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State Challenge Grant May Create Jobs in North Louisiana

SHREVEPORT/MONROE, La.— Today, Gov. Bobby Jindal announced a state challenge grant of up to \$10 million to fund a new knowledge-based job-creation initiative to be led by the Pennington Biomedical Research Center (PBRC) in Baton Rouge and implemented in partnership with the LSU Health Sciences Centers in Shreveport and New Orleans. The initiative will cultivate clinical trials and research related to obesity and diabetes. The Governor also announced that Dr. Steven B. Heymsfield, global director of Scientific Affairs and Obesity at Merck & Co. Inc., has been named the new executive director of PBRC.

To receive the full \$10 million state challenge grant, PBRC will be required to secure grants from federal agencies and corporations sufficient to create at least 250 permanent, new positions based initially in New Orleans, primarily at LSU Health Sciences Center, and later across the state, including Shreveport's LSU Health Sciences Center. These positions will be for scientific and technical staff performing research and clinical trials in obesity and diabetes. PBRC also must raise an additional \$10 million in matching funds from philanthropic contributions. The 250 new positions will be over and above the hundreds of new positions that will be created at Pennington in Baton Rouge after its current capital improvements program is completed.

"I'm excited to announce that the Pennington Biomedical Research Center has been able to attract a strong new director, Dr. Steven Heymsfield, to take it to the next level," said Gov. Jindal. "Equally exciting, I'm thrilled to announce that we are providing an innovative state challenge grant that will enable Pennington to create 250 new, high-paying jobs related to clinical trials and research focused on obesity and diabetes. Our one-time challenge grant of \$10 million will enable Pennington to attract up to \$100 million in new federal and corporate funding over the next 10 years. Pennington has long been an economic engine for Baton Rouge; and today's announcement strengthens Pennington's presence in Baton Rouge, while also cultivating new job-creation opportunities for New Orleans and Shreveport.

PBRC will be required to create the 250 new positions within five years at an average salary of at least \$56,000, plus benefits, paid for with non-state funding sources. Louisiana Economic Development estimates these 250 new jobs, most of which will be based in the Greater New Orleans Biosciences Economic Development District, or GNOBEDD, and in Shreveport, will lead to the creation of approximately 250 new indirect jobs, as well as about \$17 million in new state and local tax revenue over the life of the 10-year agreement. The \$10 million challenge grant will be used to recruit MD and clinical researchers, who in turn will cultivate national grant opportunities, and to complete development of a new imaging center at PBRC. PBRC will develop a clinical support infrastructure across the state, helping local medical centers and other healthcare facilities attract and conduct clinical trials in obesity, diabetes and other related diseases.

Gov. Jindal was joined by LED Secretary Stephen Moret, North Louisiana Economic Partnership President Kurt Foreman, Biomedical Research Foundation of Northwest Louisiana President and CEO John F. Sharp, and other business and community leaders at an announcement in Baton Rouge.

LED recently developed a new "blue ocean" strategic growth plan for Louisiana that identifies 12

narrowly targeted growth sectors that can help position Louisiana to economically outperform the South and the U.S. over the next 20 years. One of LED's top 12 growth targets is cultivating research, clinical trials and treatment opportunities related to obesity and diabetes. Pennington already is a leader in the study of obesity and preventive medicine, so the institution has been identified as a foundational element of LED's growth strategy for Louisiana. LED estimates that the obesity and diabetes research and treatment opportunity in Louisiana, including but not limited to Pennington's activities, could result in the creation of up to 4,000 new direct and indirect jobs over the next 20 years.

"We have long talked about the potential of higher education to contribute to the creation of high-paying, professional jobs in our state," said LED Secretary Stephen Moret. "Today's announcement with Pennington represents one of the most tangible opportunities yet for us to capitalize on our research capabilities to create economic growth. If this unique partnership generates the results we anticipate it will produce, we expect to replicate this model with other research institutions in Louisiana in the future."

"The state's commitment to creating innovative jobs and LED's 'blue ocean' strategy are critical to the success of North Louisiana and the state as a whole," said Kurt Foreman, President of North Louisiana Economic Partnership. "This announcement today shows how a world-class asset in one portion of the state can impact other regions. LSU Health Sciences Center in Shreveport is a jewel for northern Louisiana and the state. The excellent work by the LSU HSC and the Biomedical Research Foundation makes it possible for Shreveport and our region to be a key component of this innovative initiative by Pennington for years to come."

About Dr. Steven Heymsfield

Since 2004, Dr. Heymsfield has served in key leadership positions at the world's second-largest pharmaceutical company, Merck & Co.; most recently, as the global director of Scientific Affairs and Obesity. Prior to joining Merck, he served as the deputy director of the National Institute of Health's New York Obesity Research Center at St. Luke's-Roosevelt Hospital.

Dr. Heymsfield received his bachelor's degree from Hunter College in New York, his degree in medicine from Mount Sinai School of Medicine in New York, and completed his medical internship and residency at Emory University in Atlanta. He has also served as a professor at Columbia University College of Physicians and Surgeons, and Columbia University Department of Biomedical Engineering.

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