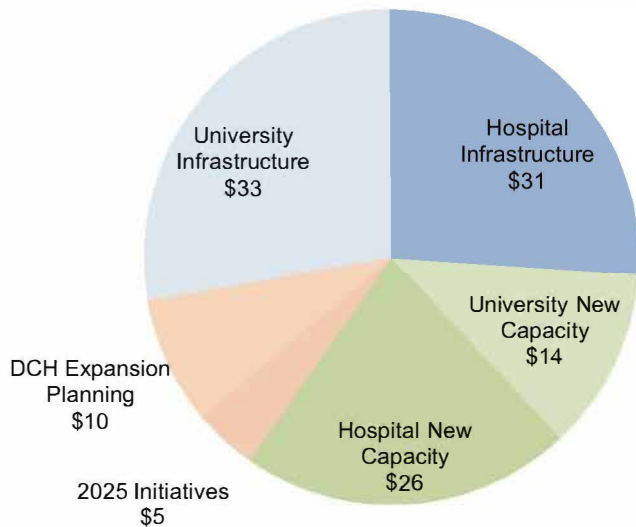


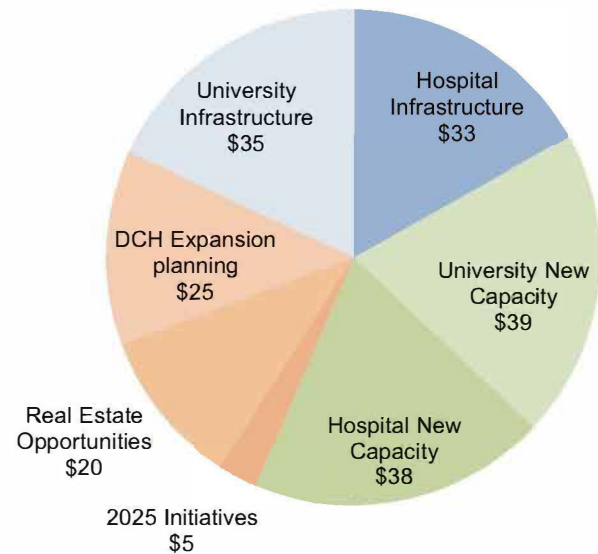
Infrastructure vs New Capacity in Capital Budget

FY23 Approved Capital Budget (total = \$120m)



*FY23 Hospital Inpatient Addition Project
\$114m largely funded from 2021 debt funds*

FY24 Proposed Capital Budget (total = \$195m)



