

LEGISLATIVE FISCAL OFFICE

Approved By IEB

INTERIM EMERGENCY BOARD - FISCAL INFORMATION

Applicant:

State Dept: Higher Education Amount: \$775,000..... Agenda No.: 4
State Agency: LSU System
Other Entity: LSU HSC - Shreveport State Agency Local Political Subdivision

Summary of Request:

LSU Health Sciences Center - Shreveport is requesting \$775,000 in emergency funds for the replacement of cooling tower #1 which services the medical school complex and portions of the hospital.

Was this request:

- In agency budget request for current fiscal year? Yes No
Recommended in Executive Recommendations? Yes No
Amended into or out of the appropriation or capital outlay bills? Yes No
Was this item vetoed? Yes No
Considered by the Interim Emergency Board prior to this request? Yes No
An emergency as defined by Act 334 of 1984? Yes No

History / Pertinent Information / Analysis relative to this request:

On July 11, 2016, cooling tower #1 at LSU HSC-Shreveport failed. There are three cooling towers at the facility that were all built in 1975 during the original construction of the medical school. The cooling towers service the medical school complex, the school of allied health, the Feist-Weiller Cancer Center and portions of the hospital. LSU HSC-S has indicated that if an additional cooling tower fails, then patient care, student education, and resident training will be affected.

LSU HSC-S intends to replace all three cooling towers at a total project cost of \$2.5 M. This cost includes \$200,000 for project design, \$2 M construction and \$300,000 as a contingency. LSU Board of Supervisors has identified funds that are currently available to cover the design cost of the project (\$200,000). Based on the request, the remainder of the project would be funded with IEB funds (\$775,000), general obligation bonds for major repairs and deferred maintenance issued to LSU Board of Supervisors (\$750,000), and general obligation bonds for major repairs issued to the Board of Regents (\$775,000).

Based on the timeline submitted by LSU HSC-S, the design phase would take an estimated 45 days, bid phase would take an estimated 30 days, and the demolition/construction phase would take approximately 120 days for a total of 195 days. The design phase cannot begin until an engineer is approved/selected at the Engineering Selection Board (ESB) meeting. The meeting date is unknown at this time, however the LFO has been informed the meeting is expected to take place in September.

To the extent the ESB meeting takes place on September 1st and the engineer is approved, the design phase would take 45 days, which would place the date for project bids around October 14th. The bid phase would take 30 days to which the bid would be awarded around November 15th. The construction phase is expected to last 120 days which would place project completion around March 15th.

RECOMMENDATION:

The Legislative Fiscal Office does not recommend approval of this request in the amount of \$775,000. While the LFO does recognize the emergency nature of this request, there are alternative funding sources available. At this time there are capital outlay appropriations totaling \$15 M to the Board of Regents (\$10 M) and LSU Board of Supervisors (\$5 M). To the extent the LSU Board of Supervisors and Board of Regents prioritize full funding of this project, LSU HSC-S can use their available fund balance to advance the \$775,000 project cost as needed, which would be repaid from the capital outlay funds appropriated to the Board of Regents and the LSU Board of Supervisors. Based on the project timeline, the disapproval of the IEB request does not affect the project completion date.