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*NEWS RELEASE*

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*Department of General Services - Ron Joseph, Director*

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**STATE CONCLUDES SUCCESSFUL EFFORT TO SOLVE DEFICIT IN MOTOR  
VEHICLE PARKING FUND WITHOUT RAISING FEES**

**SACRAMENTO** - The Office of Fleet Administration has successfully turned around a chronic deficit in the fund used to run parking lots for State employees, according to a report issued today by the Department of General Services.

The fund, which operated at a loss for five of the six years starting with 1999-2000, is now self-supporting at no cost to California taxpayers and with no increase in parking fees. The last fee increase in DGS-operated parking lots was January 1, 2002.

"While the amount of money involved is small compared with many of our other programs, the chronic deficit was a source of concern," said DGS Deputy Director Rob Cook. "As a result of our efforts to investigate the causes and correct the problems we found, we were able to solve the problem without increasing fees on State employees."

The DGS Interagency Support Division began addressing the deficit in September 2004. It identified more than \$1.1 million in cost reductions, mainly by closing one peripheral parking lot and ending the practice of buying transit passes for parkers.

Also, starting in December 2004, the Office of Fleet Administration began to reconcile its parking database with the payroll database at the State Controller's Office. As a result, the Office of Fleet Administration identified several hundred inactive parkers erroneously listed in its files. This allowed it to issue additional parking permits, increasing revenue by \$168,000 per year and enabling more employees to enjoy convenient parking.

The Office of Fleet Administration initially found several hundred discrepancies involving employees who had parking privileges but seemingly no corresponding payroll deduction. This led to the preliminary conclusion that these employees might not have paid the proper parking fees. But contrary to those initial reports, DGS internal auditors later determined that only 49 employees had not been assessed the proper payroll deduction, all due solely to administrative errors by state agencies. Beginning in October 2005, DGS began pursuing uncollected fees from these employees. DGS has been working with all 49 individuals on a case-by-case basis to recover the fees in a convenient and timely manner.

"Improving management of operations and reducing operating costs have been major goals at the Interagency Support Division," Cook said. "We're pleased that our drive for increased efficiency is directly benefiting State employees by eliminating the need for an increase in parking fees."

Copies of the report are available from the DGS Office of Public Affairs.