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Letter Report I-0003

Honorable S. Floyd Mori
Chairman, and Members of the
Joint Legislative Audit Committee
Room 4168, State Capitol
Sacramento, California 95814

Dear Mr. Chairman and Members:

In response to a complaint we received concerning the Student Aid Commission, we have investigated the unauthorized use of state-leased parking facilities by commission employees and the hiring and payments of salary and travel allowances to a special consultant.

Based upon interviews with staff at the commission, the State Personnel Board, the Department of General Services, and the State Controller's Office and a review of appropriate records, we found that the State has lost over \$43,000 in general revenue because the commission permitted its employees to park free on state-controlled parking facilities.

We also found that the special consultant was hired within statutory constraints and received proper pay and allowances. Additionally, the special consultant appointment was approved by the State Personnel Board, which closely monitored and reviewed each period of employment for the individual involved. The commission requested the consultant's services to develop a mandated Guaranteed Student Loan Program.

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Unauthorized Use of State Parking
Facilities by Commission Employees

Government Code Section 14677 permits state employees to park on state-owned or state-controlled parking facilities for a fee to be determined by the Director of General Services. On January 1, 1973, the Department of General Services leased office space and 37 parking spaces for the commission. On June 3, 1977, the commission's parking facilities were increased to 50 spaces. From April 1, 1973 through March 3, 1980, the commission has permitted from 30 to 42 employees to park private automobiles on state-controlled parking areas at no cost. The Department of General Services has valued each parking space at \$15 per month. On that basis, we calculated the loss of general revenue over the 83-month period to be \$43,290.

On January 22, 1980, the Department of General Services informed the commission that state employees are not authorized to park at no cost on state-controlled facilities; the commission must submit a parking plan, as required by the State Administrative Manual, Section 4188.2; and the commission must charge its employees parking fees, effective March 3, 1980. The commission has complied with these directives.

In consideration of these findings, the Chairman of the Joint Legislative Audit Committee should consider requiring the Director of the Student Aid Commission to report on corrective action taken.

Respectively submitted,


THOMAS W. HAYES
Auditor General

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