



Legal Services Division

October 2022

Inside this Briefing

- **Overview**
- **Background**
- **Funding**
- **Obtaining Assistance**

Legal Background Briefings are prepared and updated periodically by the Legal Services Division of the Iowa Legislative Services Agency, a nonpartisan agency providing legislative drafting and research services to the committees and members of the Iowa General Assembly. The briefings provide background information regarding a particular area of law. Although a briefing may identify issues for consideration by the General Assembly, nothing contained in a briefing should be interpreted as advocating a particular course of action. The reader is cautioned against using information contained in a briefing to draw conclusions as to the legality of a particular behavior or set of circumstances.

Prepared by:

Daniel Gough
Iowa Legislative Services Agency
State Capitol
Des Moines, Iowa 50319
515.725.0479
daniel.gough@legis.iowa.gov

Legal Background Briefing on ...

The Veterans Trust Fund

Overview

This Briefing provides legal background relating to the Veterans Trust Fund. References to the Iowa Code are to the 2023 Code unless otherwise indicated.

Background

The Veterans Trust Fund (Fund), established in 2003, is codified at Iowa Code section 35A.13, and is administered by the Commission of Veterans Affairs (Commission).¹ The Fund was established to accept and distribute moneys for the purpose of providing an additional means of supporting veterans, spouses of veterans, and dependents of veterans.²

Originally, the Fund authorized the Commission to use moneys from the Fund for five different categories of support and for other purposes identified by the Commission and could only be used once its principal balance exceeded \$50 million.³ However, the General Assembly has since lowered the minimum balance required prior to the expenditure of moneys from the Fund to \$5 million, and expanded the number of categories for which Fund assets may be used to include all of the following:

- Travel expenses for wounded veterans, and their spouses directly related to follow-up medical care.
- Job training or college tuition assistance for job retraining.
- Unemployment assistance due to prolonged physical or mental illness or disability relating to military service.
- Expenses related to purchases of durable medical equipment or services to allow a veteran to remain at home.

- Expenses related to hearing care, dental care, vision care, or prescription drugs.
- Individual counseling or family counseling programs.
- Family support group programs or programs for children of members of the military.
- Honor guard services.
- Expenses related to ambulance and emergency room services for veterans who are trauma patients.
- Emergency expenses related to vehicle repair, housing repair, or temporary housing assistance.
- Expenses related to establishing whether a minor child is a dependent of a deceased veteran.
- Expenses related to initial screening for any military service-connected traumatic brain injury sustained during certain military service.
- Expenses related to survivor outreach activities supported by the Department of Public Defense.
- Application fees for obtaining rental housing assistance for homeless veterans.
- Up to \$1,000 of monetary assistance to prevent homelessness.
- Educational assistance for orphaned children of veterans.⁴
- Devises, gifts, bequests, donations, grants, reimbursements, repayments, judgment awards, transfers, payments, or appropriations.⁶
- Moneys donated by individuals through a voluntary checkbox on the individual's income tax return (Tax Checkoff).⁷
- Interest earned on the moneys credited to the Fund.⁸

In addition to the above-mentioned sources, the Fund receives an annual transfer of \$2.5 million from the State Lottery Fund.⁹ Prior to July 1, 2022, the Commission was only allowed to access the first \$500,000 from the State Lottery Fund transfer for the benefit of veterans and was required to deposit the remaining balance into the Fund to help accrue interest earnings that may be used to support veterans in the future.¹⁰

However, House File 2501, passed in the 2022 Legislative Session, changed the way the Fund's assets are administered.¹¹ Prior to July 1, 2022, all assets in the Fund could only be fungible cash assets. Beginning July 1, 2022, the Treasurer of State is allowed, in consultation with the Commission and the Public Retirement Systems Committee, to invest the Fund's assets in any investments authorized for the Iowa Public Employees' Retirement System.¹² With some statutory exceptions limiting investments in assets relating to Iran, Sudan, or companies boycotting Israel, this allows for the investment in every kind of property and investment which persons of reasonable prudence, discretion, and intelligence acquire or retain to allow for income and the safety of their assets.¹³

In addition to the ability to invest Fund assets, House File 2501 also changed the annual amount appropriated from the Fund to the Commission for the benefit of veterans.¹⁴ Beginning July 1, 2022, the

The Commission is also allowed to submit recommendations to the General Assembly for other purposes if the Commission determines such spending would benefit the veteran community.⁵

Funding

The Commission is authorized to accept and immediately use a variety of moneys from public and private sources. Such sources include all of the following:

amount appropriated to the Commission each fiscal year varies as follows:

