
ISSUE REVIEW

Fiscal Services Division

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Overview of Iowa Veterans Programs — 2019 Update

ISSUE

This *Issue Review* provides a review and analysis of State veterans programs that provide direct care and assistance for Iowa veterans from 2008 to the present. This *Issue Review* does not include any analysis or review of the U.S. Department of Veterans Affairs (VA) medical care system or private initiatives. **Table 1** provides an organizational overview of where the programs in this *Issue Review* fall in the State of Iowa budget.

AFFECTED AGENCIES

Iowa Department of Veterans Affairs (DVA), Iowa Veterans Home (IVH), Department of Revenue, Iowa Lottery Authority, Iowa Finance Authority, College Student Aid Commission, Iowa Workforce Development

CODE AUTHORITY

Iowa Code chapters [35](#), [35A](#), [35B](#), [35D](#), and [426A](#)
Iowa Code sections [16.54](#), [99G.39](#), [261.86](#), [422.7](#), [422.12L](#), and [425.15](#)
Iowa Administrative Code [801](#)

BACKGROUND

Iowa has historically provided a number of programs and special benefits serving Iowa's veterans. **Attachment A** is an extensive list of veterans and military benefits currently provided in the State of Iowa. Most of the programs that will be reviewed in this *Issue Review* have been available since the early 2000s and are administered by the DVA. For Iowa veterans' programs, eligible veterans generally include residents of Iowa who served in the armed forces of the

Table 1 — Program Summary

Programs Currently Receiving Annual Appropriations

Health and Human Services Appropriations Subcommittee

DVA General Administration
County Commissions of Veterans Affairs Training Program
Home Ownership Assistance Program
Iowa Veterans Home

Education Appropriations Subcommittee

National Guard Educational Assistance Program

Economic Development Appropriations Subcommittee

Special Employment Contingency Fund (Home Base Iowa)

Programs Receiving Funding Through Standing Appropriations or Prior Appropriations

Injured Veterans Grant Program
Iowa Veterans Trust Fund
Iowa Veterans Cemetery
Veterans License Plate Fee Fund
Military Service Property Tax Exemption
Disabled Veteran Homestead Property Tax Credit

United States during regular or federal active duty, former members of the reserve forces of the United States, and former members of the Iowa National Guard. Specific details on the definition of a veteran can be found in Iowa Code section [35.1\(2\)](#), and additional characteristics of a veteran may apply to specific chapters or sections of the Iowa Code. The DVA or a [county veterans affairs office](#) can provide more information as to whether an individual qualifies for a specific benefit.¹

Department of Veterans Affairs

The DVA was created in 1978 and has gone through several organizational iterations with the latest in 2005.² The mission of the DVA is to serve veterans and their families, to connect veterans with available benefits, to provide dignified services and compassionate family assistance, and to provide high-quality operations at the Iowa Veterans Cemetery. The administrative staff is located at Camp Dodge in Johnston, Iowa. The overall responsibilities can be summarized as:

- Educating veterans and active duty reserve members on entitlements and resources under State and federal laws.
- Being a central point of contact in State government for veterans' issues.
- Administering the County Allocation Program and Injured Veterans Grant Program, and maintaining the Iowa Veterans Cemetery.
- Maintaining the burial records of over 185,000 deceased Iowa veterans.

The DVA received a General Fund appropriation of \$1.2 million for FY 2019 and utilized 13.7 full-time equivalent (FTE) positions. Personal services expenditures represent 87.6% of the DVA's budget.

Commission of Veterans Affairs

The Commission of Veterans Affairs is an 11-member commission appointed by the Governor and approved by the Senate for staggered four-year terms.³ The Commission is tasked with the following duties:

- Making recommendations to the DVA, General Assembly, and Governor concerning issues involving and impacting veterans in Iowa.
- Making recommendations to the General Assembly and Governor concerning the management and operation of the DVA.
- Supervising the Iowa Veterans Home Commandant's administration of commission policy.
- Approving expenditures from the Veterans Trust Fund.

County Commission of Veterans Affairs

Each of Iowa's 99 counties has a County Commission of Veterans Affairs that consists of three to five veterans identified by the county's board of supervisors.⁴ Each county is required to have a veterans affairs office in a building owned, operated, or leased by the county. The operating costs come from the county's budget, primarily property taxes in the county general fund. Offices are required to provide the following minimum office hours, depending on the total population of the county.

- Counties that have a population of 30,000 or less (78 counties) — 20 hours per week.
- Counties that have a population of 30,001 to 60,000 (11 counties) — 30 hours per week.
- Counties that have a population of 60,001 or greater (10 counties) — 40 hours per week.

¹ DVA phone numbers: 515.252.4698 or 800.838.4692 and ask for a benefits specialist.

² 1978 Iowa Acts, ch. [1040](#) (Department of Veterans Affairs Act), and 2005 Iowa Acts, ch. [115](#) (Veterans Affairs Act).

³ Iowa Code [§35A.2](#).

⁴ Iowa Code ch. [35B](#).

Among the duties of the county commissions are to:

- Educate veterans and active duty reserve members on entitlements and resources under State and federal laws.
- Start applications for the Veterans Trust Fund.
- Ensure interment in a suitable cemetery of the body of any veteran, veteran's spouse, or veteran's child if the person died without sufficient means to defray funeral expenses.

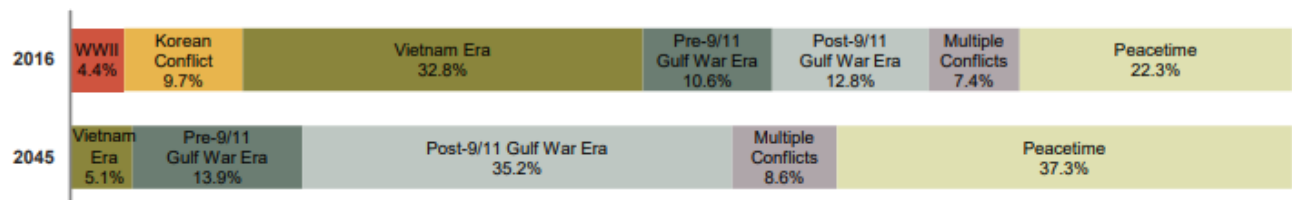
VETERAN POPULATION

According to the federal VA, the total number of veterans has been declining nationally.⁵ The VA, Office of the Actuary, reported that the overall veteran population was approximately 20.8 million in 2015. By 2045, the population is projected to be approximately 12.0 million, a decrease of 42.3%, with an average annual decrease of 1.8%. For Iowa, the 2018 estimated veteran population is approximately 201,000. The projected decrease over this same time period is 48.8%. See **Attachment B** for more population data.

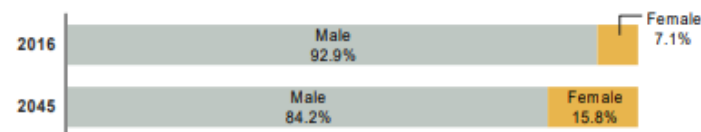
This same report estimates the largest living cohort of veterans (32.8%) served during the Vietnam Era (August 1964 to April 1975), but by 2045 the largest living cohort will consist of veterans from the post-9/11 Gulf War Era (September 2001 or later) (**Chart 1**). **Chart 1** also illustrates that the age distribution of Iowa veterans is estimated to become slightly younger and include a higher proportion of female veterans.

Chart 1 — Estimated Veteran Population Demographics⁶

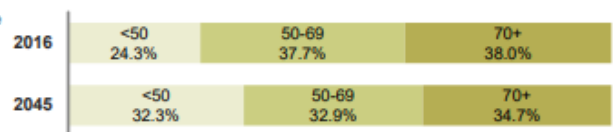
Percentage of Population by Period of Service



Percentage of Population by Gender



Percentage of Population by Age



HOME BASE IOWA 2014 LEGISLATIVE SESSION (PUBLIC-PRIVATE PARTNERSHIP)

[Home Base Iowa](#) (HBI) was developed by former Governor Terry Branstad and retired Iowa National Guard Major General Timothy Orr in 2014 as a nonprofit, public-private partnership to recruit veterans and transitioning service members to help them find careers in Iowa. Implemented by staff at Iowa Workforce Development, the HBI program seeks to connect veterans and transitioning service members with HBI partners and resources. HBI helps connect Iowa businesses with qualified veterans looking for career opportunities. Resources are available to help veterans and their families with education and in transitioning to a new community with focused support and individuals who want to help.