*FY24 Hospital Inpatient Addition Project
\$230m funded from 2021 debt funds*

Summary of Proposed FY24 Annual Capital Budget

FY24 Proposed Capital Budget Allocations (000)	OHSU Health	Other University	Total OHSU		OHSU Health	Other University	Total OHSU
Infrastructure				New Strategic Priorities			
Infrastructure / replacement	\$31,931	\$17,898	\$49,829	Nuclear Med Relocation (Hatfield Res. Ctr. 14)	\$9,471	-	\$9,471
Library materials / Academic areas	775	5,650	6,425	GI Lab Future Inpatient Relocation (Hatfield Res. Ctr. 11)	2,270	-	2,270
Space Committee (relocation & repurposing)	-	2,950	2,950	CHO Mt. Hood Infusion Clinic expansion**	2,974	-	2,974
Research equipment replacement	-	2,150	2,150	Richmond Clinic expansion - equipment only	1,850	-	1,850
Flexible Workspace	-	1,850	1,850	Adventist Ortho furniture, fixtures & equipment	1,348	-	1,348
School of Medicine replacement	-	1,690	1,690	Emergency Department expansion	2,824	-	2,824
Knight Cancer Institute - capital gift match	-	750	750	Doernbecher Hospital expansion planning Hybrid OR	474	-	474
Public Safety and Administration	-	1,500	1,500	Robertson Life Science Building 7th floor build-out	-	13,000	13,000
Institutional Contingency	-	1,008	1,008	Marquam Hill Nonconforming Site Improvements	-	3,700	3,700
				West Campus Animal Housing	-	3,200	3,200
<i>Subtotal Infrastructure / Replacement</i>	<u>32,706</u>	<u>35,446</u>	<u>68,152</u>	Avel Gordly, IPP Lloyd & Partnership (lease consol.)	-	2,127	2,127
				West Campus Drain Piping Replacement	-	500	500
Strategic pre-committed				West Campus Waste Water	-	200	200
Robertson Life Science Building P2 Remodel	-	3,420	3,420	Dotter Institute - Seismic Retrofit Phase 2 (design only)	-	150	150
Personalized Networks & Microsegmentation	-	1,989	1,989				
PGE Feeder Connection	-	2,592	2,592	<i>Subtotal New Strategic Priorities</i>	<u>21,211</u>	<u>22,877</u>	<u>44,088</u>
Security cameras for parking structures	-	1,000	1,000				
Bike parking	-	2,400	2,400	Total FY24 Capital Base Allocation			150,474
OHSU 2025 Initiatives*	-	5,000	5,000				
Research equipment from grants	-	5,000	5,000	Hospital Inpatient addition			230,463
CHO Tualatin Infusion Clinic expansion**	589	-	589	Doernbecher Hospital expansion planning			24,702
Connected Care Center**	1,500	-	1,500	Real estate opportunities			20,000
Hatfield Research Ctr Supporting Healthcare proj.	10,460	-	10,460				
Benson Health Center	120	-	120	Total FY24 Capital Budget Allocation			\$425,639
CHO - OHSU Knight - Legacy Collaborative	4,165	-	4,165				
<i>Subtotal Strategic pre-committed</i>	<u>16,834</u>	<u>21,401</u>	<u>38,235</u>				

*OHSU 2025 Initiatives include CANDID Faculty Information System, Research Informatics, Simulation and Learner Success

**OHSU 2025 Healthcare projects



FY24 Proposed Capital Budget Multi-Year projects

Multi-Year New Strategic Capital Projects (000)	Total Project	FY24 Proposed Budget	FY25 & Beyond
<i>Other University Initiatives</i>			
Robertson Life Science Building 7th floor build-out	\$21,386	\$13,000	\$5,925
Marquam Hill Nonconforming Site Improvements	10,100	3,700	6,300
West Campus Drain Piping Replacement	2,600	500	2,000
<i>Healthcare Initiatives</i>			
CHO Mt. Hood Infusion Clinic expansion	9,052	2,974	3,461
GI Lab Future Inpatient Relocation (Hatfield Research Ctr 11)	12,566	2,270	3,767
Emergency Department expansion	44,300	2,824	41,476
DCH Hybrid OR	12,559	474	12,085

Return on Investment for \$10M+ Multi-Year Projects

- ***Robertson Life Science Building 7th floor build-out – \$21.4 million***
Creates space for two programs: Knight Cancer Institute will build out with gift funds highly specialized lab space for Dr. Sanjay Mulhotra's Center for Experimental Therapeutics. School of Dentistry will provide lab space for Drs. Luiz Bertassoni and Carmem Pfeiffer, two exceptionally successful and well-funded faculty. Also, project frees existing space for future recruitment.
- ***Marquam Hill Nonconforming Site Improvements – \$10.1 million***
Brings existing areas on Marquam Hill into compliance with certain zoning codes as part of an agreement with the city, facilitating the permitting of other facility projects at OHSU.
- ***GI Lab Future Inpatient Relocation – \$12.6 million***
Relocates inpatient endoscopy and bronchoscopy units and non-invasive cardiology from old buildings to modern space appropriate for patient care in Hatfield Research Center 11th floor.
- ***Emergency Department expansion – \$44.3 million***
Expands Emergency Department capacity to improve patient and staff safety, meet the needs of a growing patient population, and sustain OHSU's capability to provide excellent emergency medicine care to Oregonians. Financial payback period 7.2 years.
- ***DCH Hybrid Operating Room – \$12.6 million***
Complete construction of the existing shelled OR space in Doernbecher to create a hybrid OR/Cath Lab. Centralizes pediatric cardiac service line to DCH and increases capacity for both pediatric surgical services and adult cardiac cath lab volume. Financial payback period 6.9 years.

