

War Orphans Educational Assistance Fund House File 613

Last Action:
**House Appropriations
Committee**
March 26, 2013

Executive Summary Only

An Act relating to the war orphans educational assistance fund by transferring the moneys in the fund to the veterans trust fund and transferring duties for providing educational assistance to orphaned children of veterans to the commission on veterans affairs.

**Fiscal Services Division
Legislative Services Agency**

NOTES ON BILLS AND AMENDMENTS (NOBA)

Available on line at <http://www.legis.iowa.gov/LSAReports/noba.aspx>
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EXECUTIVE SUMMARY

WAR ORPHANS EDUCATIONAL ASSISTANCE FUND

FUNDING SUMMARY

Establishes the War Orphans Educational Assistance as a separate account within the Veterans Trust Fund, rather than an eligible expenditure from the spendable portion of the Veterans trust Fund. Permits money to be expended for War Orphans Educational Assistance, even if the principal balance in the Veterans Trust Fund falls below the minimum threshold of \$5.0 million. Page 1, Line 1

Creates a separate account in the Veterans Trust Fund to be used only for the purpose of assisting in the education of orphaned children of veterans. Interest and earnings on moneys deposited in the account, are credited to the account. Page 1, Line 20

Eliminates the War Orphans Educational Assistance Fund. Page 4, Line 10

Requires all money in the War Orphans Educational Assistance Fund on July 1, 2013, to be transferred to the War Orphans Educational Assistance Account within the Veterans Trust Fund. Page 4, Line 12

NOTE: As of February 11, 2013, the balance in the War Orphans Educational Assistance Fund was \$129,164.

MAJOR INCREASES/DECREASES/TRANSFERS OF EXISTING PROGRAMS

Permits the Commission on Veterans Affairs to provide educational assistance to any child living in the State of Iowa for two years preceding application for State educational assistance. The person must be a child of a veteran that died prior to September 11, 2001, during active federal military service in the Iowa National Guard or other military component of the United States. The amount expended can be no more than \$600 per year for educational assistance for any one child and no more than \$3,000 during the child's lifetime. Page 1, Line 29

NOTE: Federal money began to provide educational assistance for eligible children of deceased service members after September 11, 2001. The program is covered under Chapter 35 of Title 38 U.S. Code.

Qualifying children receive educational assistance in an amount of no more than the highest resident undergraduate tuition rate less any other State or federal money received to defray educational expenses. The maximum amount is an amount equal to five times the highest resident undergraduate tuition rate at the Board of Regents institutions during the child's lifetime, but prior to reaching age 26. Any expense for this purpose is chargeable to the War Orphans Educational Assistance Account. Page 2, Line 13

NOTE: The highest tuition rate for FY 2013 and FY 2014 is \$6,678 at the University of Iowa.

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Requires current administrative rules to remain in effect for the War Orphans Educational Assistance Fund until new rules are created and adopted by the Commission on Veterans Affairs. Also, requires any award issued by the Department of Veterans Affairs prior to the effective date of this Bill to remain in effect until the award expires or is renewed.

Page 4, Line 17

STUDIES AND INTENT

It is the intent of the General Assembly that in FY 2014, any appropriations be made as necessary to pay claims from the War Orphans Educational Assistance Account. Prior to any additional appropriation to the account, the Department of Veterans Affairs is required to provide the General Assembly with information identifying immediate and long-term educational needs of war orphans throughout the State and a plan to meet those needs.

Page 3, Line 34

NOTE: There is an annual General Fund allocation from the Health and Human Services Appropriations Subcommittee to the War Orphans Educational Assistance Fund of \$12,416.