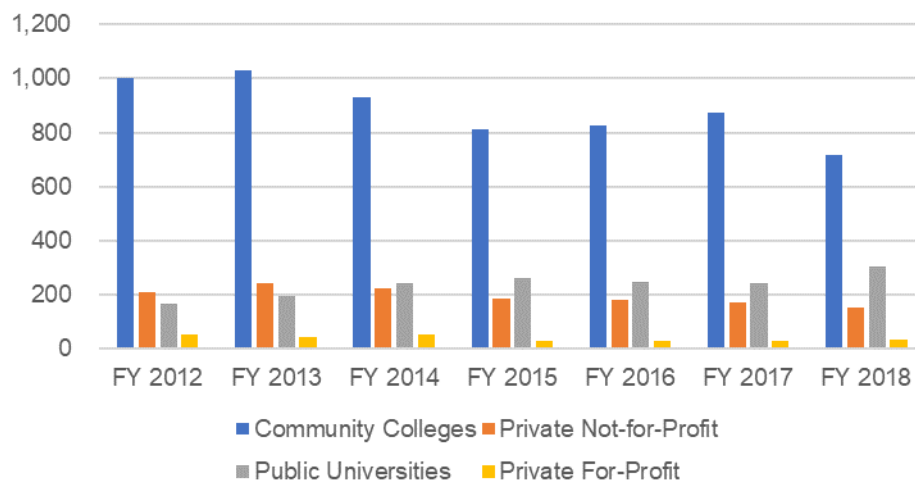
⁵ www.va.gov/vetdata/Veteran_Population.asp

⁶ www.legis.iowa.gov/docs/publications/MOW/923793.pdf

During the 2014 Legislative Session, SF 303 (2014 Iowa Acts chapter [1116](#), Home Base Iowa Act) was enacted in an effort to make Iowa more attractive to veterans returning home from military service. Significant changes included:

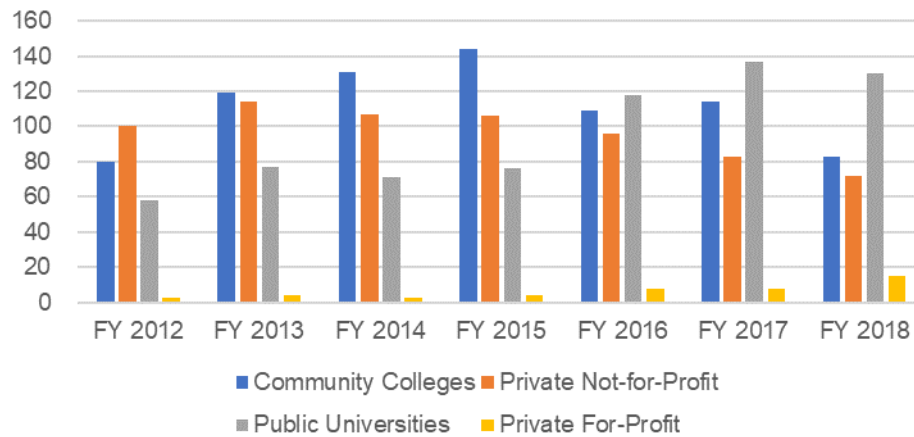
- Excluding federal retirement pay received for military service and survivor benefits from State individual income tax regardless of the taxpayer's age. The retirement pay is only deductible to the extent it is included in the taxpayer's federal adjusted gross income. The exclusion also applies to military survivor benefits received under [10 U.S.C. 1447](#). It is available for both residents and nonresidents of Iowa. The exclusion is in addition to the general \$6,000/\$12,000 pension exclusion available for Iowa individual income tax for taxpayers 55 years of age or older.
- Permitting a private employer to give preference in employment and promotion to veterans and spouses of veterans.
- Eliminating the initial plate fee for military special license plates for veterans.
- Expanding the Home Ownership Assistance Program to include the veterans who served during the Gulf Conflict from August 2, 1990, to April 6, 1991.
- Requiring the various professional licensing boards of the State to adopt rules to provide veterans and their spouses credit toward qualifications for licensure to practice a profession or occupation for training, service, or education gained while serving. There was also a requirement to expedite licensing for veterans, which was later broadened to include spouses.⁷
- Requiring all public postsecondary institutions and Iowa Tuition Grant-eligible private and independent colleges to participate in HBI postsecondary education reporting. **Charts 2 and 3** outline some of the data submitted on enrollment and transcript credits awarded for military training, service, and education. For reference, FY 2015 was the first year of implementation for HBI.

Chart 2 — First-Time Veterans Enrollment



⁷ 2019 Iowa Acts, ch. [9](#) (Military and Veterans Benefits Act).

Chart 3 — Receiving Transcript Credits for Military Training, Service, or Education



The HBI initiative received funding from the Office of the Chief Information Officer to create a [website](#) that had data gathering capabilities starting in mid-2017, meaning that 2018 was the first year with annual data. The following data points are available, and year-over-year comparisons will be available in the future.

- Veteran Profiles Submitted: 577. This number is further broken down as follows:
 - Veteran Status: 71.0% were veterans changing to civilian jobs, 10.0% were transitioning from active duty, and 9.0% were retiring from active duty.
 - Education Level: 31.0% have bachelor's degrees, 31.0% have high school diplomas or equivalency, 16.0% have associate's degrees, and 15.0% have master's degrees. This means that 69.0% have completed a certificate program or education beyond high school.
 - Branches of Service: 56.0% were from the Army, 16.0% from the Air Force, 15.0% from the Navy, 12.0% from the Marines, and 1.0% from the Coast Guard.
 - Residency: 75.0% current residents; 25.0% nonresidents.
 - Top Five Industries of Interest:
 - Management and human resources.
 - City, county, and state administration.
 - Production and manufacturing.
 - Transportation, distribution, and logistics.
 - Office administration.
- HBI Business Profiles Added: 423. This brings the total to over 2,100 businesses participating.

Also enacted that year were changes that expanded the additional Homestead Tax Credit for disabled veterans.⁸ The Act changed the eligibility for the credit to include any eligible veteran,

⁸ 2014 Iowa Acts, ch. [1117](#) (Disabled Veteran Property Tax Exemption Act).

including former members of the National Guard of any state, with a permanent and total service-connected disability as certified by the federal VA. The credit was also extended to surviving spouses and to children who meet specific criteria. More information will be presented on this program in the Property Tax Programs section of this *Issue Review*.

VETERANS TRUST FUND

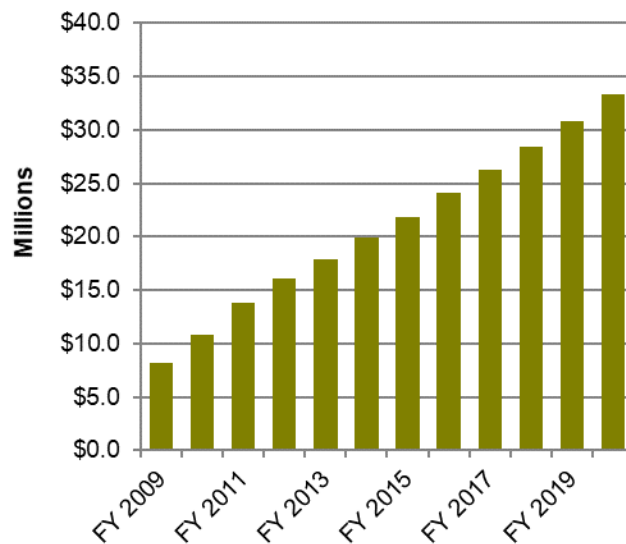
The Veterans Trust Fund was created in 2003.⁹ The Veterans Trust Fund is under the control of the Commission of Veterans Affairs and is used to assist veterans and their families who meet certain income and asset guidelines.¹⁰ The scope of services and reach of the Trust Fund has expanded since its inception as the Trust Fund balance and public awareness has grown. From CY 2008 to CY 2018, a total of \$3.3 million was awarded from the Trust Fund through over 2,800 awards.¹¹ Money in the Veterans Trust Fund is essentially divided into two categories, principal and spendable.

