

Veteran Service Organizations, Funds, and Reports Bill Senate File 2466

Last Action:
Senate Floor
March 10, 2026

An Act relating to veterans services and making appropriations.

**Fiscal Services Division
Legislative Services Agency**

NOTES ON BILLS AND AMENDMENTS (NOBA)

Available online at www.legis.iowa.gov/publications/information/appropriationBillAnalysis

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FUNDING SUMMARY

Raises the threshold for the Veterans Trust Fund from \$50.0 million to \$75.0 million.	Page 2, Line 18
Modifies the \$300,000 Iowa Lottery transfer established in Iowa Code section 99G.39(3) by directing it to the County Veterans Services Excellence Training Program and Administration Account of the County Veterans Services Excellence Fund established in Iowa Code section 35A.16 instead of the Commission of Veteran Affairs Training Program.	Page 3, Line 23
Modifies the standing appropriation of \$990,000 from the General Fund by directing it to the County Veterans Services Excellence Fund instead of the County Commissions of Veteran Affairs Fund.	Page 4, Line 12
Requires the continuation of the \$2.5 million Iowa Lottery transfer established in Iowa Code section 99G.39(3) unless the balance of the Veterans Trust Fund is equal to or greater than \$75.0 million at the beginning of the fiscal year. If the balance of the Fund is greater than \$75.0 million, the transfer is directed to the Iowa Department of Veterans Affairs (DVA) for distribution, with the first \$300,000 transferred to the County Veterans Services Excellence Training Program and Administration Account and the remainder allocated to county directors of veteran affairs.	Page 6, Line 25

STUDIES AND INTENT

Intent

Establishes that the provisions of the Iowa Code relating to veterans and veterans services do not limit the ability of a veterans service organization (VSO) to represent a veteran in the United States Department of Veterans Affairs benefit claims process or to be granted the power of attorney for a veteran.	Page 1, Line 1
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Nonreversion

Establishes that interest or earnings on moneys in the County Veterans Services Excellence Fund are credited to the Fund, and moneys in the Fund do not revert to the General Fund at the close of a given fiscal year.	Page 4, Line 18
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Required Reports

Requires the DVA to communicate veterans service office performance metrics to county commissions of veteran affairs and boards of supervisors through quarterly reports.	Page 2, Line 15
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EXECUTIVE SUMMARY

VETERAN SERVICE ORGANIZATIONS, FUNDS, AND REPORTS BILL

Requires county commissions of veteran affairs to review quarterly performance reports provided by the DVA to assess the effectiveness of delivery of federal benefits.

Page 6, Line 10

SIGNIFICANT CODE CHANGES

Directs all moneys received by the DVA under Iowa Code section [35A.5\(6\)\(b\)](#) to be deposited into the Veterans Services Excellence Training Program and Administration Account.

Page 1, Line 12

Requires the DVA to establish and maintain a statewide standardized electronic claim system to be used by county veterans services offices for submission of veterans affairs claims.

Page 2, Line 9

Renames the County Commission of Veteran Affairs Fund to the County Veterans Services Excellence Fund and directs moneys to the DVA to incentivize counties to increase veterans outreach and efficiency in the application for individual federal veteran compensation.

Page 3, Line 33

Directs the DVA to equally allocate moneys in the County Veterans Services Excellence Fund to qualifying counties for FY 2027. For FY 2028 and subsequent fiscal years, the DVA will allocate moneys based on performance criteria determined by the DVA.

Page 4, Line 24

Updates the name of the County Commission of Veteran Affairs Training Program Account to the County Veterans Services Excellence Training Program and Administration Account. Establishes that moneys in the account will be appropriated to the DVA to provide trainings and support for county commissions of veteran affairs, including a statewide standardized electronic claim system.

Page 5, Line 17

Requires county commissions of veteran affairs to utilize the statewide standardized electronic claim system to file all claims for United States Department of Veterans Affairs benefits.

Page 6, Line 4

Senate File 2466 provides for the following changes to the Code of Iowa.

