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JAN 15 2008

STATE OF IOWA

CHET CULVER  
GOVERNOR  
PATTY JUDGE  
LT. GOVERNOR

IOWA DEPARTMENT OF VETERANS AFFAIRS  
EXECUTIVE DIRECTOR, PATRICK J. PALMERSHEIM

January 15, 2008

Michael E. Marshall  
Secretary of the Senate  
Iowa Senate  
State Capitol  
Des Moines, Iowa 50319

Mark W. Brandsgard  
Chief Clerk of the House  
Iowa House of Representatives  
State Capitol  
Des Moines, Iowa 50319

Dear Mr. Marshall and Mr. Brandsgard:

On behalf of the Iowa Veterans Commission and pursuant to Iowa Code 35.13, section 9, I submit to you the attached report regarding expenditures from the Iowa Veterans Trust Fund. This report includes financial information concerning the moneys in the trust fund and the number, amount, and type of expenditure, from the fund during the previous calendar year.

Sincerely,

A handwritten signature in black ink that reads "Patrick J. Palmersheim".

Patrick J. Palmersheim  
Executive Director

Iowa Department of Veterans Affairs  
7105 NW 70<sup>th</sup> Ave, Camp Dodge, Bldg. A6A, Johnston, IA 50131-1824  
Phone 515-242-5331 / toll free 1-800-838-4692  
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IOWA COMMISSION OF VETERANS AFFAIRS

JAN 15 2008

HOUSE OF REPRESENTATIVES

# Iowa Veterans Trust Fund

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Iowa Code 35.13

Annual Report to the Iowa General Assembly

January 15, 2008

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**TABLE OF CONTENTS**

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**OVERVIEW OF IOWA VETERANS TRUST FUND .....3**

**TRUST FUND ACCOUNT .....3**

**TRUST FUND EXPENDITURES .....4**

**APPENDIX "A" – TRUST FUND RULES .....5**

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## OVERVIEW OF IOWA VETERANS TRUST FUND

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During the 2007 Legislative Session, \$500,000 was appropriated to the Iowa Veterans Trust Fund. This brought the total amount in the fund to the \$5 million threshold needed before the Iowa Veterans Commission can expend the interest. The General Assembly specifically addressed items that the trust fund can be used for and the Iowa Department of Veterans Affairs (IDVA), along with the Iowa Veterans Commission, have adopted administrative rules for distributing these funds.

On November 28, 2007, Chapter 14 of IDVA's Administrative Rules (Appendix "A") became effective, and the trust fund is currently available to provide assistance to veterans who meet specific income and asset limits (200 percent of federal poverty guidelines and less than \$15,000 in savings) in the following areas:

- Travel expenses for wounded veterans directly related to follow-up medical care;
- Job training or college tuition assistance;
- Unemployment assistance during a period of unemployment due to prolonged physical or mental illness or disability resulting from military service;
- Dental, vision, and hearing assistance for veterans living in a long term care facility or under a home health care contract (further asset limits apply);
- Benefits for a child or children of a disabled or deceased veteran following September 11, 2001; and
- Individual or family counseling programs (further asset limits apply).

Funds are also available for family and children support groups and honor guard reimbursement. These options do not have financial limits.

This report fulfills requirements in Iowa Code 35A.13, section 9:

The commission shall submit an annual report to the general assembly by January 15 of each year concerning the veterans trust fund created by this section. The annual report shall include financial information concerning the moneys in the trust fund and shall also include information on the number, amount, and type of expenditures, if any, from the fund during the prior calendar year for the purposes described in subsection 7.

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## TRUST FUND ACCOUNT

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As of January 10, 2008, the Iowa Veterans Trust Fund contains \$5,372,102. Of this amount, \$372,102 is currently available for expenditure to eligible veterans.

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## TRUST FUND EXPENDITURES

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Due to the effective date of the administrative rules, IDVA and the Iowa Commission of Veterans Affairs have received only a few applications for trust fund expenditures. Since funding was available at the beginning of Fiscal Year 2008, applications are being accepted for claims dating back to July 1, 2007 and efforts have been made to publicize the new program in press releases and radio interviews. County Veterans Affairs Offices are also aware of the trust fund and have been provided with the applications and rules in email correspondence. Counties have been the most important source of trust fund applications. The rules and applications can also be found on the IDVA website at [www.iowava.org](http://www.iowava.org).