Principal

This is the portion of the Fund that is available to produce income through earning interest.^A The principal consists of previous appropriations made by the General Assembly, transfers of Iowa Lottery revenues, and donations through the income tax checkoff. It is the intent of the General Assembly for the principal balance to reach \$50.0 million.¹²

As of October 2019, the principal balance of the Veterans Trust Fund was \$33.4 million. The historical balance of the Trust Fund is outlined in **Chart 4**. Under current law, the LSA currently estimates that the Trust Fund will reach the \$50.0 million goal by FY 2029.

Chart 4 — Veterans Trust Fund Balance



⁹ 2003 Iowa Acts, ch. [131](#) (Veterans Trust Fund Act), codified in Iowa Code [§35A.13](#).

¹⁰ An eligible family must have household income below 200.0% of the Federal Poverty Level (FPL) Guidelines and less than \$15,000 in liquid assets.

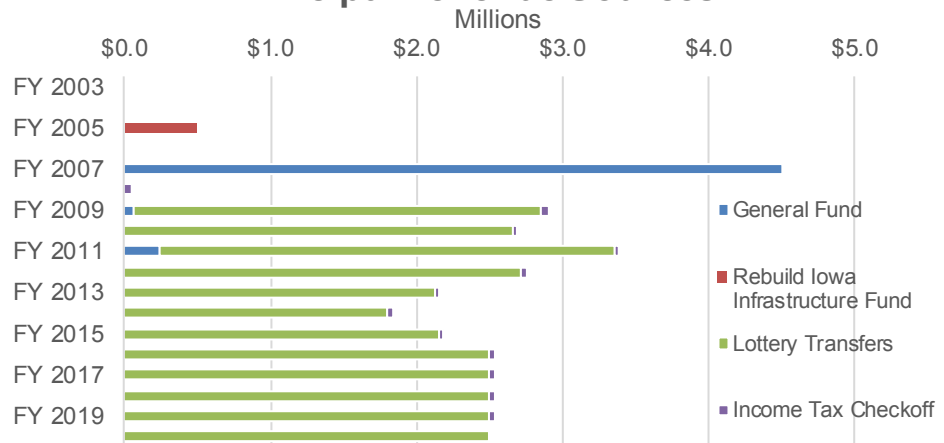
¹¹ The 2,800 figure does not represent 2,800 unique individuals since a veteran could apply for different services up to an overall maximum for each assistance category in a 12-month period or lifetime maximum.

¹² Iowa Code [§35A.13\(4\)](#).

Revenue Sources

The Veterans Trust Fund has been funded from a variety of revenue sources over the years including appropriations from the General Fund, appropriations from the Rebuild Iowa Infrastructure Fund (RIIF), transfer of lottery revenues, and donations from the veterans income tax checkoff.¹³ Historical appropriations and transfers for the principal are demonstrated in **Chart 5**.

**Chart 5 — Veterans Trust Fund
Principal Revenue Sources**



Current law requires the Iowa Lottery to transfer \$2.5 million annually to the Trust Fund.¹⁴ This transfer typically occurs in October. Of that amount, the Commission can spend \$500,000 to assist veterans eligible for services.¹⁵ The Trust Fund also earns interest from the investment of the Fund balance that is permissible to be spent. Interest earned over the past year has averaged \$42,000 per month.

There is currently a joint income tax checkoff for the Veterans Trust Fund and the Volunteer Fire Fighter Preparedness Fund.¹⁶ Individuals who file a tax return may designate \$1 or more to be paid jointly to both funds. The Department of Revenue transfers one-half of the receipts to the Veterans Trust Fund and the other half of the receipts to the Volunteer Fire Fighter Preparedness Fund. Any amount received from the checkoff is deposited in the principal balance of the Veterans Trust Fund. The income tax checkoff generates approximately \$34,000 annually.

Funds Available for Awards

The spendable portion of the Trust Fund includes \$500,000 of the annual transfer from the Iowa Lottery, interest income earned, and donations received. Awards are made by a majority vote of the Commission of Veterans Affairs to meet requests for assistance from veterans and the spouses and dependents of veterans. The money appropriated to the Commission that remains unobligated or unexpended at the end of the fiscal year will revert to the principal balance of the Veterans Trust Fund.

Expenditures

Awards from the Trust Fund broadly fall into four categories: medical assistance, vehicle/housing repair assistance, employment-related assistance, and honor guard reimbursement.¹⁷ Expenditures from the Veterans Trust Fund for assistance began in FY 2009,

¹³ As authorized by Iowa Code §99G.39 and 422.12L.

¹⁴ Iowa Code §99G.39.

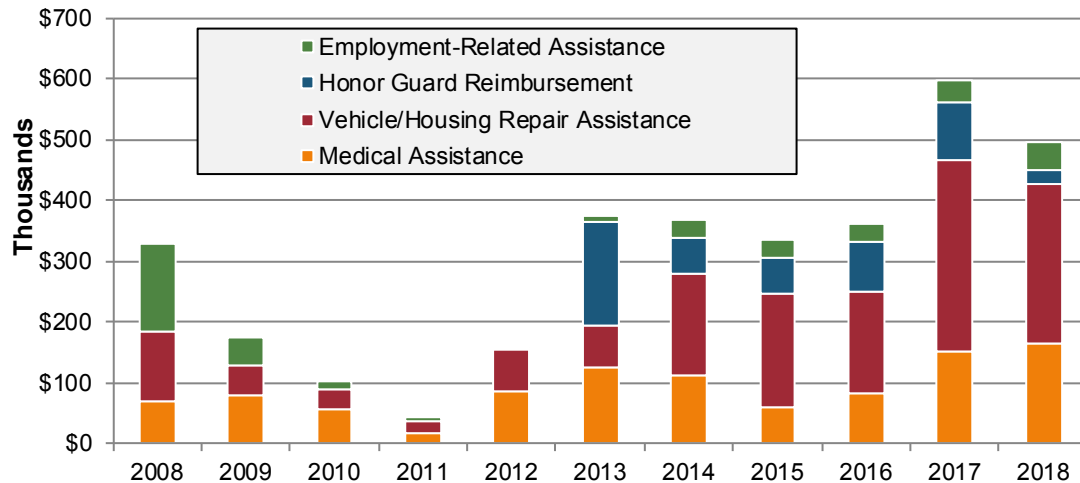
¹⁵ Iowa Code §35A.13(4).

¹⁶ Iowa Code §422.12L.

¹⁷ Assistance categories are established in Iowa Code §35A.13(6) and further defined in 801 IAC 14. Honor guard services are reimbursement to veterans organizations for providing military funeral honors.

but the annual report for the Fund is on a calendar year basis. Since CY 2008, a total of \$3.3 million has been awarded from the Trust Fund, primarily in the areas of vehicle/housing repair assistance (43.4%) and medical assistance (30.1%). **Chart 6** shows the amount of expenditures on claims for assistance that fall within these categories on a calendar year basis.

Chart 6 — Total Funds Awarded



Miscellaneous Provisions

There are a few other aspects of the Iowa Veterans Trust Fund that do not fit within the overall design of the original program.

The War Orphans Education Assistance Program was consolidated in the Trust Fund as a separate account in the Fund. There was a transfer of \$129,000 that is maintained in the account and is to be used only for the purpose of assisting in the education of orphaned children of veterans. Interest earned on money deposited in the War Orphans Education Assistance account is also credited to the account. This account is not included in reporting on the principal balance of the Fund. The most recent award for State aid out of this Program was in FY 2009.

