



Legislature Approves Hurricane Relief Funds for LSU Hospital Construction in New Orleans

Baton Rouge (March 22, 2007) – The Louisiana legislature has approved the Louisiana Recovery Authority Action Plan that allocates \$74 million dollars immediately for land acquisition and design for the new LSU/VA medical complex in downtown New Orleans.

The mail-in vote tally was 68 to 24 with one abstention in the House, and 32 to 6 in the Senate.

"We thank the legislature for their clear mandate for this project, which will offer much needed health care for Louisiana citizens," said Mr. Donald Smithburg, CEO of the LSU Health Care Services Division. "We look forward to continuing our work with the VA in the design and construction of a complex that will be a superb model for the delivery of health care and academic medicine throughout the twenty-first century."

The measure now goes to Housing and Urban Development Secretary Alphonso Jackson for approval.

The medical complex will replace LSU and VA facilities that received severe wind and flood damage in Hurricane Katrina.

The Joint Legislative Committee on the Budget overwhelmingly approved the action plan on March 2 after narrow rejection of an earlier version. Under the revised, two-part action plan, \$74 million in Community Development Block Grant funds will be allocated for land acquisition and planning for the hospital and the balance of \$226 million in CBDG funds will follow once the state and LSU submit a revised hospital business plan for approval by the legislature.

The LRA would get to review and comment on the business plan, but not have veto power.

"The legislative vote is a very encouraging endorsement of LSU's plan for this critical project," said LSU System President Dr. William L. Jenkins, who also cautioned that the process faces additional hurdles as efforts shift to Washington where LSU will press its case for the joint hospital with Secretary Jackson. "The state and LSU have promised to produce a comprehensive business plan that supports construction of this hospital, and we will do so next month," he said. "Everyone should understand that we have additional steps to take, including getting full funding from the state before construction begins."

The VA is proceeding with its project and waiting for the state to move forward with its plans for the land purchase. Last week the VA said it would consider alternative locations for its hospital if the joint venture collapsed.

In February 2006, LSU and the U. S. Department of Veterans Affairs began planning a joint medical complex that would have separate hospitals for the VA and LSU but would share some operating costs for heating and air conditioning, food service, and lab facilities, shared services that could save millions for state and federal governments.

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