As of January 14, 2008, the Commission has approved three applications for unemployment assistance. These three applications total \$6,500 in assistance. The Commission has also deferred two unemployment applicants, a travel reimbursement claim, and a dental reimbursement claim due to either the need for more information or a pending legislative change request from the Commission. The Commission has also received and approved six applications for honor guard reimbursement. These applications have totaled \$1,875. All other areas have yet to have an applicant.

The total trust fund expenditure amount to date is \$8,375. These applications are in the process of having state warrants issued and the amount has not yet been withdrawn from the trust fund account. As applications continue to arrive, the Iowa Commission of Veterans Affairs will be meeting at least twice a month through conference calls to process new applications, and at the present time has met twice.

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## APPENDIX "A" – TRUST FUND RULES

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### CHAPTER 14 VETERANS TRUST FUND

**801—14.1(35A) Purpose.** These rules establish the requirements for veterans or their spouses or dependents to receive benefits from the veterans trust fund.

**801—14.2(35A) Definition.** For purposes of this chapter, "veteran" means the same as defined in Iowa Code section 35.1, or a resident of Iowa who served in the armed forces of the United States, completed a minimum aggregate of 90 days of active federal service, and was discharged under honorable conditions.

**801—14.3(35A) Eligibility.** Veterans, their spouses, and their dependents applying for benefits available under subrules 14.4(1) through 14.4(6) must meet the following threshold requirements.

**14.3(1) Income.** For the purposes of this chapter, an applicant's household income, excluding VA pension benefits and service-connected disability income, shall not exceed 200 percent of the federal poverty guidelines for the number of family members living in the primary residence in effect on the date the application is received by the county director of veterans affairs. Federal poverty guidelines shall be those guidelines established by the Iowa department of human services for the veteran's family size. The commission shall adjust the guidelines on July 1 of each year to reflect the most recent federal poverty guidelines.

**14.3(2) Resources.** The department may not pay benefits under this chapter if the available liquid assets of the veteran are in excess of \$15,000. For the purposes of this chapter, "available liquid assets" means cash on hand, cash in a checking or savings account, stocks, bonds, certificates of deposit, treasury bills, money market funds and other liquid investments owned individually or jointly by the applicant and the applicant's spouse, unless the applicant and spouse are separated or are in the process of obtaining a divorce, but does not include funds deposited in IRAs, Keogh plans or deferred compensation plans, unless the veteran is eligible to withdraw such funds without incurring a penalty. Cash surrender value of life insurance policies, real property, or a personal vehicle shall not be included as available liquid assets.

**14.3(3) Funding from other sources.** Applications shall not be approved if the applicant is eligible to receive aid from other sources to meet the purposes authorized in this chapter.

**14.3(4) Additional requirements and limitations.** Applicants must meet any additional requirements and are subject to any limitations which may be set out in this chapter or which may be established for a particular benefit.

**801—14.4(35A) Benefits available.** Applications may be approved for any of the following purposes.

**14.4(1) Travel expenses for wounded veterans directly related to follow-up medical care.** Travel expenses under this subrule include the cost of airfare, lodging, and a per diem of \$25 per day. The veteran shall provide such evidence as the commission may require, which includes but is not limited to evidence the injury or disability is

service-connected, the necessity of treatment in a particular facility, and documentation of expenses. The maximum amount of aid payable in a consecutive 12-month period under this subrule is \$1,000.

**14.4(2) Job training or college tuition assistance for job retraining.**

a. The commission may pay a veteran not more than \$3,000 for retraining to enable the veteran to obtain gainful employment. The commission may provide aid under this subrule if all of the following apply:

(1) The veteran is enrolled in a training course in a technical college or school or is engaged in a structured on-the-job training program.

(2) The veteran is unemployed or underemployed or has received a notice of termination of employment.

(3) The commission determines that the veteran's proposed program will provide retraining that could enable the veteran to find gainful employment. In making its determination, the commission shall consider whether the proposed program provides adequate employment skills and is in an occupation for which favorable employment opportunities are anticipated.

(4) The veteran requesting aid has not received reimbursement from any other retraining or education programs and the veteran does not have other assets or income available to meet retraining expenses.

b. The veteran shall provide such evidence as the commission may require to satisfy the requirements of this subrule.