During the 2017 State Fair, a [“Spirit of Iowa Tribute Bell”](#) was cast to be a portable community outreach symbol. The bell was mounted on a trailer that can be transported to community events to tell the story of Iowa veterans and raise awareness of veterans’ needs with contributions supporting the Veterans Trust Fund. An account was created in the Trust Fund to track donations and pay for any incidental expenses involving the maintenance of the bell and trailer. As of October 2019, approximately \$4,800 has been raised associated with the bell.



The Trust Fund has always had a provision allowing funds to be loaned for cemetery grant development services, provided that the funds be returned to the Trust Fund upon receipt of federal funds for such purposes. This provision was expanded to remove the requirement that funds used by the Department of Administrative Services (DAS) be repaid.¹⁸ In FY 2019, \$150,000 was transferred to the DAS for cemetery construction projects.

¹⁸ 2018 Iowa Acts, ch. [1064](#) (Veterans Commission Membership and Trust Fund Expenditure Act).

INJURED VETERANS GRANT PROGRAM

The Iowa Injured Veterans Grant Program was created in 2006 and aids service members on active duty who are injured.¹⁹ The Program was originally restricted to injuries in combat zones, but was expanded to cover injuries made in the line of duty requiring medical evacuation.²⁰

Injured veterans or their family members can receive grants of up to \$10,000. The funds provide financial assistance that allows family members to be with the veteran during the veteran's recovery. To be eligible, a veteran must be an Iowa resident or member of an Iowa-based National Guard or Reserve unit, and must have sustained an injury in the line of duty after September 11, 2001. The grants are paid in increments of \$2,500, up to a maximum of \$10,000, upon proof that a veteran has sustained an injury and has been evacuated from the operational theater to a military hospital.²¹ The amounts are paid when the service member is evacuated and again at 30, 60, and 90 days after evacuation. An injured veterans grant is exempt from Iowa income taxation.²²

The Program has been funded with periodic General Fund appropriations totaling \$4.0 million since FY 2006. The most recent appropriation occurred in FY 2011. The appropriations do not revert to the General Fund and are permitted to carry forward. As of October 2019, there is \$184,000 available for payments.

Table 2 shows by fiscal year net appropriations, amount expended, number of payments, and the balance carryforward for the Program.²³ The DVA and National Guard are required to submit a report to the Governor and General Assembly on the sustainability of future funding for the Program by December 31, 2019.²⁴ Factors contributing to the fewer number of awards being

Table 2 — Injured Veterans Grant Program

| | | Net | | Number | Ending |
|--|--------------|---------------------|---------------------|-------------|--------------|
| | Fiscal Year | Appropriations | Expenditures | of Payments | Balance |
| | 2006 | \$ 1,000,000 | \$ 0 | 0 | \$ 1,000,000 |
| | 2007 | 2,000,000 | 1,070,000 | 134 | 1,930,000 |
| | 2008 | 0 | 360,000 | 48 | 1,570,000 |
| | 2009 | -23,550 | 265,000 | 43 | 1,281,450 |
| | 2010 | -128,145 | 265,000 | 42 | 888,305 |
| | 2011 | 1,000,000 | 882,500 | 241 | 1,006,350 |
| | 2012 | 0 | 420,000 | 113 | 586,350 |
| | 2013 | 0 | 40,000 | 9 | 546,397 |
| | 2014 | 0 | 120,000 | 13 | 426,397 |
| | 2015 | 0 | 100,000 | 11 | 326,397 |
| | 2016 | 0 | 80,000 | 11 | 246,397 |
| | 2017 | 0 | 12,500 | 2 | 233,897 |
| | 2018 | 0 | 20,000 | 3 | 213,897 |
| | 2019 | 0 | 30,000 | 5 | 183,897 |
| | Total | \$ 3,848,305 | \$ 3,665,000 | 675 | |

expended from the Program include the closing of combat zones or hostile firing zones by the federal government, and a shift in federal policies decreasing injury evacuations and delivering critical care for injured forces sooner.

¹⁹ 2006 Iowa Acts, ch. [1106](#) (Injured Veterans Grant Program Act).

²⁰ 2019 Iowa Acts, ch. [9](#) (Military and Veterans Benefits Act).

²¹ [801 IAC 11.2](#).

²² Iowa Code [§422.7\(46\)](#).

²³ Not reflected in net appropriations is \$592 received from two private donations to the Program.

²⁴ Iowa Code [§35A.14\(7\)](#).

COUNTY COMMISSIONS OF VETERANS AFFAIRS TRAINING PROGRAM

The County Commissions of Veterans Affairs Training Program (sometimes referred to as the County Allocation Program) began in 2008 and is intended to improve the delivery of service by the various county commissioners of veterans affairs to veterans in their respective counties.²⁵ The money is intended to be used for outreach to veterans in their communities as well as for the administration and maintenance of the county office and staff.²⁶

There is a standing appropriation of \$1.0 million from the General Fund to the DVA County Commissions of Veterans Affairs Fund.²⁷ This appropriation is annually reduced in the Health and Human Services Appropriations Act to a lesser amount, typically \$990,000. The Program permits each county to receive an allocation of \$10,000. Any unspent funds carry forward and are credited to the account to be used to fund the County Commission of Veterans Affairs Training Program operated by the DVA.

The average annual amount spent on training schools ranges between \$1,000 and \$5,000, depending on the facility used.²⁸ From FY 2015 to FY 2019, an average of 2.5% of the funds allocated were returned. **Table 3** shows the amount expended and the amount returned from the County Allocation Program and the number of counties returning money.

Table 3 — County Commissions of Veterans Affairs Training Program Summary

| | <u>FY 2015</u> | <u>FY 2016</u> | <u>FY 2017</u> | <u>FY 2018</u> | <u>FY 2019</u> |
|--------------------------|----------------|----------------|----------------|----------------|----------------|
| Total Spent | \$962,527 | \$967,142 | \$955,585 | \$920,245 | \$969,872 |
| Total Returned | \$ 27,473 | \$ 13,828 | \$ 34,416 | \$ 27,680 | \$ 20,058 |
| Counties Returning Funds | 13 | 11 | 16 | 15 | 12 |
| Largest Return | \$ 10,000 | \$ 3,995 | \$ 8,234 | \$ 9,575 | \$ 4,613 |
| County | Benton | Adams | Butler | O'Brien | Shelby |

Some of the primary reasons counties have returned money in previous years have been because the services were not being provided in a public office location, the required office hours were not being provided, or the money was not being used for its intended purpose. The funds cannot be used to provide direct assistance to veterans. Since FY 2015, 71 counties have spent all of the funding allocated to them each year.

HOME OWNERSHIP ASSISTANCE PROGRAM

The Home Ownership Assistance Program for military members began in FY 2005 and is administered by the Iowa Finance Authority (IFA). The Program provides eligible service members and veterans with a \$5,000 once-in-a-lifetime grant for a down payment and closing cost assistance on a qualifying home purchase of a primary residence in Iowa. To be

²⁵ 2008 Iowa Acts, ch. [1130](#) (County Commissions Veterans Training Act).

²⁶ Iowa Code [§35B.6](#).

²⁷ Iowa Code [§35A.16\(1\)\(b\)](#).

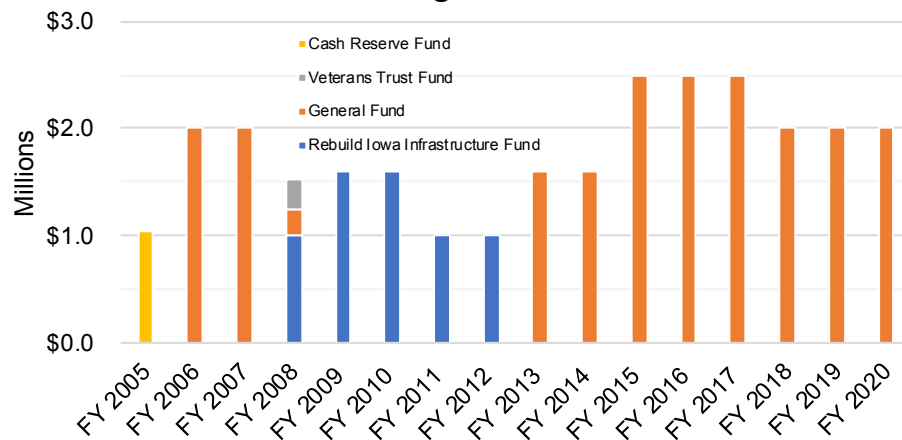
²⁸ The DVA training schools provide continuing education credits and additional training opportunities for the county veteran service officers. Training and continuing education is conducted in the spring and fall by the DVA.

considered eligible, the service member or veteran must have served a cumulative 90 days on active duty after September 11, 2001, or during the Persian Gulf Conflict from August 2, 1990, to April 6, 1991, or have suffered an injury that precluded completion of the period of service while on federal active duty during those times. Surviving spouses are eligible for the Program. The DVA reviews each application to determine eligibility as a veteran, and the IFA determines eligibility for the qualifying grant.²⁹

The DVA receives an annual appropriation and transfers it to the IFA. **Chart 7** illustrates the historical funding. Funding has come from the General Fund, Cash Reserve Fund, Veterans Trust Fund, and RIIF. Since FY 2013, the appropriation has been made from the General Fund.

