

GENERAL GOVERNMENT

The General Government Section includes multiple departments, commissions, and offices responsible for the operation of various government programs. The Budget includes total funding of \$4 billion (\$470.2 million General Fund and \$3.5 billion various funds) for these entities.

CALIFORNIA DEPARTMENT OF VETERANS AFFAIRS

The California Department of Veterans Affairs promotes and delivers services for California veterans and their families. Specifically, the Department provides aid and assistance to veterans and their families for presenting claims for federal veterans' benefits, provides California veterans with direct low-cost loans to acquire farms and homes, and provides the state's aged and disabled veterans with rehabilitative, residential, and medical care services in the California Veterans Homes. California owns and operates eight veterans homes located in Yountville, Chula Vista, Barstow, Lancaster, Ventura, West Los Angeles, Redding, and Fresno. These homes provide residential and medical care services to honorably discharged California veterans who served on active duty and are over the age of 55 or disabled. The recently completed homes in Redding and Fresno will begin admitting residents in the fall of 2013. The Budget includes 2,428.9 positions and total funding of \$406 million (\$316 million General Fund and \$90 million various funds) for the Department.

Significant Adjustment:

- Continuing Activation of Redding and Fresno—The Budget includes \$27 million for the continuing activation of the veterans homes in Redding and Fresno, both of which will begin admitting residents in the fall of 2013. This proposal will be refined in the spring to reflect the detailed operational requirements for the homes.

PUBLIC UTILITIES COMMISSION

The Public Utilities Commission (PUC) regulates critical and essential services such as privately owned telecommunications, electric, natural gas, and water companies, in addition to overseeing railroad/rail transit and moving and transportation companies. The Budget includes \$1.4 billion and 1,052.9 positions for the PUC.

AUDIT OF PUC

As a result of the statewide review of special funds, the Department of Finance conducted an audit of PUC budgeting practices and procedures. Some of the observations in the audit include:

- Policies and procedures are not adequate.
- Lines of authority, reporting, and responsibility are unclear.
- Forecasting methodologies need improvement.
- The budget office is insufficiently staffed.
- Staff performing budget functions are not properly trained.

A corrective action plan needs to be developed to remedy variances between the PUC's, the Governor's Budget's, and the State Controller's Office's records. The Department of Finance will be working closely with the PUC to address the observations in the audit and ensure the PUC's financial records are accurate and reliable. The Budget includes the addition of three positions and \$210,000 from various special funds to develop and implement improvements to PUC budget administration.