

BAY AREA HOSPITAL RESTABILIZATION PLAN

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THE PLAN TO SAVE BAY AREA HOSPITAL: **HB 4075**



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HB 4075 Process:





Oregon Facilities Authority: An existing enagement model

OREGON FACILITIES
AUTHORITY
Oregon State Treasury

About OFA

Our Work

About OFA

The Oregon Facilities Authority ("OFA") is the Oregon state agency that helps nonprofit organizations finance their capital projects. OFA issues tax-exempt conduit revenue bonds on behalf of nonprofit organizations. The bonds are issued by the State of Oregon, Office of the State Treasurer. The interest on these bonds is exempt from federal income tax and state personal income tax. Qualified organizations can use the proceeds of these bonds to finance their capital projects.

With certain exceptions, OFA can assist any nonprofit organization with a substantial presence in Oregon that is organized under section 501(c)(3) or 527 of the federal income tax law, for capital projects including:

- Purchase of facilities or equipment
- Major remodeling of facilities
- Construction financing
- Refinancing of loans originated for capital purposes

**\$2.8 Billion
in approved hospital borrowing**

Although projects financed by OFA to date have been located only in Oregon, recent changes to the statute governing OFA now allow OFA to finance projects located outside of Oregon so long as the organization has a substantial presence in Oregon.

"OFA bonds are issued by the State of Oregon, Office of the State Treasurer. ... The State Treasurer makes the final decision about whether to issue the bonds, after receiving a recommendation from OFA."

