

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: Original
POSITION: Oppose

BILL NUMBER: SB 147
AUTHOR: R. Ashburn

BILL SUMMARY: Valley Fever: Vaccine

This bill would appropriate \$1.0 million General Fund to the Department of Public Health (DPH) for valley fever research.

FISCAL SUMMARY

This bill would appropriate \$1.0 million General Fund to the DPH for 2007-08. Of this amount, the DPH would be authorized to use \$50,000 to administer the funds.

Finance notes that the Budget Act of 2006 includes \$1.0 million General Fund to be used by the Department of Health Services (DHS) to contract, or enter into an interagency agreement, to mitigate the effects of Valley Fever, including research and development activities for a vaccine. Using these funds, the DHS has executed a \$1.0 million contract with the California State University, Bakersfield Foundation (Foundation), which will be responsible for coordinating and directing the research efforts of three subcontractors conducting research towards the development of a vaccine for Valley Fever.

COMMENTS

Finance is opposed to this bill because the Budget Act of 2006 already appropriated \$1.0 million General Fund for this purpose. Although the entire \$1.0 million has been encumbered in the current year, the Foundation will be able to access these funds both through the end of the current fiscal year (June 30, 2007), as well as during the 24-month period immediately following that date. Until these funds have been expended, it is premature to allocate additional funds.

Existing law requires the DPH to use funds appropriated in the Budget Act of 1998, and any other appropriations, for valley fever research for the continuation and expansion conducted by the Valley Fever Vaccine Project (VFVP). The DPH may contract on a sole source basis with a nonprofit organization that has provided funding for vaccine research on valley fever. Existing law requires the contractor to establish an advisory group from the fields of mycology and vaccine development and the DPH, and provide the DPH with periodic status reports. If a valley fever vaccine is developed and successfully marketed, existing law requires that the state be reimbursed for the cost of grants made under this section in proportion to the state's contribution to the research and development effort.

This bill would appropriate \$1 million General Fund to fund additional research and administration costs.

Discussion: Valley Fever is primarily a disease of the lung, caused by Coccidioides immitis, a fungus similar to yeast or mildew which lives in soil. The tiny seeds, or spores, are inhaled into the lungs when wind disturbs soil and swirls dust into the air. It is not contagious person to person. Agricultural communities with open fields, such as Kern County, are especially vulnerable to Valley Fever outbreaks. About 60 percent of persons who inhale the spores do not get sick. For others, symptoms are similar to a cold or flu. Of those patients seeking medical care, the most common symptoms are fatigue, cough, chest pain, fever, rash, headache and joint aches. More extreme cases include pneumonia-like symptoms.

Analyst/Principal Date Program Budget Manager Date
(0551) K. DaRosa Michael Wilkening

Department Deputy Director Date

Governor's Office: By: Date: Position Approved
Position Disapproved

BILL ANALYSIS Form DF-43 (Rev 03/95 Buff)

AUTHOR

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The VFVP has identified two candidate vaccines that have proven effective in laboratory conditions. The VFVP will eventually manufacture a small amount of the vaccine and proceed to human clinical trials. The VFVP estimates that \$2 million in funding would be required for this process.

Historically, the General Fund has provided the following appropriations for this purpose:

- \$700,000 in the 1997 Budget Act.
- \$3 million (for 3 years) in the 1998 Budget Act.
- \$1.2 million in the 2001 Budget Act.
- \$750,000 in the 2003 Budget Act.
- \$1.0 million in the 2006 Budget Act.

Code/Department Agency or Revenue Type	SO	(Fiscal Impact by Fiscal Year)							Fund Code
	LA	(Dollars in Thousands)							
	CO	PROP							
	RV	98	FC	2006-2007	FC	2007-2008	FC	2008-2009	
4265/PublicHealth	SO	No		--	A	\$1,000		--	0001