Page #	Line #	Bill Section	Action	Code Section
1	1	1	New	35.4
1	12	2	Amend	35A.5.6.b.(2)
1	19	3	Amend	35A.5.9
2	9	4	Add	35A.5.16A,16B
2	18	5	Amend	35A.13.5
3	23	6	Amend	35A.13.6
3	33	7	Amend	35A.16
6	4	8	Add	35B.6.1.d.(4)
6	10	9	Amend	35B.7
6	25	10	Amend	99G.39.3

1 1 Section 1. NEW SECTION 35.4 POWER OF ATTORNEY.
 1 2 The provisions of this chapter and chapters 35A, 35B,
 1 3 35C, and 35D do not limit the ability of a veterans' service
 1 4 organization recognized pursuant to 38 C.F.R.§14.628(c) to
 1 5 represent a veteran in the United States department of veterans
 1 6 affairs benefit claims process or to be granted the power of
 1 7 attorney for a veteran with the United States department of
 1 8 veterans affairs. A veteran may grant a veterans' service
 1 9 organization that is recognized pursuant to 38 C.F.R.
 1 10 §14.628(c) power of attorney for the purposes of filing claims
 1 11 with the United States department of veterans affairs.

CODE: Establishes that the provisions of the Iowa Code relating to veterans and veterans services do not limit the ability of a veterans service organization (VSO) to represent a veteran in the United States Department of Veterans Affairs benefit claims process or to be granted the power of attorney for a veteran.

1 12 Sec. 2. Section 35A.5, subsection 6, paragraph b,
 1 13 subparagraph (2), Code 2026, is amended to read as follows:
 1 14 (2) All ~~funds~~ moneys received by the department for the
 1 15 purposes established in subparagraph (1) shall be deposited
 1 16 in the county ~~commission of veteran affairs training veterans~~
 1 17 services excellence training program and administration account
 1 18 established in section 35A.16, subsection 4.

CODE: Directs all moneys received by the Department of Veterans Affairs (DVA) under Iowa Code section [35A.5\(6\)\(b\)](#) to be deposited into the Veterans Services Excellence Training Program and Administration Account.

1 19 Sec. 3. Section 35A.5, subsection 9, Code 2026, is amended
 1 20 to read as follows:

CODE: Technical change.

1 21 9. Verify each executive director and administrator of a
 1 22 county commission of veteran affairs ~~is fully qualified to work~~
 1 23 ~~in the person's position. Qualifications include but are not~~
 1 24 ~~limited to~~ has all of the following credentials:

1 25 a. The person has obtained certification that is federally
 1 26 required for the executive director's or administrator's
 1 27 position within twelve months of beginning the person's
 1 28 employment.

1 29 b. The person has obtained a personal identification
 1 30 verification card necessary to access the veterans benefits
 1 31 management system within twelve months of beginning the
 1 32 person's employment.

1 33 c. The person maintains certification that is federally
 1 34 required for the executive director's or administrator's
 1 35 position.

2 1 d. The person maintains an active personal identification
 2 2 verification card and has access to the veterans benefits
 2 3 management system.

2 4 e. The person is proficient in the use of electronic
 2 5 mail, general computer use, and use of the internet to access
 2 6 information regarding facilities, benefits, and services
 2 7 available to veterans and their families in compliance with
 2 8 education and training standards established by the commandant.

CODE: Establishes that each executive director and administrator of a county commission of veteran affairs must be in compliance with education and training standards established by the Commandant of the DVA and removes the requirement that they must be proficient in the use of electronic mail; general computer use; and use of the internet to access information regarding facilities, benefits, and services available to veterans and their families.

2 9 Sec. 4. Section 35A.5, Code 2026, is amended by adding the
 2 10 following new subsections:
 2 11 NEW SUBSECTION 16A. Establish and maintain a statewide
 2 12 standardized electronic claim system to be used by county
 2 13 veterans service offices for submission of all United States
 2 14 department of veterans affairs claims.

CODE: Requires the DVA to establish and maintain a statewide standardized electronic claim system to be used by county veterans services offices for submission of veterans affairs claims.

2 15 NEW SUBSECTION 16B. Communicate county veterans service
 2 16 office performance metrics to county commissions of veteran
 2 17 affairs and boards of supervisors through quarterly reports.

CODE: Requires the DVA to communicate veterans service office performance metrics to county commissions of veteran affairs and boards of supervisors through quarterly reports.

2 18 Sec. 5. Section 35A.13, subsection 5, Code 2026, is amended
 2 19 to read as follows:

2 20 5. a. For each fiscal year that the balance of the trust
 2 21 fund on July 1 is below fifty seventy-five million dollars,
 2 22 the interest and earnings on moneys in the fund and the first
 2 23 five hundred thousand dollars transferred pursuant to section
 2 24 99G.39 from the lottery fund are appropriated to the commission
 2 25 to be used to achieve the purposes of subsection 8. Moneys
 2 26 appropriated to the commission under this paragraph that remain
 2 27 unencumbered or unobligated at the end of the fiscal year shall
 2 28 revert to the fund.