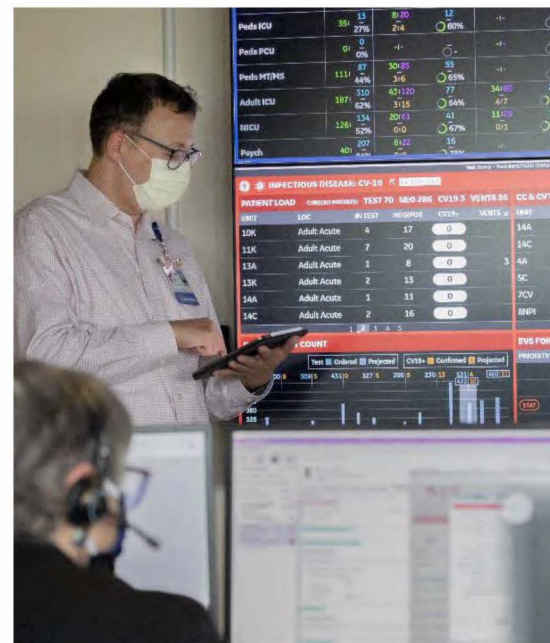
OHSU Environment, Social and Governance Efforts

- Climate change incorporated in OHSU health professions curricula.
- In September 2020, OHSU formally incorporated ESG considerations in our investment management philosophy and framework to better align to OHSU's mission
 - Implementation occurred through the following strategies for its \$900m in University unrestricted funds: Blackrock ACWI ex-Fossil Fuels ESG Focus for equities and JP Morgan Carbon Transition Core Bond Strategy for Fixed Income
- In July 2021, OHSU created the Supplier Diversity Program Initiative
 - Implementation has included hiring the staff, systems and infrastructure to create a sustainable performing program. Early efforts have focused primarily on community outreach, spend on capital construction, facility maintenance and professional services spend where near-term opportunities exist.
- Hospital Expansion / Inpatient Addition Goals
 - ✓ LEED: Silver
 - ✓ MWESB Subcontractors: 15%
 - ✓ Workforce Diversity of Journeyman & Apprentices: 20% (30% Minority & 15% female)



OHSU Health: Need for Hospital Expansion

- OHSU serves the most complex health needs of Oregon
- Operating at full capacity
- Turning away transfers
- Today's 54 bed immediate need is projected to rise to 187 by FY29
- With program growth in oncology, neuroscience, orthopedics, cardiovascular, transplant and transgender programs
- Partnerships with other health systems have been helpful but insufficient
- Mission Control optimizes capacity: right patient, right setting, right time
- Other interim solutions include Hospital at Home, leasing beds from skilled nursing facilities, shifting surgical procedures to outpatient settings and increased use of partner sites.