Funds are considered obligated if the IFA and the DVA receive an application and the veteran is qualified for the Program. Funds have generally been obligated by the following months:

Chart 7 — Home Ownership Assistance Program Funding Sources



- FY 2017: Funding fully obligated by April 2017 (10 months into the fiscal year), waiting list started.
- FY 2018: Waiting list of \$95,000 funded in July 2017. The remaining appropriation was fully obligated by December 2017 (seven months into the fiscal year).
- FY 2019: Waiting list of \$535,000 funded in July 2018. The remaining appropriation was fully obligated by October 2018 (four months into the fiscal year).
- FY 2020: Waiting list of \$650,000 funded in July 2019. The remaining appropriation was fully obligated by September 2019 (three months into the fiscal year). When the funding was exhausted, the Program was closed for the fiscal year and no wait list was started.

IOWA VETERANS HOME

The Iowa Veterans Home, located in Marshalltown, Iowa, provides both nursing home and residential levels of care for Iowa's aged, chronically ill, or disabled veterans, dependent spouses, and surviving spouses. The IVH is a separate State agency from the DVA.

The role of the IVH has evolved considerably over the years. The IVH was originally a domiciliary for veterans with insufficient resources to live independently or for veterans unable to earn a livelihood by virtue of disability. Today, the IVH is a facility that serves veterans with chronic conditions rather than those with insufficient incomes. Spouses qualify for admission if

²⁹ Eligibility requirements are available on the [IFA website](#).

they have been married to a veteran for at least one year before the date of application and meet residency requirements. The FY 2019 average daily census of individuals living at the IVH was 498 (**Chart 7**). The number of individuals receiving residential level care has been decreasing, but the nursing care remains at full capacity. Since the inception of the IVH in 1887, the number of veterans and spouses served is approximately 19,000.

The IVH revenue sources are approximately 45.6% Medicaid, 24.0% federal VA per diem, 16.8% resident support, 8.8% General Fund (annual appropriation approximately \$7.2 million), and 4.8% other sources.

Chart 7 — IVH Annual Averages

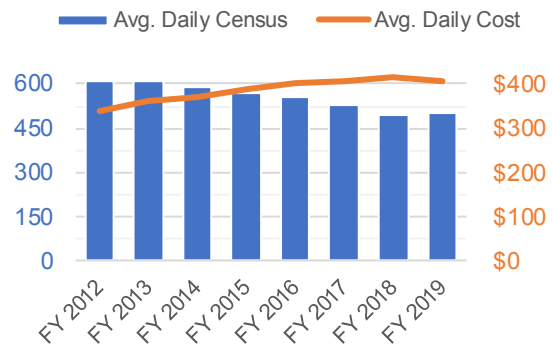
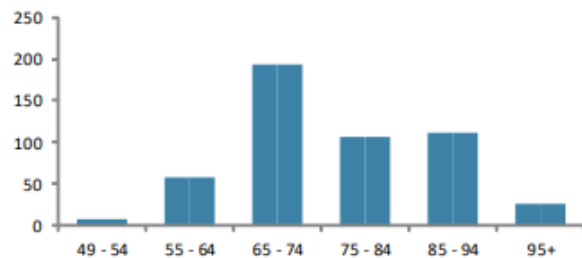


Chart 8 — IVH Statistics June 2019³⁰

Iowa Veterans Home Demographics

Population by Age of Resident



69.5
Average Age of Domiciliary Resident

77.2
Average Age of Nursing Resident

882 Total IVH Staff

- 684 Full-Time Staff
- 121 Part-Time Staff
- 77 Temporary Staff

Number of Resident Veterans by Period of Service



74
Veteran Spouses in Residence

5.86 Average Length of Stay in Years for All Residents

IOWA VETERANS CEMETERY

The Iowa Veterans Cemetery, located in Van Meter, Iowa, is available for burial of all eligible veterans, their spouses, and certain dependent children. An honorably discharged veteran is interred at no charge to the family; however, the federal VA does pay the State \$780 per veteran. Spouses and dependents are buried for a \$300 interment fee.³¹ Both of these fees

³⁰ www.legis.iowa.gov/docs/publications/MOW/1050464.pdf

³¹ The fee covers the cost of the liner for nonveterans and is also intended to cover the perpetual care.

are deposited into the Perpetual Care Account. Iowa residency is not required for burial in the Iowa Veterans Cemetery. There is a federal program that furnishes headstones or markers upon request.³²

The Cemetery was constructed in 2008 with federal funds and has an ongoing annual State operating expense of approximately \$375,000. The operating costs and 5.6 FTE positions are funded through the DVA General Fund appropriation. The Iowa Veterans Cemetery has provided more than 4,800 interments. Approximately 70.0% of recent interments are cremation remains.

VETERANS LICENSE PLATE FEE FUND

The Veterans License Plate Fee Fund was created in the State Treasury under the control of the Commission of Veterans Affairs.³³ The Fund receives revenue from the sale of special veterans license plates. Interest or earnings on money in the Fund remains in the Fund. The Commission can use the Fund to fulfill the responsibilities of the Commission and to honor and promote the veterans of Iowa.

License plate fee revenue has been approximately \$70,000 annually from FY 2010 to FY 2019. The Commission spent \$54,000 in FY 2019. As of October 2019, the Fund has approximately \$279,000 available. Generally, funding requests for private initiatives and requests from the DVA and IVH come before the Commission at the Commission's quarterly meetings, and there is a vote on awards.

PROPERTY TAX PROGRAMS

The following property tax benefits are available for qualifying veterans to apply for through their local property tax assessor.

Military Service Property Tax Exemption

The Military Service Property Tax Exemption provides a property tax exemption of \$1,852 of assessed property valuation for veterans who served on active or reserve duty in the armed forces.³⁴ Periods of active duty and length of reserve service required for qualification as a veteran are specified by Iowa Code section [35.1\(2\)\(a\)](#) and (b) and are primarily defined by specific conflicts, specific time periods between specific conflicts, or a period of 20 years of service. For purposes of the Military Service Property Tax Exemption, "veteran" means a resident of Iowa who served in the United States armed forces for a minimum of 18 months and was honorably discharged. A veteran may also be an Iowa resident who served in the armed forces for less than 18 months and was honorably discharged due to a service-related injury.

³² National Cemetery Administration, U.S. VA, www.cem.va.gov/hmm/

³³ Iowa Code [§35A.11](#).

³⁴ Iowa Code [§426A.11](#).

On average, a veteran's property taxes are reduced by approximately \$65 per year at current property tax rates. Local governments are provided a partial reimbursement of \$13 by the State for providing the Military Service Property Tax Exemption. The reimbursement amount is up to the amount the local government would have collected had there been a consolidated levy rate no greater than \$6.92 per \$1,000 of assessed value. The Military Service Property Tax Exemption is funded with a standing unlimited General Fund appropriation established in Iowa Code section [426A.1A](#). The annual appropriation amount is approximately \$2.0 million from the General Fund, which reimburses local governments for the exemption (**Table 4**).