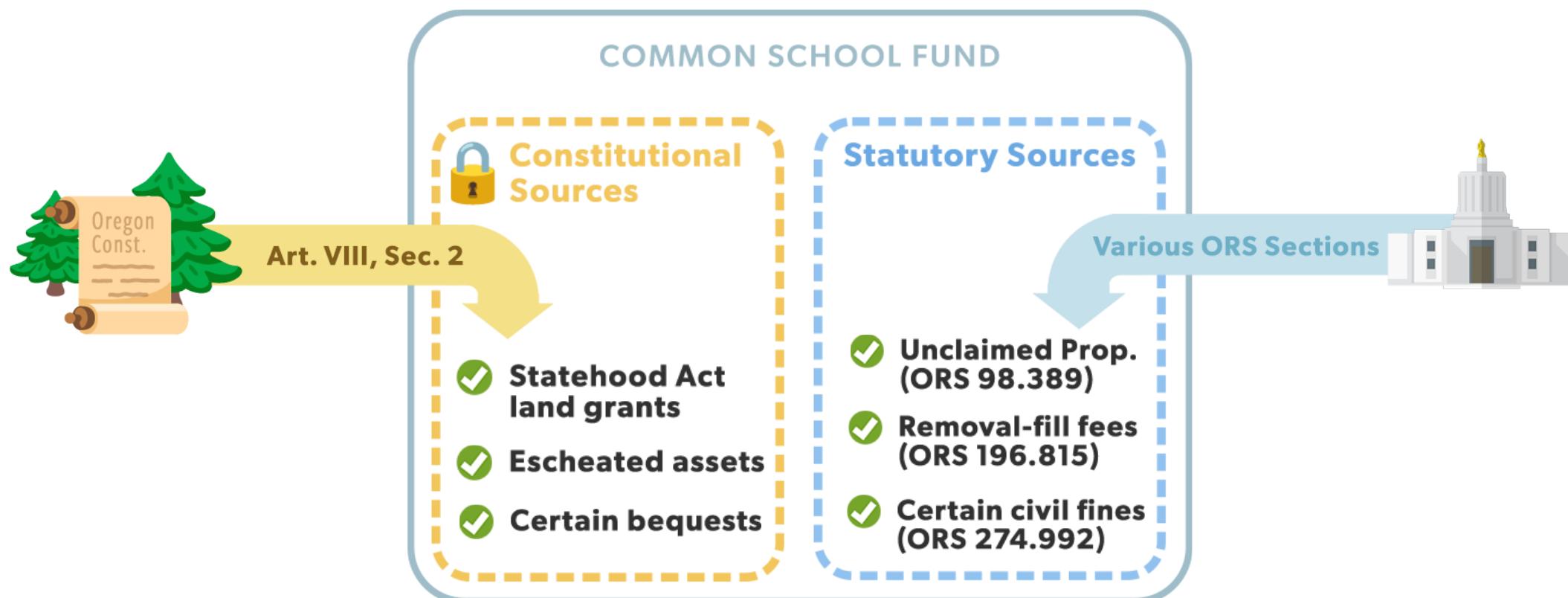
www.oregonfacilities.org/ofa

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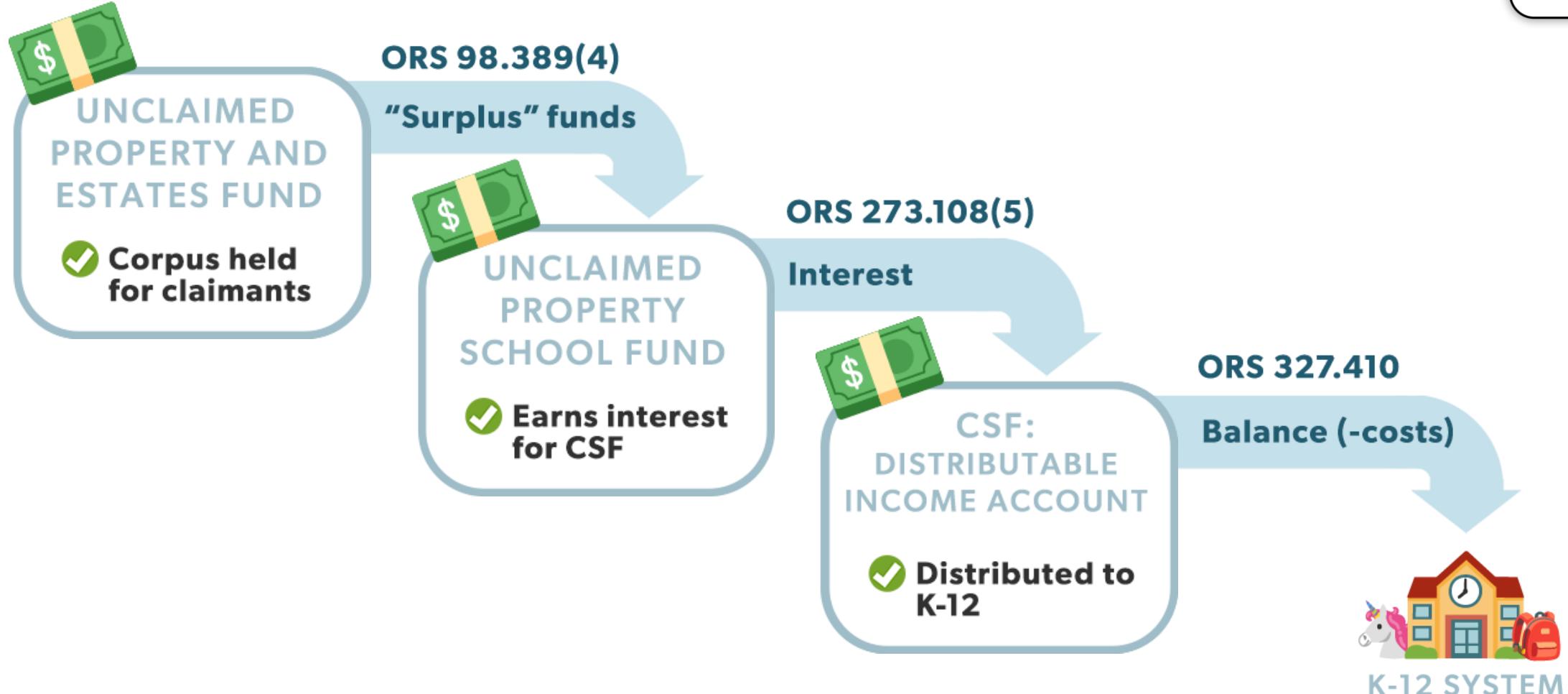
Common School Fund:



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Unclaimed Property Fund:



