

Department of Finance		<b>Fund: 8040</b>
<b>STATE OF CALIFORNIA MANUAL OF STATE FUNDS</b>		<b>PAGE 1</b> Renumbered From:
<b><u>Legal Title</u></b> California Discount Prescription Drug Program Fund		
<b><u>Legal Citation/Authority</u></b> Chapter 758, Statutes of 2007 (AB 1183) Health and Safety Code section 130542		
<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/Trust and Agency Funds- Non-Federal	
<b><u>Purpose</u></b> To make prescription drugs more affordable for qualified California residents, thereby increasing the overall health of California residents, promoting health communities, and protecting the public health and welfare.		
<b><u>Administering Agency/Organization Code</u></b> Department of Health Care Services/Org 4260		
<b><u>Major Revenue Source</u></b> Drug Manufacturer Rebates		
<b><u>Disposition of Fund (upon abolishment)</u></b> Pursuant to Government Code 16346, in the absence of language that identifies a successor fund, any balance remaining in this fund upon abolishment shall be transferred to the General Fund.		
<b><u>Appropriation Authority</u></b> Notwithstanding Government Code section 13340, the fund is continuously appropriated to the department without regard to fiscal year.		
<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 Trust and Agency Fund.		
<b><u>Comments/Historical Information</u></b> Chapter 619, Statutes of 2006 (AB 2911) originally established the fund as “Upon appropriation by Legislature.”  Chapter 188, Statutes of 2007 (AB 203) changed H&S Code section 130542 from “upon appropriation by the Legislature” to “continuously appropriated to the department without regard to fiscal year”  Chapter 758, Statutes of 2007 (AB 1183) adds H&S Code section 130542.1 which indicates the Legislatures intent that “the program shall be self-financing and that General Fund moneys provided to the fund shall be repaid within five years after implementation...”		

H&S Code § 130542 states “Notwithstanding any other provision of law, no money in the fund is available for any other purpose or for loaning or transferring to any other fund, including the General Fund, except as provided in section 130542.1.” Section 130542.1 allows money from the fund to repay any General Fund provided to the fund.