CODE: Requires that for each fiscal year in which the balance of the Veterans Trust Fund is below \$75,000,000, rather than \$50,000,000, the interest and the first \$500,000 received from the Lottery Fund is appropriated to the Commission of Veterans Affairs to provide various benefits under Iowa Code section [35A.13\(8\)](#).

2 29 ~~—b. For each fiscal year that the balance of the trust fund~~
 2 30 ~~on July 1 is above fifty million dollars but the balance of the~~
 2 31 ~~fund was below fifty million dollars on July 1 of the previous~~
 2 32 ~~fiscal year, moneys transferred pursuant to section 99G.39 from~~
 2 33 ~~the lottery fund are appropriated to the commission to be used~~
 2 34 ~~to achieve the purposes of subsection 8. Moneys appropriated~~
 2 35 ~~to the commission under this paragraph that remain unencumbered~~
 3 1 ~~or unobligated at the end of the fiscal year shall revert to~~

CODE: Removes requirements for the Iowa Lottery transfer established in Iowa Code section [99G.39\(3\)](#) when the balance in the Veterans Trust Fund is above \$50,000,000 but was below \$50,000,000 the previous fiscal year.

3 2 the fund.

3 3 —c. For each fiscal year that the balance of the trust fund
 3 4 on July 1 is above fifty million dollars and the balance of
 3 5 the fund was above fifty million dollars on July 1 of the
 3 6 previous fiscal year, moneys equal to the net income the fund
 3 7 received in the previous fiscal year are appropriated to the
 3 8 commission to be used to achieve the purposes of subsection
 3 9 8. Moneys appropriated to the commission under this paragraph
 3 10 that remain unencumbered or unobligated at the end of the
 3 11 fiscal year shall revert to the fund. For the purposes of this
 3 12 paragraph, “income” means moneys credited to the veterans trust
 3 13 fund pursuant to subsection 2 and moneys transferred pursuant
 3 14 to section 99G.39.

CODE: Removes requirements regarding net income in the Veterans Trust Fund when the balance of the Fund is above \$50,000,000.

3 15 —d. b. Notwithstanding paragraphs paragraph “a”, “b”, and
 3 16 “c”, moneys credited to the war orphans educational assistance
 3 17 account shall be expended as provided in subsection 9.

CODE: Adopts conforming changes.

3 18 —e. c. Notwithstanding paragraphs paragraph “a”, “b”,
 3 19 and “c”, moneys transferred under subsection 6 to the county
 3 20 commission of veteran affairs training veterans services
 3 21 excellence training program and administration account shall be
 3 22 expended as provided in section 35A.16.

CODE: Adopts conforming changes.

3 23 Sec. 6. Section 35A.13, subsection 6, Code 2026, is amended
 3 24 to read as follows:

3 25 6. For the fiscal year beginning July 1, 2024 2026, and
 3 26 for each subsequent fiscal year, there is transferred to the
 3 27 county ~~commission of veteran affairs training veterans services~~
 3 28 excellence training program and administration account of
 3 29 the county ~~commissions of veteran affairs veterans services~~
 3 30 excellence fund created in section 35A.16, from the moneys
 3 31 transferred pursuant to section 99G.39 from the lottery fund to
 3 32 the veterans trust fund, three hundred thousand dollars.

CODE: Modifies the \$300,000 Iowa Lottery transfer established in Iowa Code section 99G.39(3) by directing it to the County Veterans Services Excellence Training Program and Administration Account of the County Veterans Services Excellence Fund established in Iowa Code section [35A.16](#) instead of the Commission of Veteran Affairs Training Program.

3 33 Sec. 7. Section 35A.16, Code 2026, is amended to read as
 3 34 follows:

3 35 35A.16 COUNTY ~~COMMISSIONS OF VETERAN AFFAIRS~~ VETERANS
 4 1 SERVICES EXCELLENCE FUND — APPROPRIATION.

4 2 1. a. A county ~~commissions of veteran affairs veterans~~
 4 3 services excellence fund is created within the state treasury
 4 4 under the control of the department. The fund shall consist of

CODE: Renames the County Commission of Veteran Affairs Fund to the County Veterans Services Excellence Fund and directs moneys to the DVA to incentivize counties to increase veterans outreach and efficiency in the application for individual federal veteran compensation.