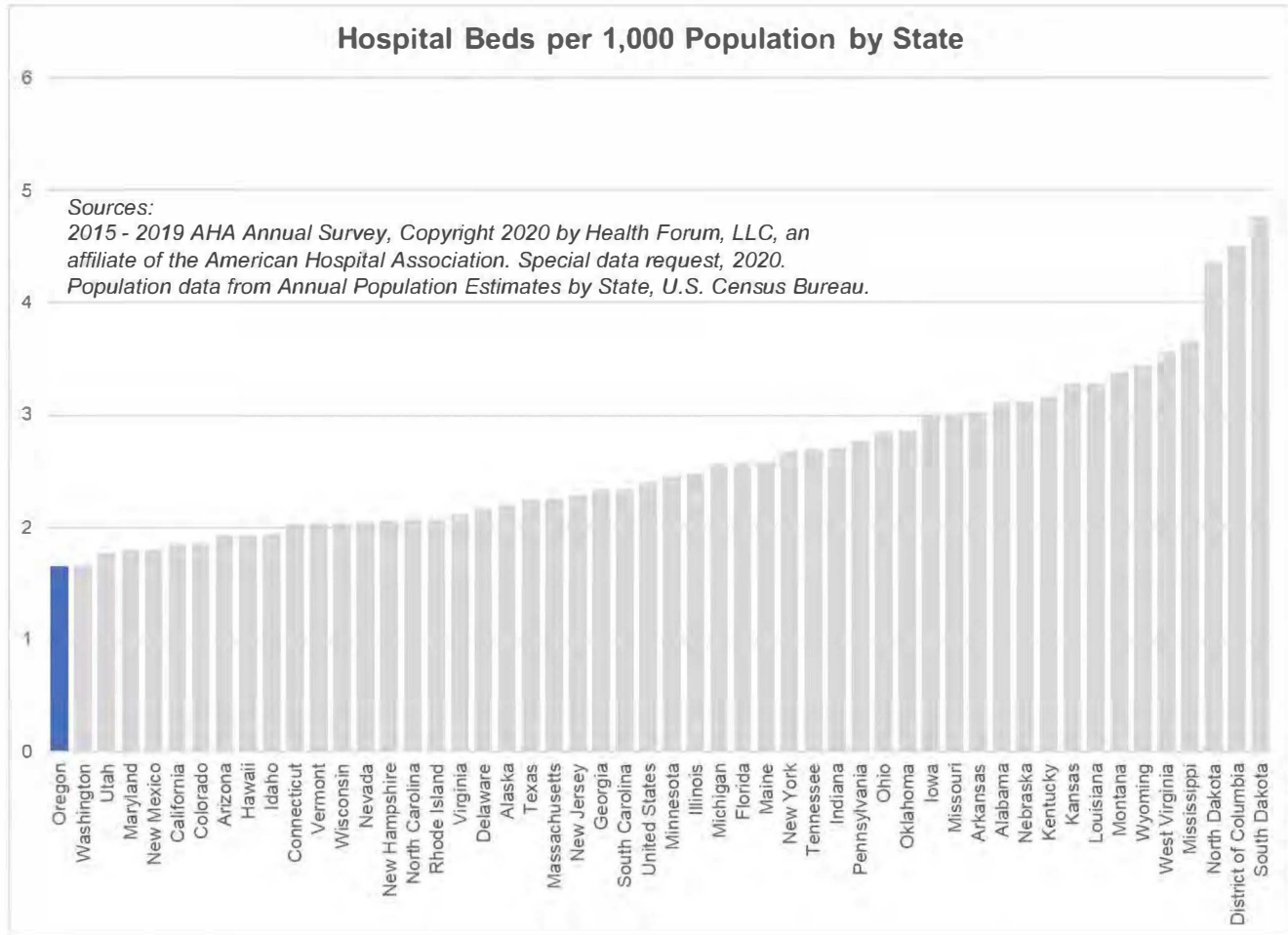


Hospital Expansion Guiding Principles

1. Ensure access to Academic Health Center care for our communities and beyond
2. Engage patients and their families to create a safe, secure and positive healing experience
3. Stand the test of time as a destination center advancing healthcare
4. Inspire teamwork and collaboration
5. Create an environment that allows staff and providers to excel and innovate
6. Center diversity, equity, inclusion and belonging
7. Optimize resources
8. Maintain financial viability and cost efficiency across multiple programs



Oregon: Fewest Beds / Capita in U.S.

