

Department of Finance		<b>Fund: 6801</b>
<b>STATE OF CALIFORNIA MANUAL OF STATE FUNDS</b>		<b>PAGE 1</b> Renumbered From:
<b><u>Legal Title</u></b> Transportation Financing Subaccount, State Highway Account, State Transportation Fund		
<b><u>Legal Citation/Authority</u></b> Chapter 862, Statutes of 1999 (SB 928) Government Code section 14554 (a)		
<b><u>Fund Classification</u></b> <b><u>GAAP Basis</u></b> Governmental/Special Revenue Funds	<b><u>Fund Classification</u></b> <b><u>Legal Basis</u></b> Nongovernmental/Working Capital and Revolving Funds	
<b><u>Purpose</u></b> This fund was created to deposit the proceeds of the sale of tax-exempt or taxable notes issued by the State Treasurer in order to provide for the financing of selected federal transportation projects. The funds in the subaccount will be available for use as directed by the California Transportation Commission and administered by the Department of Transportation and to pay costs associated with the issuance or further security of the notes or for capitalized interest of up to 12 months.		
<b><u>Administering Agency/Organization Code</u></b> Department of Transportation/Org 2660		
<b><u>Major Revenue Source</u></b> Proceeds of the sale of federal highway grant anticipation notes issued by the State Treasurer		
<b><u>Disposition of Fund (upon abolishment)</u></b> Unless otherwise provided in the note indenture, any balance remaining in this fund upon abolishment shall be transferred to the State Highway Account (0042).		
<b><u>Appropriation Authority</u></b> Notwithstanding Government Code section 13340, the fund is continuously appropriated.		
<b><u>State Appropriations Limit</u></b> <b>Always Excluded</b> – Revenues in this fund are not proceeds of taxes and even after transfer, will never become proceeds of taxes because the major revenue source is derived from a Bond Fund.		
<b><u>Comments/Historical Information</u></b> The SCO has opined that Government Code section 14554(a) provides a continuous appropriation of the money deposited into the subaccount. In addition, the appropriation would not be subject to Government Code section 13340 because the notes and their uses are a contract between the State and the holder of the notes. Such a contract cannot be altered or abrogated by subsequent legislation. The notes are known as Grant Anticipation Revenue Vehicles or GARVEEs. Administrative correction on October 25, 2005 to change from a Bond Fund to a Working Capital and Revolving Fund.		