4 5 appropriations made to the fund and any other moneys available
 4 6 to and obtained or accepted by the department from the federal
 4 7 government or private sources for deposit in the fund. Moneys
 4 8 in the fund are appropriated to the department to be used to
 4 9 incentivize counties to effectively increase veteran outreach
 4 10 and efficiency in the application for individual federal
 4 11 veteran compensation.

4 12 b. There is appropriated from the general fund of the state
 4 13 to the department, for the fiscal year beginning July 1, ~~2009~~
 4 14 2026, and for each subsequent fiscal year, the sum of nine
 4 15 hundred ninety thousand dollars to be credited to the county
 4 16 ~~commissions of veteran affairs~~ veterans services excellence
 4 17 fund.

CODE: Modifies the standing appropriation of \$990,000 from the General Fund by directing it to the County Veterans Services Excellence Fund instead of the County Commissions of Veteran Affairs Fund.

4 18 2. Notwithstanding section 12C.7, interest or earnings on
 4 19 moneys in the ~~county commissions of veteran affairs~~ fund shall
 4 20 be credited to the ~~county commissions of veteran affairs~~ fund.
 4 21 Notwithstanding section 8.33, moneys remaining in the ~~county~~
 4 22 ~~commissions of veteran affairs~~ fund at the end of a fiscal year
 4 23 shall not revert to the ~~general fund of the state~~.

CODE: Establishes that interest or earnings on moneys in the County Veterans Services Excellence Fund are credited to the Fund, and moneys in the Fund do not revert to the General Fund at the close of a given fiscal year.

4 24 3. a. If sufficient moneys are available, the department
 4 25 shall annually ~~allocate ten thousand dollars~~ make allocations
 4 26 from the fund to each county commission of veteran affairs, or
 4 27 to each county sharing the services of an executive director
 4 28 or administrator pursuant to chapter 28E, to. For the fiscal
 4 29 year beginning July 1, 2026, the department shall allocate
 4 30 moneys equally to each qualifying county. For the fiscal year
 4 31 beginning July 1, 2027, and each subsequent fiscal year, the
 4 32 department shall allocate moneys based on performance criteria
 4 33 determined by the department. The moneys shall be used to
 4 34 provide services to veterans pursuant to section 35B.6 and
 4 35 provide for and maintain accreditation in accordance with
 5 1 the policies and procedures of the department and the United
 5 2 States department of veterans affairs. Each county receiving
 5 3 an allocation shall annually report on expenditure of the
 5 4 allocation in on a form agreed to provided by the department
 5 5 and county representatives.

CODE: Directs the DVA to equally allocate moneys in the County Veterans Services Excellence Fund to qualifying counties for FY 2027. For FY 2028 and subsequent fiscal years, the DVA will allocate moneys based on performance criteria determined by the DVA.

5 6 b. If a county fails to be in compliance with the
 5 7 requirements of section 35B.6 on June 30 of each fiscal year,

CODE: Technical change.

5 8 all moneys received by the county pursuant to this subsection
 5 9 during that fiscal year shall be reimbursed to the county
 5 10 ~~commissions of veteran affairs~~ fund.
 5 11 c. Moneys distributed to a county under this subsection
 5 12 shall be used to supplement and not supplant any existing
 5 13 funding provided by the county or received by the county from
 5 14 any other source. The department shall adopt a maintenance
 5 15 of effort requirement for moneys distributed under this
 5 16 subsection.

5 17 4. A county ~~commission of veteran affairs~~ veterans services
 5 18 excellence training program and administration account shall
 5 19 ~~be is~~ established within the ~~county commissions of veteran~~
 5 20 ~~affairs~~ fund. Any moneys remaining in the fund after the
 5 21 ~~allocations under subsection 3 shall be credited to the account~~
 5 22 ~~and are appropriated to the department to fund the county~~
 5 23 ~~commission of veteran affairs training program under section~~
 5 24 ~~35A.5, subsection 6, and training for department personnel.~~
 5 25 ~~In addition, from the moneys transferred to the account~~
 5 26 ~~from the veterans trust fund created in section 35A.13, the~~
 5 27 ~~department shall annually allocate three thousand dollars to~~
 5 28 ~~each county commission of veteran affairs, or to each county~~
 5 29 ~~sharing the services of an executive director or administrator~~
 5 30 ~~pursuant to chapter 28E, to be used for national training~~
 5 31 ~~and related expenses of county veteran service officers and~~
 5 32 ~~appropriate staff. Moneys in the account are appropriated~~
 5 33 ~~to the department to provide training and support for county~~
 5 34 ~~commissions of veteran affairs, including but not limited to~~
 5 35 ~~a statewide standardized electronic claim system for county~~
 6 1 ~~submissions of claims to the United States department of~~
 6 2 ~~veterans affairs and education and training for county veterans~~
 6 3 ~~service officers.~~