- An amount equal to the first \$500,000 received from the State Lottery Fund plus interest and earnings on Fund assets if the July 1 beginning balance of the Fund was below \$50 million in the current fiscal year.¹⁵
- The full \$2.5 million transferred from the State Lottery Fund if the July 1 beginning balance of the Fund was above \$50 million in the current fiscal year, but below \$50 million in the previous fiscal year.¹⁶
- An amount equal to all net income the Fund received the previous fiscal year if the July 1 beginning balance of the Fund was above \$50 million in both the current and previous fiscal years.¹⁷

As of June 1, 2022, for fiscal year 2021-2022, the Fund had a total balance of \$36,397,649.97.¹⁸ Of this balance, \$1,728 came from donations, \$37,572.50 came from the Tax Checkoff, \$51,792.80 came from interest income, and \$2.5 million came from the State Lottery Fund. All Fund assets were in the form of cash accounts.¹⁹

Obtaining Assistance

Currently, there is no formal online or telephonic means to apply for assistance from the Fund, so veterans seeking assistance must locate a county Veterans Services Office and apply in person.²⁰ Once a veteran has given a Veterans Services Office all necessary information, the office will forward the request to the Trust Fund Administrator. The Administrator will determine which requestors are eligible to receive benefits from the Fund and forward all eligible requests to the Commission to consider at its next monthly meeting.²¹

As of June 1, 2022, for fiscal year 2021-2022, the Commission had

distributed \$912,461.70 to benefit veterans, spouses of veterans, and dependents of veterans.²²

¹ 2003 Iowa Acts, ch. 131 (HF 676), §1.

² Iowa Code §35A.13(6). A “veteran” is defined in Iowa Code §35.1. For the purposes of this Briefing, a reference to moneys being used for the benefit of veterans also includes spouses and dependents of veterans.

³ Categories included expenses related to college tuition and job training, nursing facility expenses not payable by any other source, benefits for children of disabled or deceased veterans, and unemployment aid during a veteran’s period of unemployment if such unemployment is due to an illness or disability resulting from military service. A broader sixth category, “[o]ther purposes identified by the commission,” also existed at the time, but the scope of this category was never defined. 2003 Iowa Acts, ch. 131, §1; 2006 Iowa Acts, ch. 1185, §§66-68.

⁴ Iowa Code §§35A.13(7), (8).

⁵ Iowa Code §35A.13(9).

⁶ Iowa Code §35A.13(2)(a).

⁷ Iowa Code §35A.13(2)(b).

⁸ Iowa Code §35A.13(2)(c).

⁹ Iowa Code §99G.39(3).

¹⁰ 2022 Iowa Code §35A.13(4)(a).

¹¹ 2022 Iowa Acts, ch. 1034, §3, 4, 5 (codified at Iowa Code §35A.13(3), (4), (5)).

¹² 2022 Iowa Acts, ch. 1034, §4 (codified at Iowa Code §35A.13(4)).

¹³ See generally Iowa Code chapters 12F, 12H, and 12J; Iowa Code §97B.7A(2).

¹⁴ 2022 Iowa Acts, ch. 1034, §5 (codified at Iowa Code §35A.13(5)).

¹⁵ 2022 Iowa Acts, ch. 1034, §5 (codified at Iowa Code §35A.13(5)(a)).

¹⁶ 2022 Iowa Acts, ch. 1034, §5 (codified at Iowa Code §35A.13(5)(b)).

¹⁷ 2022 Iowa Acts, ch. 1034, §5 (codified at Iowa Code §35A.13(5)(c)). For the purposes of determining the amount appropriated to the Commission, “income” means moneys credited to the Fund pursuant to Iowa

Code §35A.13(2) in addition to \$2.5 million received from the State Lottery Fund transfer.

¹⁸ Email from Chris Ubben, Legislative Services Agency Fiscal Analyst, to Daniel Gough, June 23, 2022 (on file with author).

¹⁹ Email from Chris Ubben, Legislative Services Agency Fiscal Analyst, to Daniel Gough, June 23, 2022 (on file with author).

²⁰ Email from Melissa Miller, Veterans Trust Fund Administrator, to Daniel Gough, June 23, 2022 (on file with author). Information on the location of Iowa VA offices may be accessed at va.iowa.gov/counties.

²¹ Email from Melissa Miller, Veterans Trust Fund Administrator, to Daniel Gough, June 23, 2022 (on file with author).

²² Email from Chris Ubben, Legislative Services Agency Fiscal Analyst, to Daniel Gough, June 29, 2022 (on file with author).