Table 4 — Military Service Property Tax Exemption

| Fiscal Year | Funding | Number of Claimants | Funding Level |
|--------------------|----------------|----------------------------|----------------------|
| 2016 | \$2,043,442 | 159,395 | 100.0% |
| 2017 | 1,966,710 | 153,410 | 100.0% |
| 2018 | 1,893,808 | 147,723 | 100.0% |
| 2019 | 1,828,273 | 142,611 | 100.0% |
| 2020 | 1,765,214 | 137,692 | 100.0% |

Disabled Veteran Homestead Property Tax Credit

There is also a provision of the Disabled Veteran Homestead Property Tax Credit that allows a disabled veteran to receive a credit of 100.0% of the tax levy.³⁵ The credit was originally enacted in 1990 and expanded in 2014 and 2015 to remove income limitations and expand eligibility. The Disabled Veteran Homestead Property Tax

Table 5 — Disabled Veteran Homestead Property Tax Credit

| Fiscal Year | Funding | Number of Claimants | Funding Level | Average Claim |
|--------------------|----------------|----------------------------|----------------------|----------------------|
| 2016 | \$5,257,013 | 2,175 | 100.0% | \$ 2,417 |
| 2017 | 5,803,499 | 2,264 | 100.0% | 2,563 |
| 2018 | 7,906,725 | 2,983 | 100.0% | 2,651 |
| 2019 | 9,937,956 | 3,646 | 100.0% | 2,726 |

Credit is funded through the Homestead Property Tax Credit standing appropriation.³⁶ The annual appropriation is approximately \$135.0 million from the General Fund, which reimburses local governments for the exemption (**Table 5**).

Currently, veterans with 100.0% service-related disability status qualify for this credit. Veterans also qualify by having a permanent and total disability rating based on individual unemployability paid at the 100.0% disability rate. The veteran must own and occupy the property as a homestead on July 1 of each year, declare residency in Iowa for income tax purposes, and occupy the property for at least six months each year. Persons in the military or nursing homes who do not occupy the home are also eligible. A surviving spouse of a disabled veteran receiving Dependency and Indemnity Compensation (DIC) payments also qualifies. The surviving spouse as a beneficiary of the estate of a veteran who received the credit may continue to receive the credit as long as the spouse resides in the qualified homestead and does not remarry.

³⁵ Iowa Code [§425.15](#).

³⁶ Iowa Code [§425.1](#).

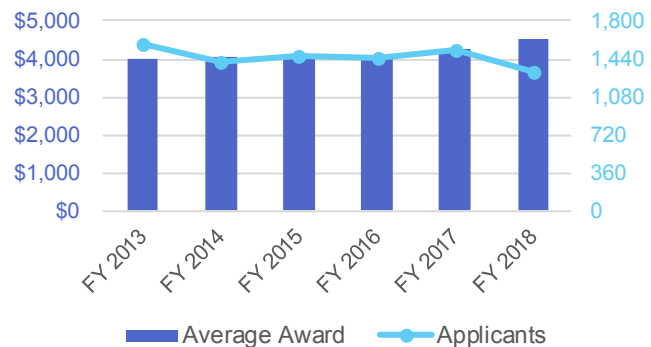
NATIONAL GUARD SERVICE SCHOLARSHIP PROGRAM

The National Guard Service Scholarship (formerly Educational Assistance) Program is a General Fund program enacted in 1999 that provides grants to National Guard members attending eligible Iowa colleges and universities, including community colleges.³⁷ Funding is included annually in the Education Appropriations Act for the College Student Aid Commission and does not revert at the end of the fiscal year. The maximum award cannot exceed the average resident tuition rate established for the Regents universities. Each year, the Guard determines what percentage of tuition will be reimbursed based on the available funding and the anticipated number of applications.

Awardees are limited to receiving total assistance under the Program for up to 120 semester credit hours of undergraduate study or the equivalent. However, awardees may be eligible for an additional 10 semester hours of undergraduate study if they are pursuing a degree that qualifies for the federal Edith Nourse Rogers STEM Scholarship.³⁸

Chart 9 represents average annual awards from the Program. The annual appropriation is \$4.7 million from the General Fund for FY 2020. Appropriation amounts can fluctuate as a result of change in demand due to deployment levels.

Chart 9 — National Guard Service Scholarship Program



OTHER STATES

The National Conference for State Legislatures (NCSL) provides a [Military and Veterans Affairs State Legislation Database](#) that permits users to search states by topic area for bills that have been introduced related to military and veterans issues.

SUMMARY

The 11-member Commission of Veterans Affairs is responsible for providing guidance and advising the DVA. The DVA is responsible for administering all State programs that provide direct assistance for veterans and their families, disseminating information to veterans regarding available benefits and services, and operating and maintaining the Iowa Veterans Cemetery to the federal VA's National Cemetery Standards.

The DVA receives an annual General Fund appropriation for \$1.2 million and 13.0 FTE positions. Approximately 86.0% of the appropriation covers personnel costs. The Department is also responsible for administering the Iowa Veterans Trust Fund, the Injured Veterans Grant Program, and the County Allocation Program, as well as authenticating applications for the Military Home Ownership Assistance Program administered by the IFA.

The Iowa Veterans Trust Fund is currently funded with lottery receipts, income tax checkoff dollars, donations, and interest income. The Injured Veterans Grant Program last received a General Fund appropriation in FY 2011 and currently has a balance carryforward amount of

³⁷ 1999 Iowa Acts, ch. [205](#) (FY 2000 Education Appropriations Act).

³⁸ 2019 Iowa Acts, ch. [135](#) (FY 2020 Education Appropriations Act).

\$184,000. Application demand on the Home Ownership Assistance Program continues to exceed the amount annually appropriated from the General Fund. The County Allocation Program remains at a historically high level of funding, though less than the appropriation enacted in the Iowa Code. For a summary of all funding provided by the General Assembly and Governor and total expenditures by program, please see **Attachment C**.

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Doc ID 1070211

^AThe funds in the Veterans Trust Fund are invested by the Treasurer of State. The Treasurer of State combines all State funds for banking and investment purposes. The Treasurer manages the Pooled Money Investment Account with the objectives of:

- **Safety.** The safety of State money is the Treasurer's highest priority.
- **Liquidity.** Adequate liquidity is maintained in the investment portfolio in order to meet all anticipated cash needs.
- **Yield.** The investment portfolio is managed in order to achieve a market-average rate of return throughout the budgetary and economic cycles, taking into account investment risk constraints and liquidity needs.

