
FISCAL TOPICS

Fiscal Services Division

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Veterans Trust Fund

Background

The Veterans Trust Fund was created in Iowa Code section [35A.13](#) through 2003 Iowa Acts, chapter [131](#) (Veterans Trust Fund Act). The minimum balance required in the Trust Fund prior to expenditure of moneys was originally set at \$50.0 million. During the 2006 Legislative Session, the minimum balance required in the Fund prior to expenditures was reduced to \$5.0 million. However, the statute states the intent of the General Assembly is for the balance in the Fund to reach \$50.0 million. After the Fund has reached \$50.0 million, moneys equal to the net income that the Fund received in the previous fiscal year are directed to the spendable portion of the Fund as opposed to the principal balance. Beginning in December 2007, interest from the Veterans Trust Fund has been available for expenditure. Revenues are tracked on a fiscal year basis, and the Iowa Code requires a report on a calendar basis that is [filed with the General Assembly](#).

Funding and Lottery Transfer

The initial appropriation in FY 2005 was for \$1.0 million from the Rebuild Iowa Infrastructure Fund (RIIF). There was an appropriation of \$4.5 million from the General Fund in FY 2007 and \$500,000 in FY 2008. After those original appropriations, small amounts were deposited into, or appropriated from, the Trust Fund until 2008.

2008 Iowa Acts, chapter [1012](#) (Veterans Benefits Funding Sources Act), authorized the creation and sale of four new Iowa Lottery tickets to benefit the Veterans Trust Fund. The Act required the Iowa Lottery to develop two instant scratch games and two pull tab games with the net proceeds to be transferred to the Veterans Trust Fund until the Fund has a balance of \$50.0 million. Revenue transfers from the Iowa Lottery are received on a quarterly basis. The annual net proceeds were estimated to be between \$2.0 million and \$3.0 million annually. A standing limited appropriation beginning in FY 2013 was created with the enactment of 2012 Iowa Acts, chapter [1139](#) (Veterans Affairs Appropriations Act), from the Veterans Trust Fund to the Commission of Veterans Affairs. The appropriation is the first \$300,000 received from the lottery transfer. Funds appropriated to the Commission that remain unobligated or unexpended at the end of the fiscal year to revert to the principal. The lottery transfer was revised in 2015 Iowa Acts, chapter [15](#) (Lottery Revenue Support of Veterans Act), to be an annual transfer of \$2.5 million from lottery games, rather than having a dedicated game for the Trust Fund. The transfer is in Iowa Code section [99G.39](#).

Money in the Veterans Trust Fund is divided into two categories, principal and spendable. The principal portion cannot be expended and is intended to eventually reach \$50.0 million. The spendable portion is used by the Iowa Commission of Veterans Affairs to meet requests for assistance from veterans and includes \$500,000 of the annual transfer from the Iowa Lottery and interest earned on the principal.

Assistance categories for expenditures from the Veterans Trust Fund are established in Iowa Code section 35A.13 and in Iowa Administrative Code [801](#). Awards from the Trust Fund broadly fall into five categories: vehicle/housing repair assistance, employment-related assistance, Honor Guard reimbursement, medical assistance, and the survivor outreach program. Awards are made by a majority

More Information

Iowa Veterans Trust Fund: dva.iowa.gov/benefits-assistance/iowa-veterans-trust-fund
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vote of the Commission of Veterans Affairs to meet requests for assistance from veterans and the spouses and dependents of veterans.

Miscellaneous Provisions

The War Orphans Educational Assistance Fund was consolidated in the Veterans Trust Fund with the enactment of 2013 Iowa Acts, chapter [91](#) (War Orphans Educational Assistance Fund Act). The Act established a separate account within the Veterans Trust Fund to be used only for assisting in the education of orphaned children of certain veterans. This account is to be used in lieu of the spendable portion of the Trust Fund for this purpose. Interest earned on moneys 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.

There has historically been a joint income tax checkoff available for the Veterans Trust Fund and for the Volunteer Firefighter Preparedness Fund. Individuals who filed a tax return could designate \$1 or more to be paid jointly to both funds. The Department of Revenue transferred one-half of the receipts to the Veterans Trust Fund and one-half of the receipts to the Volunteer Firefighter Preparedness Fund. Any amount received from the check-off was deposited in the principal balance of the Veterans Trust Fund. Iowa Code section [422.12L](#), which established the joint income tax checkoff for the Veterans Trust Fund and the Volunteer Firefighter Preparedness Fund, was repealed by its own terms in FY 2024.

Related Statutes and Administrative Rules

Iowa Code sections [35A.13](#) and [99G.39](#).

Iowa Administrative Code [801—9](#) and [801—14](#)

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