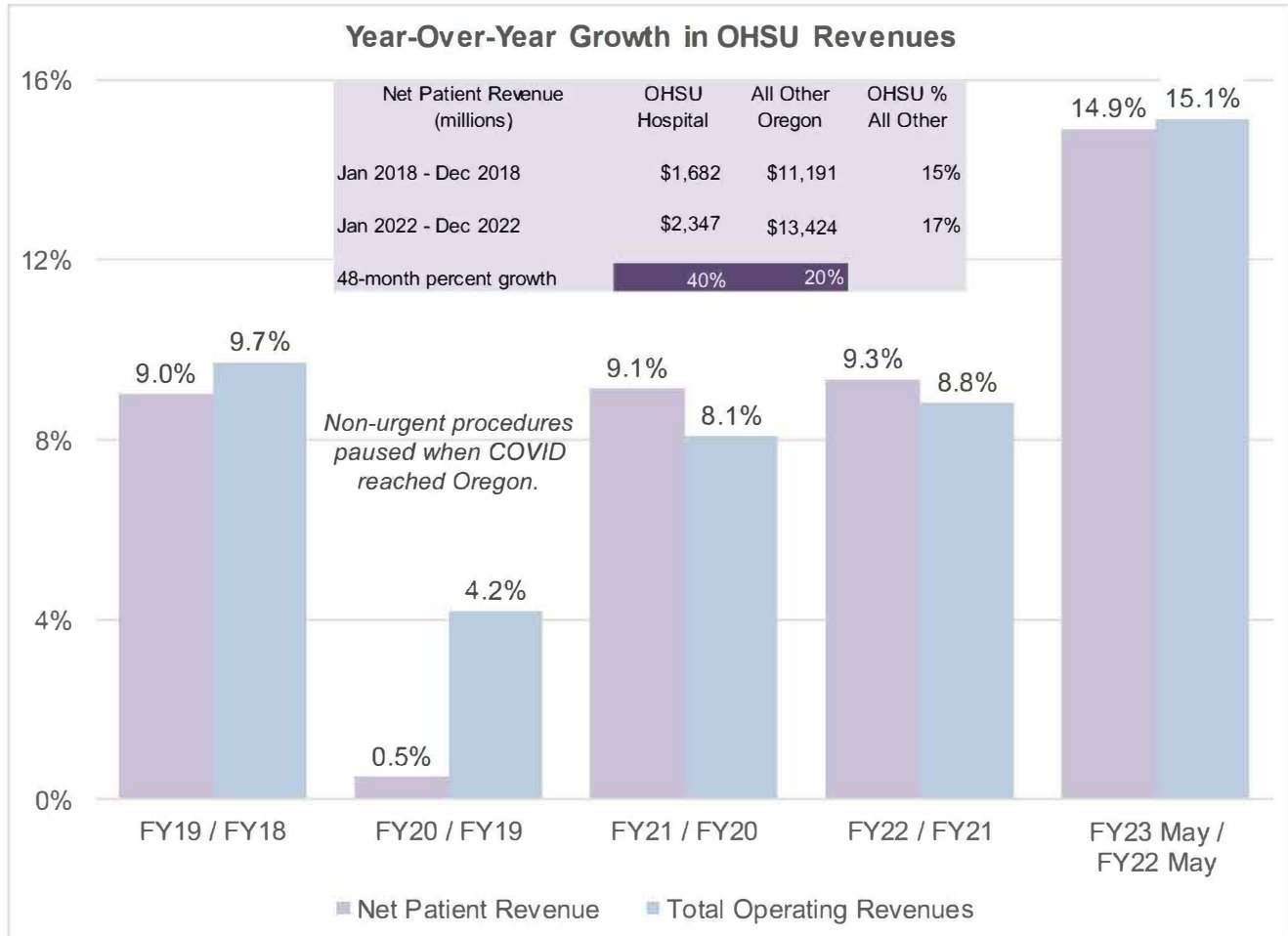


OHSU Adult Beds Running at Capacity

March 2023*	Beds	Census	Occupancy
OHSU - Adult	398	380	95.5%
OHSU - Doernbecher	151	121	80.2%
Subtotal	549	501	91.2%
Hospital at Home		5	
Total OHSU		506	
<i>*Includes Oregon Spring Break Week</i>			