6 4 Sec. 8. Section 35B.6, subsection 1, paragraph d, Code 2026,
 6 5 is amended by adding the following new subparagraph:
 6 6 NEW SUBPARAGRAPH (4) Utilize the statewide standardized
 6 7 electronic claim system authorized and provided by the
 6 8 department of veterans affairs to file all claims for United
 6 9 States department of veterans affairs benefits.

CODE: Updates the name of the County Commission of Veteran Affairs Training Program Account to the County Veterans Services Excellence Training Program and Administration Account. Establishes that moneys in the account will be appropriated to the DVA to provide trainings and support for county commissions of veteran affairs, including a statewide standardized electronic claim system.

CODE: Requires county commissions of veteran affairs to utilize the statewide standardized electronic claim system to file all claims for United States Department of Veterans Affairs benefits.

6 10 Sec. 9. Section 35B.7, Code 2026, is amended to read as
6 11 follows:

6 12 35B.7 MEETINGS — REPORT — BUDGET.

6 13 The commission shall meet monthly and at other times as
6 14 necessary. At the monthly meeting, the commission shall
6 15 determine who ~~are~~ is entitled to county benefits and the
6 16 probable amount required to be expended. The commission shall
6 17 also review quarterly performance reports generated by the
6 18 department of veterans affairs to assess the effectiveness
6 19 of delivery of federal benefits. The commission shall meet
6 20 annually to prepare an estimated budget for all expenditures
6 21 to be made in the next fiscal year and certify the budget to
6 22 the board of supervisors. The board may approve or reduce the
6 23 budget for valid reasons shown and entered of record and the
6 24 board's decision is final.

6 25 Sec. 10. Section 99G.39, subsection 3, Code 2026, is amended
6 26 to read as follows:

6 27 3. Two million five hundred thousand dollars in lottery
6 28 revenues shall be transferred each fiscal year to the veterans
6 29 trust fund established pursuant to section 35A.13 prior to
6 30 deposit of the lottery revenues in the general fund of the
6 31 state pursuant to section 99G.40, unless the balance of the
6 32 veterans trust fund is equal to or greater than seventy-five
6 33 million dollars at the beginning of the fiscal year. However,
6 34 if the balance of the veterans trust fund is ~~fifty~~ seventy-five
6 35 million dollars or more, the moneys ~~shall be~~ are appropriated
7 1 to the department of veterans affairs for distribution, with
7 2 the first three hundred thousand dollars transferred to the
7 3 county veterans services excellence training program and
7 4 administration account created in section 35A.16, and the
7 5 remainder allocated to county directors of veteran affairs;
7 6 with fifty percent of the moneys to be distributed equally to
7 7 each county and fifty percent of the moneys to be distributed
7 8 to each county based upon the population of veterans in the
7 9 county, so long as the moneys distributed to a county do not
7 10 supplant moneys appropriated by that county for the county
7 11 director of veteran affairs.

CODE: Requires county commissions of veteran affairs to review quarterly performance reports provided by the DVA to assess the effectiveness of delivery of federal benefits.

CODE: Requires the continuation of the \$2,500,000 Iowa Lottery transfer established in Iowa Code section [99G.39\(3\)](#) unless the balance of the Veterans Trust Fund is equal to or greater than \$75,000,000 at the beginning of the fiscal year. If the balance of the Fund is greater than \$75,000,000, the transfer is directed to the DVA for distribution, with the first \$300,000 transferred to the County Veterans Services Excellence Training Program and Administration Account and the remainder allocated to county directors of veteran affairs.

Health and Human Services General Fund

	Actual FY 2025 (1)	Estimated FY 2026 (2)	Senate Action FY 2027 (3)	Senate Action vs Est FY 2026 (4)	Page and Line # (5)
<u>Veterans Affairs, Department of</u>					
Veterans Affairs, Dept. of					
Veterans County Grants - Standing	\$ 990,000	\$ 990,000	\$ 990,000	\$ 0	PG 4 LN 12
Total Veterans Affairs, Department of	\$ 990,000	\$ 990,000	\$ 990,000	\$ 0	
Total Health and Human Services	\$ 990,000	\$ 990,000	\$ 990,000	\$ 0	