Veterans and Military Assistance and Benefits

| Program | Iowa Code | Explanation |
|--|----------------------|--|
| Military Home Ownership Assistance Program | 16.54 | Provides one-time financial assistance to eligible members of the armed forces of the United States to be used for purchasing a primary residence. |
| Military Foreclosure and Creditor Protections | 29A Subchapter VI | Provides additional civil relief to members of the Iowa National Guard. |
| Injured Veterans Grant Program | 35A.14 | Provides grants to seriously injured veterans and their families, paid in increments of \$2,500 to the veteran for the expenses of their families, up to the \$10,000 maximum. An injured veterans grant is exempt from Iowa income taxation. |
| Preference in Public Employment and Workforce Development | 35C.1 | Veterans who are citizens and residents of the United States are entitled to an employment preference in every public department of the State of Iowa, and preferences in employment with all counties, cities, and school corporations of the State. The preference is applied over other applicants of no greater qualifications. Iowa Workforce Development also provides eligible veterans and spouses with priority service under federal workforce development programs. |
| | 400.10 | |
| | 341A.6A | |
| Preference in Private Employment | 35.3 | Private employers may grant a veteran who is a citizen and resident of the United States an employment preference in hiring. A private employer may grant a preference in hiring and promotion of the spouse of a veteran. |
| Veterans Driver's Licenses and Identification Cards | 321.189 | An honorably discharged veteran can request the Department of Transportation (DOT) to mark the individual's driver's license or nonoperator's identification card with an indication of the individual's veteran status. |
| Veteran License Plates | 321.34 | There are currently 24 different special military and veteran plate designations available through the DOT for service members, veterans, and their surviving spouses. |
| License Plate Annual Fee | 321.105 | A disabled veteran is exempt from payment of the initial registration fee for a vehicle and shall be provided without fee one set of regular registration plates or any type of special plates associated with service in the armed forces for which the veteran qualifies. |
| Veterans Trust Fund | 35A.13 | Provides grants to veterans and their families for certain specified purposes. |
| Veterans Home | 35D.1(1) | The Iowa Veterans Home is statutorily required to be maintained as a long-term health care facility serving honorably discharged veterans and their dependent spouses, as well as the surviving spouses of honorably discharged veterans and the parents of certain deceased members of the armed forces. |
| Veterans Cemetery | 38 C.F.R. 38.620 | For an individual to meet the military service requirements for burial in the Iowa Veterans Cemetery, the individual must have been discharged from active duty under conditions other than dishonorable, died while on active duty, served at least 20 years in the National Guard or Army Reserves and met certain qualifications, or have served in a presidential call-up during reserve component service. |
| Indigent Veteran Burial | 35B.14 | County Commissions of Veterans Affairs and the county board of supervisors are responsible for the suitable interment of any veteran or dependent if the person died without leaving sufficient means to defray the funeral expense. |
| Holiday Time Off — Veterans Day | 91A.5A | Requires an employer to provide each employee who is a veteran with holiday time off for Veterans Day on November 11 of each year if the employee would otherwise be required to work on that day. The employer has the discretion of providing paid or unpaid time off. |
| Public Safety Peace Officers' Retirement System — Veteran's Credit | 97A.10A | Permits a vested or retired member with at least one year of covered wages to make contributions to the retirement system for all or a portion of the time period served on active duty. |
| | 97B.80 | |
| Iowa Public Employees' Retirement System — Veteran's Credit | | |
| Waiver of Fee for Birth and Death Certificates | 144.13B | For a period of one year after the death of a service member who died while performing military service, the fee for birth and death certificates for that service member are waived. |

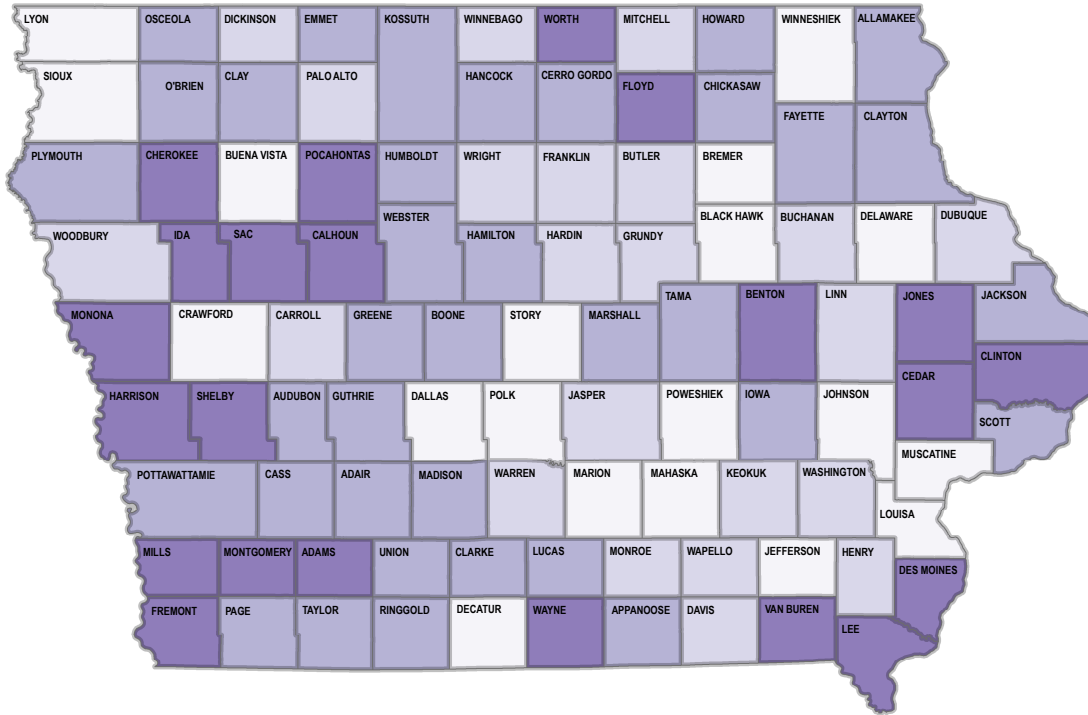
Veterans and Military Assistance and Benefits

| Program | Iowa Code | Explanation |
|--|--------------------------|---|
| Unclaimed Veteran's Remains | 144.27 | Requires funeral directors to inquire with the DVA if a person's remains go unclaimed after 180 days if the deceased person is eligible for internment at the national or State veterans cemetery. |
| Operation Recognition | 256.9(40) | Department of Education program to award high school diplomas to veterans of World War I, World War II, and the Korean and Vietnam conflicts who left high school prior to graduation to enter United States military service. |
| Interstate Compact on Education of Military Children | 256H | Provides for the uniform treatment of military children transferring between school districts and states. |
| In-State Tuition | 260C.14(14) 262.9(17) | Community colleges and Board of Regents institutions may classify veterans and military persons stationed in Iowa or at the Rock Island Arsenal, and their spouses and dependent children, as in-state residents for the purposes of tuition and mandatory fees. |
| National Guard Service Scholarship Program | 261.86 | Administered by the College Student Aid Commission, provides grants to National Guard members attending eligible Iowa colleges and universities, including community colleges. |
| Occupational Licensing | 272C.4(12) and (13) | State licensing boards are required to expedite the licensing of an individual who is a veteran and is licensed in a similar profession or occupation in another state. State licensing boards are also required to expedite the licensing of an individual who is a spouse of an active duty member of the military forces and is licensed in a similar profession or occupation in another state. |
| Duty to Inform About Veteran Services | 356.6A | The personnel of a jail are required to inform a person who is a veteran within 24 hours of incarceration that the person may be entitled to a visit from a veteran service officer to determine if veteran services are required or available. |
| Personal Income Tax — Forgiveness | 422.5(10) | Iowa income tax is forgiven if the deceased was killed in a combat zone, is missing in action and presumed dead, or was killed outside the United States due to terrorist or military action while a military or civilian employee of the United States, and the person's federal income tax was forgiven. There is also a special exemption for death benefits received. |
| Personal Income Tax Exemption — Active Duty Pay, Retirement Pay, Survivor Benefits, Student Loan Repayments, Retirement Plan Distributions | 422.7 | Certain income received for military service or connected to active duty may be subtracted from an individual's income for the purpose of computing taxable income in determining state income tax liability. |
| Disabled Veteran Homestead Property Tax Credit | 425.15 | Certain disabled veterans who are eligible for a homestead property tax credit are allowed a homestead credit for the full amount of the property taxes levied on the homestead. |
| Military Service Property Tax Credit and Exemption | 426A.11 | Provides a property tax exemption, payable as a credit against taxes due, for military veterans. The property tax credit is limited to \$1,852 in exempted value and is partially paid for with a standing unlimited appropriation from the General Fund. |
| Property Tax Exemption | 427.1(5) | Property of any organization composed wholly of veterans of any war is exempt from property taxes. |
| Hunting and Fishing Licenses | 483A.24 | The Department of Natural Resources provides lifetime fishing licenses and lifetime hunting and fishing combined licenses to disabled veterans and ex-prisoners of war for a fee of \$5 plus processing. |
| Mental Illness and Substance Abuse Treatment Coverage for Veterans | 514C.27 | Requires health insurance providers to provide coverage benefits to an insured individual who is a veteran for treatment of mental illness and substance abuse under certain conditions. |
| Veterans Benefits Assistance Protection | 546B | Requires a person who advertises or promotes any event, presentation, seminar, workshop, or other public gathering regarding veterans' benefits or entitlements to include a disclosure that "This event is not sponsored by, or affiliated with, the United States Department of Veterans Affairs, the Iowa Department of Veterans Affairs, or any other congressionally chartered or recognized organization of honorably discharged members of the Armed Forces of the United States or any of their auxiliaries. Products or services that may be discussed at this event are not necessarily endorsed by those organizations. You may qualify for benefits other than or in addition to the benefits discussed at this event." Also contains other prohibited acts and practices related to veterans benefits. |
| Military Foreclosure and Creditor Protections | 654.17C | Prohibits a creditor from initiating a proceeding to enforce an obligation for the purchase of real estate on contract or secured by a mortgage against an individual who is a member of the Iowa National Guard or a member of a reserve or regular component of the United State armed forces while the service member is on active duty. |