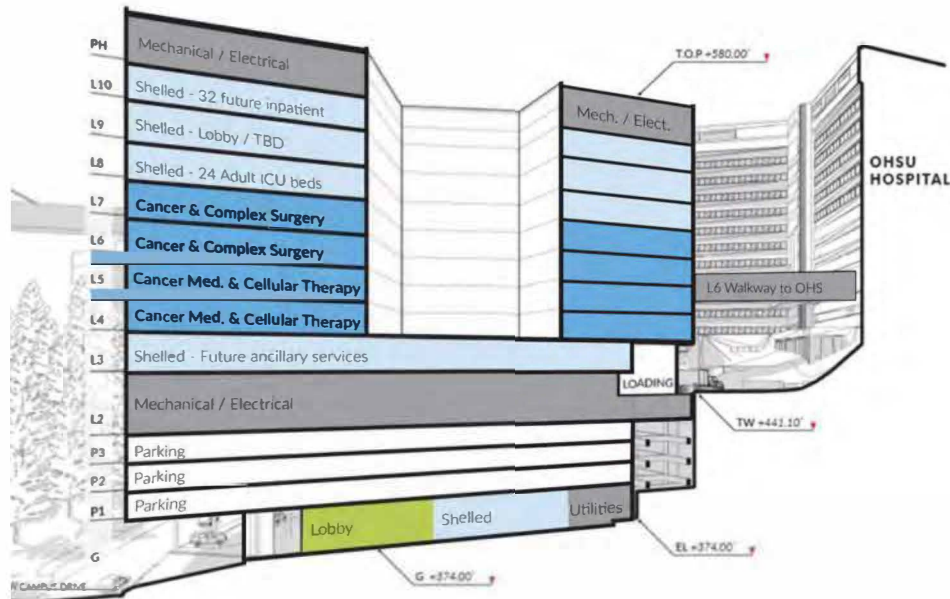
The FY23 budget included \$10m for programming, site analysis and early design of a Doernbecher addition to replace & expand perinatal services. The FY24 budget proposes \$25m to complete design. OHSU Board has not yet approved proceeding with construction.

Demand for OHSU Services Remains Very Strong



IPA on Day 1: 128 New Beds + 4 Shelled Floors

- In October 2021, the OHSU Board approved proceeding with two components of hospital expansion: \$550m for the Inpatient Addition (IPA) and \$100m for OR expansion in the Kohler Pavilion.
- Due to much higher than anticipated construction inflation, the OR expansion has been paused and that \$100m added to the IPA budget, for \$650m in total.
- Current cost estimate is \$677m, including \$46m of contingency.
- Day 1 (August 2026) scope includes 128 new beds, bringing OHSU's total from 549 to 677 beds, with 4 shelled floors.
- FY23 capital budget included \$10m to start design of perinatal expansion; FY24 proposed budget seeks \$25m to complete design.

