

# Legislative Analysis



## MICHIGAN VETERANS' FACILITY AUTHORITY

Phone: (517) 373-8080

<http://www.house.mi.gov/hfa>

**Senate Bill 1180 (S-1) as passed by the Senate**  
**Sponsor: Sen. Dave Hildenbrand**  
**House Committee: Military and Veterans Affairs**  
**Senate Committee: Government Operations**  
**Complete to 12-12-18**

Analysis available at

<http://www.legislature.mi.gov>

### SUMMARY:

Senate Bill 1180 would amend the Michigan Veterans' Facility Authority Act to revise or repeal several provisions regarding the functions and structure of the Michigan Veteran's Facility Authority, as described in detail below.

#### Board of Directors Chairperson

Currently, the director of the Department of Military and Veterans Affairs (DMVA), or his or her representative, serves as chairperson of the Authority's board of directors, and is to do so until one year after the second facility operated by the Authority is open and housing veterans, at which time the members of the board will elect a chairperson who is not the director of the DMVA or the director's designee. Under the bill, the end of the DMVA director's term as chairperson and the election of the new chairperson would take place on January 1, 2019. (The DMVA director would remain a voting member of the board, but would not serve as chairperson.)

#### Executive Director

The members of the board of directors would have to recommend by name the appointment of an executive director of the Michigan Veterans' Facility Authority, to be appointed by the governor. The executive director would be exempt from the classified state civil service and would serve at the pleasure of the governor.

The executive director would be required to administer the business operations of the Authority and of Michigan veterans' facilities as developed and operated under the Act and as defined in Public Act 152 of 1885. The executive director would receive compensation determined annually by the Authority.

#### Establishment of Separate Nonprofit Corporations

The bill would provide the Authority with the power to establish, or to allow to be established on its behalf, one or more separate nonprofit corporations organized under the Nonprofit Corporation Act to assist it in the furtherance of its public purposes. The property, income, and operations of any nonprofit corporation established by or on behalf of the Authority would be exempt from taxation by the state and any political subdivision of the state.

#### Authority as Autonomous Entity

Finally, the bill would repeal Section 4 of the Act, which currently provides for the Authority to exercise its duties independently of the DMVA and provides that the staffing, budgeting, procurement, and related administrative functions of the Authority may be performed under the direction and supervision of the director of the DMVA.

The bill would add similar language to the section of the Act that created the Michigan Veterans' Facility Authority within the DMVA. Under the new provision, the Authority would be administered under the supervision of the DMVA, but would exercise its powers, duties, and functions independently of the DMVA as an autonomous entity within the DMVA.

MCL 36.103 et al.

#### **FISCAL IMPACT:**

The bill would add costs to the DMVA to support an additional unclassified salaried position to serve as Executive Director of the Veterans' Facility Authority. Funds would be available from general fund/general purpose funds authorized for the Unclassified Salaries line item. In Fiscal Year 2017-18, \$69,000 from the line item lapsed to the general fund. If the amount appropriated for unclassified salaries in FY 2018-19, or the fiscal year in which the position is filled, were less than the amount required for the salary determined annually by the authority, a legislative appropriation for additional money would be required. For FY 2018-19, nine unclassified FTE positions are authorized and have been appropriated just under \$1.5 million general fund/general purpose funds.

Legislative Analyst: E. Best  
Fiscal Analyst: Michael Cnossen

---

■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.