

## OREGON PUBLIC CORPORATIONS

Oregon Health & Sciences University, formed as a public corporation in 1995, is the only public corporation in the State. As such, the process and guiding requirements of forming public corporations have not been formalized. Below is information summarizing OHSU's formation experience in 1995 as well as their statute, ORS 353.

OHSU is governed by a Board of Directors who are appointed by the Governor and confirmed by the Senate. Its status as public corporation is defined by the following:

*"...an entity that is created by the state to carry out public missions and services. In order to carry out these public missions and services, a public corporation participates in activities or provides services that are also provided by private enterprise. A public corporation is granted increased operating flexibility in order to best ensure its success, while retaining principles of public accountability and fundamental public policy. The board of directors of a public corporation is appointed by the Governor and confirmed by the Senate but is otherwise delegated the authority to set policy and manage the operations of the public corporation."*

An impetus for OHSU's transformation into a public corporation, was to gain independence which they felt they lacked within the public university system. In forming the public corporation, three key factors became important to their success:

- ❶ Lining up political support. They had the Portland delegation's full support in the legislature.
- ❷ Creating a governing board (appointed by the governor).
- ❸ In drafting Statute 353 and thinking through public entity formation, asking the following questions:
  - a. Which aspects of Statute 352 (Public University) were proving to be impediments? How could they give the public corporation more flexibility while maintaining the status of public entity.
  - b. What rules apply to a public agency with which that they could live and thrive?

As with IGAs and Special Districts, there is flexibility in forming the governing structure and writing the statute for a public corporation. Most importantly, the entity should determine what needs to be in place for it to exist and be successful.

## OREGON PUBLIC CORPORATIONS POWERS & FUNDING MECHANISMS

The powers granted to OHSU are wide ranging and specific to their mission as a government entity, university and medical services facility.

Selected powers of the public corporation include:

- Make any and all contracts and agreements, enter into any partnership, joint venture or other business arrangement, create and participate fully in the operation of any business structure with any public or private government, nonprofit or for-profit person or entity that is necessary or appropriate to carry out missions and goals.
- Acquire, purchase, receive, hold, control, convey, sell, manage, operate, lease, license, lend, invest, improve, develop, use, dispose of and hold title to real and personal property of any nature in its own name.
- Encourage gifts and donations and subject to the terms of the gift, retain, invest and use such gifts as deemed appropriate.
- Establish, charge, collect and use charges and fees for services and the use of facilities.
- Contract with any state agency for the performance of such duties, functions and powers as is appropriate.
- Purchase, receive, subscribe for or otherwise acquire, own, hold, vote, use, sell, mortgage, lend, pledge, invest in or otherwise dispose of and deal in or with the shares, stock or other equity or interests in or obligations of any other entity. The State of Oregon shall have no proprietary or other interest in such investments or such funds.
- Issue and sell revenue bonds in accordance with ORS 287A.