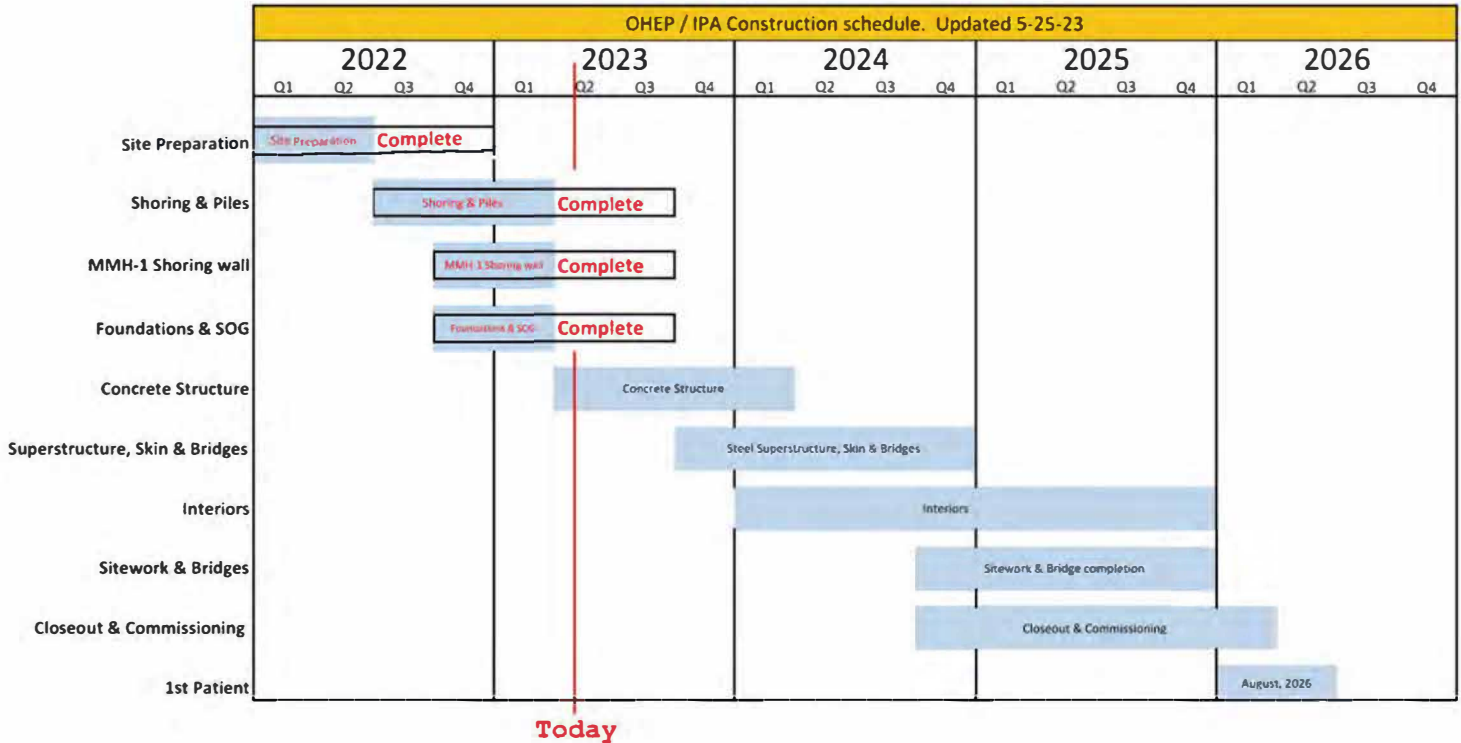


Level	Unit	Beds
7	Cancer & Complex Surgery	32
6	Cancer & Complex Surgery	32
5	Cancer Medicine & Cellular Therapy	32
4	Cancer Medicine & Cellular Therapy	32
		128

Inpatient Addition Construction Site



Inpatient Addition On Track to Open August 2026



Revised Costs & Funding for Hospital Expansion

- The most recent cost estimate for the Inpatient Addition is \$677m including \$46m of general contingency. We expect to complete the project in FY27 at the revised total of \$650m, equal to the \$550m approved by the Board in October 2021 plus \$100m reallocated from the now-deferred OR expansion in the Kohler Pavilion.
- After extension clinical programming, the Doernbecher / perinatal addition is now estimated at \$330m. As outlined on the next page, we believe this is the best option.
- To fund the \$980m total OHEP cost, we propose applying the expected FEMA reimbursement of \$100m (not now booked or otherwise counted in our projections) together with gifts of \$230m, including major cancer and children’s fundraising.

OHSU Hospital Expansion Project (millions)	Prior Plan	Revised Plan
Inpatient Addition (IPA)	\$550	\$650
Perioperative expansion (ORs)	100	<i>Deferred</i>
Perinatal expansion (DCH / NICU)	285	330
Total project costs	935	980
Debt issued 12/21	350	350
Fundraising target	285	230
Future FEMA reimbursement	0	100
Cash from operations & A/R reduction	300	300
Total project sources of funds	\$935	\$980



Evaluating Children's Hospital Expansion Options

We evaluated two potential paths for the Neonatal Intensive Care Unit (NICU) and Perinatal project:

1. Build the Doernbecher expansion for \$330 million.
 2. Reallocate Inpatient Addition shelled space for \$170 million.
- Reallocation of shelled space would eliminate 56 future adult beds.
 - The net present value of future income from these beds, is \$33m more than the additional cost of the Doernbecher option plus the future costs for building out the shell space in IPA for adult med/surg services.
 - Separating children's services across two buildings would also negatively impact operations and patient experience.
 - Using up shell space reduces options for ancillary service expansion.