**14.4(3) Unemployment assistance during a period of unemployment due to prolonged physical or mental illness or disability resulting from military service.** The commission may provide subsistence payments only to a veteran who has suffered a loss of income due to prolonged physical or mental illness or disability resulting from military service. The commission may provide subsistence payments of up to \$500 per month to a veteran on a month-to-month basis. No payment may be made under this subrule if the veteran has other assets or income available to meet basic subsistence needs. The veteran shall provide such evidence as the commission may require, which includes but is not limited to evidence that the mental illness or disability is service-connected and evidence that the veteran is unemployed for the period of payments. The maximum amount of aid payable in a consecutive 12-month period under this subrule is \$3,000.

**14.4(4) Expenses relating to nursing facility or home care.**

a. The commission may provide health care aid to a veteran residing in a long-term care facility or under a formal home health care agreement for dental care, including dentures; vision care, including eyeglass frames and lenses; and hearing care, including hearing aids.

b. The maximum amount that may be paid under this subrule for any consecutive 12-month period may not exceed \$2,500 for dental care, \$500 for vision care, and \$1,500 per ear for hearing care.

c. The commission shall not provide health care aid under this subrule unless the aid recipient's health care provider agrees to accept, as full payment for the health care provided, the amount of the payment; the amount of the recipient's health insurance or other third-party payments, if any; and the amount that the commission determines the veteran is capable of paying. The commission shall not pay health care aid under this subrule if the available liquid assets of the veteran are in excess of \$3,000.

**14.4(5)** Benefits provided to children of disabled or deceased veterans. The commission may provide a one-time payment of \$250 to minor children of veterans who were disabled as a result of injuries or illness incurred while on active federal service or \$1,000 to minor children of veterans who died as a result of injuries or illness incurred while on active federal service, following September 11, 2001. Minor children claiming eligibility due to the disability or death of a veteran shall submit, through the parent or guardian of the child, evidence from the appropriate military service indicating that the veteran died or was disabled as a result of injuries or illness incurred while on active federal service. For the purposes of this subrule, "children" means any biological child or any adopted child. The applicant shall provide such evidence as the commission may require to satisfy the requirements of this subrule.

**14.4(6)** Individual counseling or family counseling programs.

a. The commission may make mental health and family counseling available to veterans and their families. Individual family members are eligible for counseling.

b. The assistance may include appropriate counseling and treatment programs for veterans and their families in need of services.

c. Any assistance provided under this subrule shall not duplicate other services readily available to veterans and their families.

d. The maximum amount that may be paid under this subrule for any consecutive 12-month period shall not exceed \$2,500.

e. The commission may not provide counseling under this subrule unless the aid recipient's counseling service provider agrees to accept, as full payment for the counseling services provided, the amount of the payment; the amount of the recipient's health insurance or other third-party payments, if any; and the amount that the department determines the veteran is capable of paying. The department shall not pay for counseling under this subrule if the available liquid assets of the veteran are in excess of \$3,000.

**14.4(7)** Family support group programs or programs for children of members of the military.

a. The commission may award grants to unit family readiness/support groups, family support offices, and other such organizations providing support and programs to families and children of family members.



b. The grant shall be only for projects or programs which are not funded from any other source. The commission shall determine that the applicant's proposed project or program will provide the intended support. In making its determination, the commission shall consider whether the proposed program will provide anticipated favorable results.

c. The maximum amount of aid payable in a consecutive 12-month period under this subrule to a family readiness/support group is \$500.

**14.4(8) Honor guard services.**

a. The commission may reimburse veterans organizations for providing military funeral honors as follows:

(1) If a single veterans organization provides basic honors, \$25.

(2) If a single veterans organization provides full honors, \$50.

(3) If two or more veterans organizations participate in providing full honors and one of the organizations provides a firing detail, \$50. The organizations may request that the commission split the reimbursement.

(4) If two or more veterans organizations participate in providing basic honors, \$25. Payment shall be to one veterans organization, as determined by the commission.

b. Notwithstanding paragraph "a," the commission shall not reimburse a veterans organization if federal funding is available to reimburse the veterans organization for providing military funeral honors. The veterans organization shall request reimbursement from federal sources. If a veterans organization receives federal funding for providing military funeral honors at the reimbursement rate of one funeral per day, the department shall reimburse the organization for the provision of military funeral honors at any additional funerals on that day.

c. The maximum amount of aid payable in a consecutive 12-month period under this subrule to a veterans organization is \$500.