Attachment B

Veterans as a Percent of Total Population Over Age 18 — FFY 2018

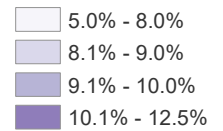
By County



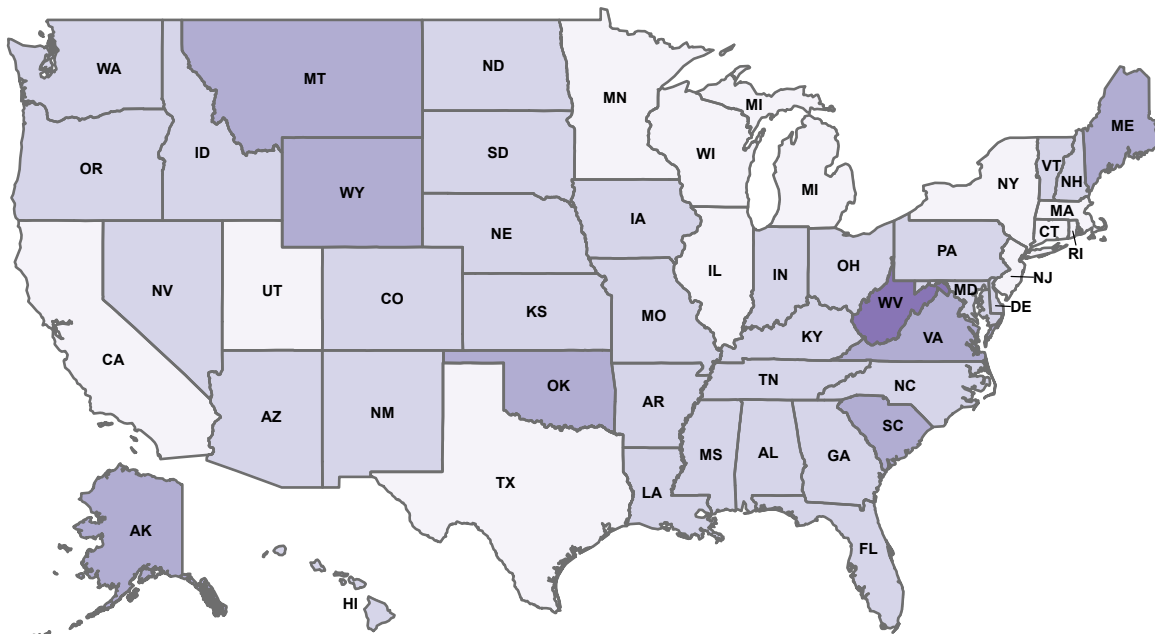
201,353

Iowa Veteran Population

Percentage by County



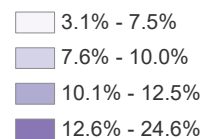
By State



19.5 M

U.S. Veteran Population

Percentage by State



Note: Veteran population estimates, as of September 30, 2018, are produced by the VA Predictive Analytics and Actuary Service.

Sources: U.S. Department of Veterans Affairs; U.S. Census Bureau, 2018 Population Estimates; LSA calculations
 LSA Staff Contact: Kent Ohms (515.725.2200) kenneth.ohms@legis.iowa.gov

Funding and Expenditures of Veterans Programs

Attachment C

| Funding Provided* | Funding Source | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 |
|---|-------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| DVA General Administration | General Fund | \$ 1,095,951 | \$ 1,200,546 | \$ 1,150,503 | \$ 1,115,580 | \$ 1,150,500 |
| County Commissions of Veterans Affairs Training Program | General Fund | 990,000 | 990,000 | 990,000 | 947,925 | 990,000 |
| Home Ownership Assistance Program | General Fund | 2,500,000 | 2,500,000 | 2,500,000 | 2,000,000 | 2,000,000 |
| Iowa Veterans Home | General Fund | 7,594,996 | 7,594,996 | 7,594,996 | 7,228,140 | 7,162,976 |
| National Guard Educational Assistance Program | General Fund | 5,100,233 | 5,100,233 | 2,100,000 | 3,100,000 | 4,700,000 |
| Home Base Iowa | Special Employment Contingency Fund | 0 | 0 | 0 | 155,665 | 173,964 |
| Injured Veterans Grant Program | General Fund | 0 | 0 | 0 | 0 | 0 |
| Iowa Veterans Trust Fund | Lottery Receipts Transfer | 2,151,167 | 2,500,000 | 2,500,000 | 2,500,000 | 2,500,000 |
| Iowa Veterans Cemetery | Federal Funds, Fees, Other Income | 504,386 | 319,280 | 413,030 | 455,037 | 298,377 |
| Veterans License Plate Fee Fund | License Plate Registration Fees | 59,191 | 59,787 | 60,315 | 74,367 | 85,235 |
| Military Service Property Tax Exemption** | General Fund | 2,175,000 | 2,100,000 | 2,100,000 | 1,961,234 | 1,961,234 |
| Disabled Veteran Homestead Property Tax Credit*** | General Fund | Not Available | 5,257,013 | 5,803,499 | 7,906,725 | 9,937,956 |
| Total | | \$22,170,924 | \$27,621,855 | \$25,212,343 | \$27,444,673 | \$30,960,242 |

| Total Expenditures* | Other Funding Sources Expended | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 |
|---|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| DVA General Administration | Other miscellaneous sources | \$ 1,096,121 | \$ 1,200,616 | \$ 1,151,786 | \$ 1,115,600 | \$ 1,150,519 |
| County Commissions of Veterans Affairs Training Program | Returned funds | 1,015,210 | 1,009,253 | 1,035,868 | 979,966 | 1,036,718 |
| Home Ownership Assistance Program | | 2,500,000 | 2,500,000 | 2,500,000 | 2,000,000 | 2,000,000 |
| Iowa Veterans Home | Medicaid, federal VA, private | 81,172,386 | 81,214,234 | 78,441,246 | 75,651,240 | 73,751,392 |
| National Guard Educational Assistance Program | | 4,350,156 | 4,416,139 | 4,815,981 | 3,833,480 | 4,169,994 |
| Home Base Iowa | | 0 | 0 | 0 | 155,665 | 173,964 |
| Injured Veterans Grant Program | | 100,000 | 80,000 | 12,500 | 20,000 | 30,000 |
| Iowa Veterans Trust Fund | Portion of lottery transfer, interest income | 691,408 | 667,209 | 852,065 | 668,839 | 814,375 |
| Iowa Veterans Cemetery | | 283,751 | 104,894 | 170,682 | 163,562 | 150,686 |
| Veterans License Plate Fee Fund | | 14,429 | 11,248 | 404,247 | 42,198 | 54,231 |
| Military Service Property Tax Exemption | | 2,210,117 | 1,962,031 | 1,955,349 | 1,894,661 | 1,822,427 |
| Disabled Veteran Homestead Property Tax Credit*** | | Not Available | 5,257,013 | 5,803,499 | 7,906,725 | 9,937,956 |
| Total | | \$93,433,578 | \$98,422,637 | \$97,143,223 | \$94,431,936 | \$95,092,262 |

*Funding provided is limited to what is regulated by the General Assembly and Governor. Total Expenditures reflects spending from all sources, excluding carryforward amounts.

The property tax exemption amount presented here reflects the appropriations in the State Accounting System. The numbers presented earlier in the **Issue Review include final adjustments from local governments after the fiscal year closed but are attributable to that fiscal year.

***Prior to FY 2016, counties did not have to report the subset of the Homestead Tax Credit that was attributable to the Disabled Veteran Homestead Property Tax Credit.