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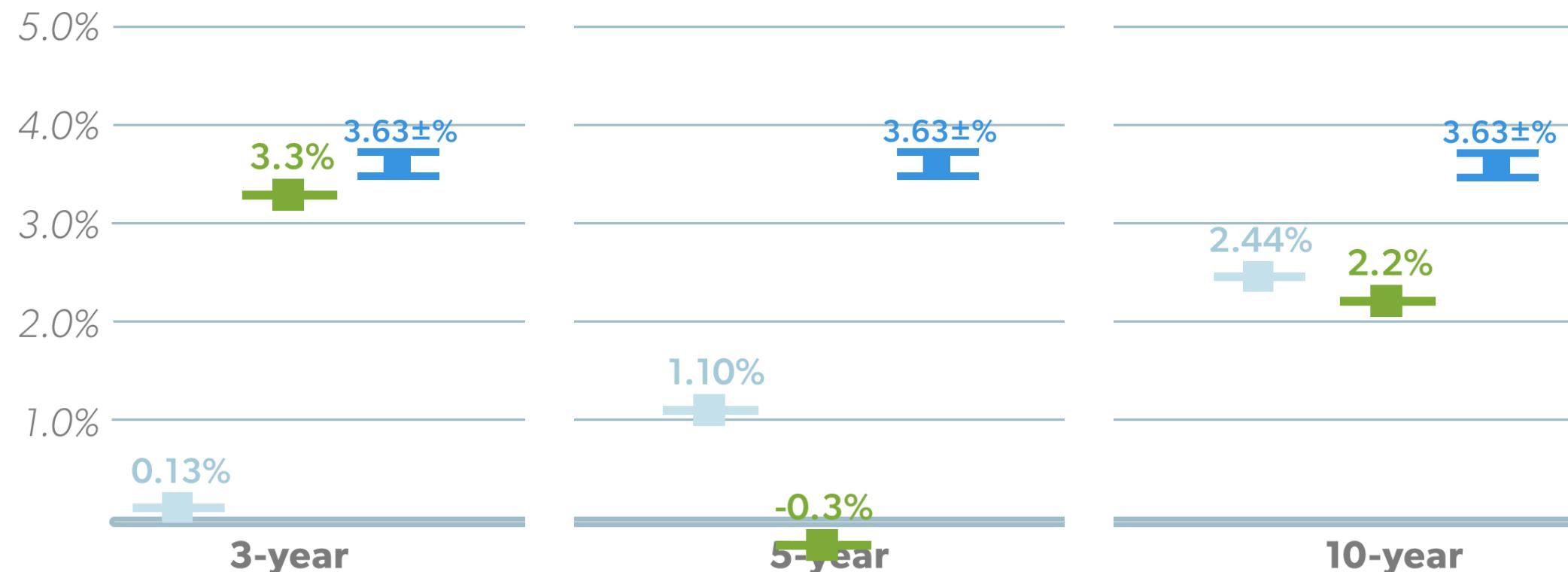
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Fund Performance:

CSF Fixed Income assets over 3, 5, and 10-year annualized returns

- Policy benchmark per INV Policy 902§4 (100% Bloomberg U.S. Aggregate Bond Index + 15bp)
- Actual returns (Common School Fund Annual Review, October 2025)
- Proposed HB 4075 returns (Federal Funds Rate)



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-  **Prevent 180+ unnecessary deaths/year**
-  **Save \$27M/yr in additional Medicaid costs**
-  **Save 90+ jobs**
-  **Increased K-12 revenue**

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HB 4075

Contact:

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Dan Clay, President Sandy Humphrey, Secretary-Treasurer



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Sources:

INV 902: Common School Fund Asset Class Investment Guidelines

1. Introduction

To accomplish the prudent and efficient implementation of investment policies established by the Oregon Investment Council (OIC), Oregon State Treasury (OST) created the Common School Fund (CSF) Investment Guidelines (hereinafter referred to as the "Investment Guidelines") to participate in attractive long-term investment opportunities for the programs under the responsibility of OST, including the Common School Fund (CSF and also known as "the Fund"). As opportunities become available, OST will invest assets prudently, productively and in a manner consistent with objectives, OIC policies and applicable law.

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4. Asset Class Investment Guidelines

The asset class investment guidelines for each of CSF's asset class portfolios are outlined in this section.

Fixed Income Investment Guidelines

I. INVESTMENT OBJECTIVE

The Fixed Income portfolio is expected to achieve a return of at least 15 basis points, net of fees, above the policy benchmark which is: 100% Bloomberg U.S. Aggregate Bond Index, over a market cycle of three to five years. Any changes to the policy benchmark will be approved by the OIC.

Investment objectives of the Fixed Income portfolio are to:

- Offer principal preservation while providing sufficient liquidity to meet the Fund's cash flow requirements.
- Build and maintain a well-diversified portfolio managed to maximize total return subject to the risk limitations described herein.
- Limit portfolio risk, as measured by tracking error, to an annualized target of up to 1.0 percent.
- Maintain portfolio duration within parameters as defined by Treasury staff with CIO approval, for each specific fixed income mandate.
- Invest opportunistically within a controlled and defined portfolio allocation.

CSF Performance: "Common School Fund Annual Review" October 14, 2025, Oregon State Treasury. Page 11: APPENDIX: Asset Class Performance:

	Market Value	Current Allocation	3 Months	1 Year	3 Years	5 Years	APPENDIX
Fixed Income	\$623.7M	23.7%	1.2%	6.1%	3.3%	-0.3%	2.2%
BBG US Aggregate			1.2%	6.1%	2.6%	-0.7%	1.7%
Excess Return			0.0%	0.0%	0.8%	0.5%	0.5%

Anticipated Fed Funds Rate per HB 4075, Section 1 subsection 5: Federal Reserve Bank of New York EFFR, FR 2420 Report of Selected Money Market Rates.

Oregon Facilities Authority Annual Report 2023, www.oregonfacilities.org

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