**801—14.5(35A) Application procedure.** Applications for benefits from the veterans trust fund may be obtained at any county veterans affairs office. The county director of veterans affairs shall date-stamp the application and submit it to the Iowa Department of Veterans Affairs, Camp Dodge, Bldg. A6A, 7105 NW 70th Avenue, Johnston, Iowa 50131-1824.

**14.5(1) Application process.** A person who wishes to apply shall complete an Application for Veterans Trust Fund form and provide such documentation or other evidence as the commission may require in order to determine the awarding or denial of the benefits available under this chapter.

**14.5(2) Date of application.** The date of the application shall be the date the signed application and written verification are received by the county director of veterans affairs.

**14.5(3) Eligibility determination.** The county director of veterans affairs or members of the county commission shall make a recommendation to the Iowa commission of veterans affairs as to whether to approve or deny the

application. The Iowa commission of veterans affairs shall approve or deny all applications at its quarterly meetings as set forth in 801—paragraph 1.2(2)“a” or during a conference call for the sole purpose of voting on a trust fund expenditure. Applications must be approved by a majority vote of the commission membership. The director of the Iowa department of veterans affairs shall notify an applicant within 15 days of the commission’s decision. An explanation of the reasons for rejection of an application will accompany denials.

**14.5(4) Waiting list.** After all veterans trust fund moneys have been obligated, the commission shall deny pending applications.

a. The denial notice shall state either that the applicant meets eligibility requirements but no funds are available and the applicant will be placed on the waiting list or that the applicant does not meet eligibility requirements.

b. Applicants not awarded funding who meet the eligibility requirements shall be placed on a statewide waiting list according to the order in which the completed applications and verification were received by the county commission of veteran affairs. In the event that more than one application is received at one time, the applicant shall be entered on the waiting list on the basis of the day of the month of the person’s birthday, the lowest number being first on the waiting list. Any subsequent tie shall be decided by the month of birth, January being month one and the lowest number.

c. When funding allows additional applicants to be approved, their names shall be taken from the statewide waiting list, and their need and eligibility shall be redetermined at that time. An application packet, which includes instructions and necessary forms for verification of continuing eligibility, shall be sent to each applicant for completion. Packets shall be returned to the Iowa department of veterans affairs within time lines specified by the department. If the signed application and verification of continuing eligibility are not received by the time line specified by the department, the applicant shall not be considered for funding.

**801—14.6(35A) Recovery of erroneous payments.**

**14.6(1) Erroneous payments.** The commission may recover payments made as a grant under this chapter if any of the following apply:

- a. The information provided by the applicant is inaccurate.
- b. The commission incorrectly calculated the grant amount.
- c. The applicant is not entitled to a grant or is entitled to a lower grant amount as a result of a change in circumstances that affects the applicant’s eligibility to receive the grant.

**14.6(2) Amount of recovery.** The commission may recover only the portion of the grant to which the applicant would not have been entitled if the correct information had been provided or if the grant had been properly calculated or as a change in circumstances warrants.

**14.6(3) Remedies.** The commission may request repayment of the amount due under subrule 14.6(2). In lieu of a lump-sum payment, the commission may enter into an agreement under which the applicant may repay the amount due within a 12-month period. If the applicant fails to repay the amount due within 30 days of a request for repayment or fails to comply with the terms of a repayment agreement, the commission may offset future grants that the applicant may be entitled to under this chapter until the amount due has been recovered. The commission may also suspend other benefits available to the applicant until the amount due has been recovered.

**14.6(4) Waiver.** The commission may temporarily or permanently waive its authority to recover payments under subrule 14.6(1) or suspend benefits under subrule 14.6(3) if the applicant's household income is totally exempt from Iowa garnishment law.

**14.6(5) Appeal.** Any commission decision under this chapter is subject to appeal under rule 801—14.7(35A).

**801—14.7(35A) Appeal rights.**

**14.7(1) Final agency action.** The approval or denial of an application by the commission shall be the final decision of the agency.

**14.7(2) Judicial review.** Judicial review of the commission's final decisions may be sought in accordance with Iowa Code section 17A.19.

These rules are intended to implement Iowa Code section 35A.13 as amended by 2007 Iowa Acts, House File 817, section 7.

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