

University of Vermont Medical Center, Central Vermont Medical Center and Porter Hospital

Capital submission – August 1, 2024

Capital Expenses. Explain any anticipated capital expenditures in the proposed budget, including a description of funding sources.

The capital estimates assume the margin objectives in the multi-year financial framework will be achieved. Margin is what generates the resources necessary to reinvest in our organization, which enables us to continue providing high quality care.

If financial framework objectives are not achieved, then available capital resources will need to be reduced.

Included in this capital submission is the assumed available capital based on financial framework objectives. Given the reduced available capital the last few years, there have been delayed and deferred routine equipment replacements, facilities maintenance, and service capacity expansion investments. Because of this, there are many more requests for capital resources than what is available to spend. It will be necessary to make strategic prioritization decisions to determine which capital investments will need to be deferred or removed from the capital plan.

Capital projects are generally funded from days cash on hand. Other funding sources could be debt issuances, grants, and donations/philanthropy funds. At this point in time, the only planned debt funding relating to capital projects is \$150 million to fund three capital projects (three approved CON projects): Dermatology & Ophthalmology at 350 Tilley Drive; purchase of the Fanny Allen Campus; and the Outpatient Surgery Center.