
A	Indexing to grantee/grantor names	\$ 0.04
B	Creating an electronic image	\$ 0.04
C	Redaction/Truncation of SSN	\$ 0.06

AN ORDINANCE ADOPTING CLERK RECORDER SCHEDULE FOR NEW FEES

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS, STATE OF CALIFORNIA, ORDAINS AS FOLLOWS:

Section 1. The Board of Supervisors hereby amends chapters 4.34 to the Stanislaus County Code to read as follows.

Section 2. 4.34 CLERK'S FEES

4.34.010 Designated

N. To support the Social Security Number Truncation Program within the Clerk Recorder Department, each chargeable recorded document will be assessed a one dollar fee effective July 1, 2008 and continue through December 31, 2017.

Section 3. The Board of Supervisors hereby adopts the Clerk Recorder Department new fee of \$1 for each recorded document for the purpose of funding a social security number truncation program. The fee will take effect on July 1, 2008 and end on December 31, 2017.

Section 4. The Board of Supervisors hereby directs the Auditor to conduct two reviews of the Clerk Recorder's social security number truncation program to verify the funds are only being used for this program. The first review must be completed not before June 1, 2012, or after December 31, 2013, and that the second review be completed not before June 1, 2017, or after December 31, 2017.

Section 5. This ordinance shall be published once before the expiration of 15 days after passage of this ordinance, with the names of the members voting for and against the same, in the Modesto Bee, a newspaper published in the County of Stanislaus, State of California, and the ordinance shall take effect either (a) pursuant to section 25123 of the Government Code, 30 days after the date of publication, or (b) pursuant to section 66017 of the Government code, 60 days following the final action on the adoption of the fees or charges, whichever date occurs first.

Upon motion of Supervisor _____, seconded by Supervisor _____, the foregoing resolution was passed and adopted at a regular meeting of the board of Supervisors of the County of Stanislaus, State of California, and the _____ day of _____ 2008, by the following called vote.

AYES: Supervisors:
NOES: Supervisors:
ABSENT: Supervisors:

Thomas Mayfield, Chairman of the Board of Supervisors of the County of Stanislaus, State of California


ATTEST:

Christine Ferraro Tallman
Clerk of the Board of Supervisors of the
County of Stanislaus, State of California

By _____
Deputy

APPROVED AS TO FORM:

Michael H. Krausnick
County Counsel

By  _____
Dean Wright
Deputy County Counsel