



NEWS

Supervisor Mark Ridley-Thomas L.A. County Board of Supervisors, 2nd District

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SUPERVISOR RIDLEY-THOMAS URGES UC REGENTS TO VOTE IN SEPTEMBER ON MARTIN LUTHER KING, JR. HOSPITAL DEAL TO AVOID LOSING STIMULUS FUNDS

LOS ANGELES — Concerned that the County stands to pay millions of dollars in additional costs to finance construction of the new Martin Luther King, Jr. hospital, Supervisor Mark Ridley-Thomas today urged the University of California Board of Regents to take action next month on a proposed deal with the County to provide medical services at the new facility.

The Regents are in the process of deciding whether to vote on the deal at their Sept. 15-17 meeting in San Francisco. On Tuesday, all five members of the Board of Supervisors signed a letter to the Regents urging immediate action.

"A delay beyond September could cost the project up to tens of millions without the benefit of special federal stimulus financing," Supervisor Ridley-Thomas said in a statement. "If the Regents defer action beyond September and we delay our application for federal assistance, the funding window may close and increase our long-term financing cost by the \$56 million. The ball is in their court."

Supervisor Ridley-Thomas said the deal is structured to ensure the UC has no financial exposure. UC negotiators assured the Regents at their meeting in

March that the university would not have to make any financial contributions to the new hospital scheduled to open in 2012.

Under the proposal, the UC and the County would create a nonprofit entity. The university would provide physician services and medical oversight for the 120-bed hospital -- but no financial support.

In their letter to the Regents, the Supervisors said the county is making substantial financial commitments, including \$63 million in annual operating support, \$50 million in start-up funds, \$28 million for reserve funding, and more than \$200 million to make the inpatient tower at the existing MLK site seismically compliant.

"We also intend to commit an additional \$145.3 million to build a new Multi-service Ambulatory Care Center and Ancillary Services building adjacent to the inpatient tower for a total capital project commitment of \$353.8 million," the Supervisors said in their letter. "The County is prepared to make the annual operating financial commitments in a binding manner which will protect future funding for MLK."

According to the Supervisors, a decision by the Regents in September is critical because the capital project for constructing a seismically-compliant hospital "is linked to accessing federal American Recovery and Reinvestment Act (Stimulus) financing that will only be available for a limited time."

In a statement, Supervisor Ridley-Thomas said the Regents need to consummate the deal in September.

"If UC pushes this issue into November or beyond, we may miss the window to apply for the federal financing," the Supervisor said. "Given the state of the economy and its impact on public funds, we can hardly afford to lose the opportunity to save \$56 million."

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