



Fiscal Services Division

December 27, 2024

Inside this Fiscal Research Brief

Summary

This **Fiscal Research Brief** provides a review and analysis of State veterans programs that have provided direct care and assistance for Iowa veterans from 2008 to 2024.

Affected Agencies

Iowa Department of Veterans Affairs (DVA), Iowa Department of Revenue (IDR), Iowa Lottery Authority, Iowa Finance Authority (IFA), Iowa Workforce Development (IWD), Iowa Department of Health and Human Services (HHS), Iowa Department of Transportation (DOT), Iowa Department of Administrative Services (DAS), Iowa Department of Management (DOM), Iowa Department of Education (DE).

Iowa Code Authority

Iowa Code chapters [35](#), [35A](#), [35B](#), [35C](#), [35D](#), [37A](#), and [426A](#)
 Iowa Code sections [16.54](#), [99G.39](#), [256.210](#), [256.211](#), [422.7](#), and [425.15](#)
 Iowa Administrative Code [801](#)

Prepared by:

Lindsey Ingraham
 Iowa Legislative Services Agency (LSA)
 State Capitol
 Des Moines, Iowa 50319
 515.281.6764
lindsey.ingraham@legis.iowa.gov

Overview of Iowa Veterans Programs — 2024 Update

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Background

Iowa has historically provided a number of programs and special benefits that serve Iowa's veterans. **Attachment A** is a list of veterans and military benefits currently provided in the State of Iowa. For Iowa veterans' programs, eligible veterans include residents of Iowa who served in the armed forces of the 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.¹ The Department of Veterans Affairs (DVA) or a [county veteran service office](#) can provide more information as to whether an individual qualifies for a specific benefit.

Department of Veterans Affairs

The DVA was created in 1978 and has gone through several organizational iterations with the latest in 2023, when the Iowa Veterans Home (IVH) merged with the DVA in July of that year.² The Commandant, who is responsible for administering the duties of the DVA and the Commission of Veteran Affairs, oversees operations at the IVH, the Iowa Veterans Cemetery, and the benefits bureau. The Commandant operates out of the DVA headquarters, located in Marshalltown, Iowa. 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 the Iowa Veterans Cemetery and the IVH. The administrative staff responsible for operations at the Iowa Veterans Cemetery and the benefits bureau is located at Camp Dodge in Johnston, Iowa. The overall responsibilities of the DVA, established in Iowa Code section [35A.5](#), are as follows:

- Educating veterans and active duty reserve members on entitlements and resources under State and federal laws.
- Acting as a central point of contact in State government for veterans' issues.
- Administering the County Commission of Veteran Affairs Training Program and Injured Veterans Grant Program and maintaining the Iowa Veterans Cemetery.
- Maintaining the burial records of nearly 350,000 deceased Iowa veterans.

The DVA received a General Fund appropriation of \$1.4 million for FY 2024 and used 15.0 full-time equivalent (FTE) positions. Personal services expenditures represent 80.8% of the DVA's FY 2024 expenditure.

Commission of Veterans Affairs

The Commission of Veterans Affairs is a 12-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, the General Assembly, and the 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 Veteran Affairs

Each of Iowa's 99 counties has a County Commission of Veteran Affairs that consists of three to five veterans appointed by the county's board of supervisors.⁴ Each county is required to have a veteran

¹ Specific details on the definition of a veteran are established in Iowa Code section [35.1\(2\)](#).

² 2023 Iowa Acts, chapter [19](#) (State Government Reorganization Act).

³ Iowa Code section [35A.2](#).

⁴ Iowa Code chapter [35B](#).

affairs office in a building owned, operated, or leased by the county. Funding for the operating costs comes from the county’s budget. 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.

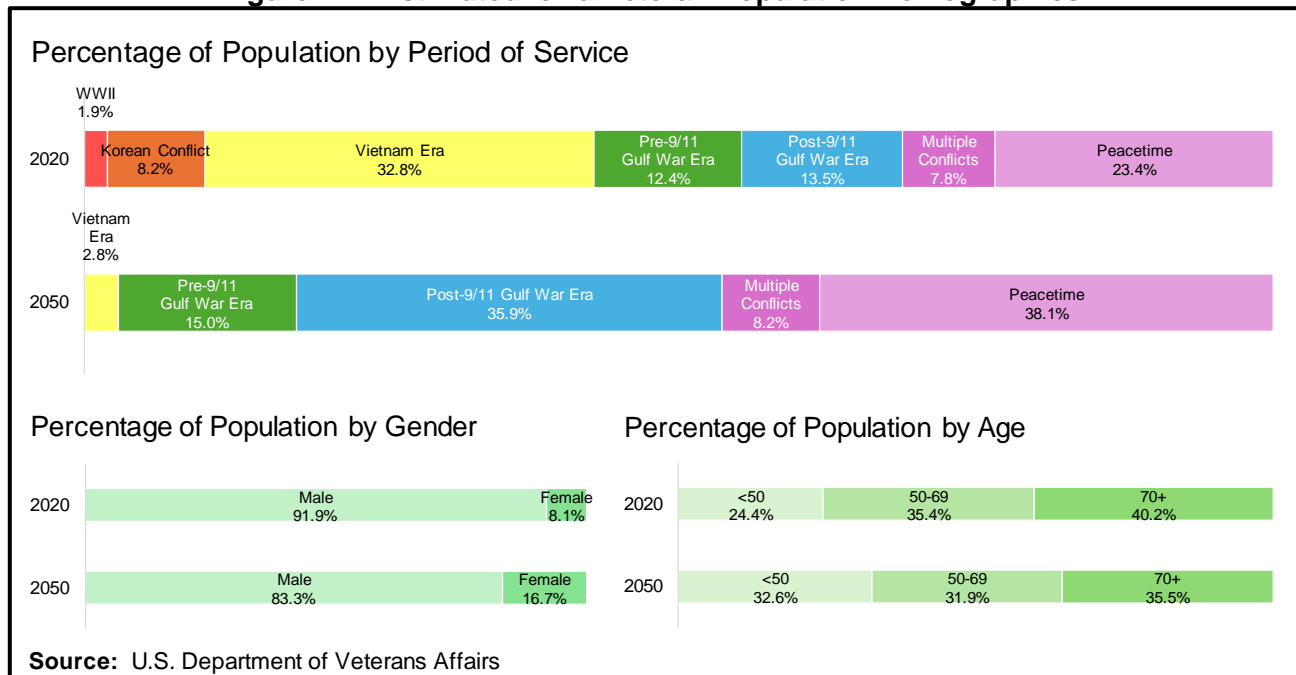
The County Commissions are required by Iowa Code chapter [35B](#) to perform the following duties:

- Educate veterans and active duty reserve members on entitlements and resources under State and federal laws, and assist veterans with applying for benefits.
- Assist veterans with starting applications for the Veterans Trust Fund.
- Ensure the 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 Department of Veterans Affairs (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 19.4 million in 2020. By 2050, the population is projected to be approximately 11.9 million, a decrease of 38.9%, with an average annual decrease of 1.6%. For Iowa, the 2020 estimated veteran population is approximately 194,000. The projected decrease for Iowa over this same time period is 49.8%. **Figure 1** illustrates the current and projected age and gender distribution of Iowa veterans.

Figure 1 — Estimated Iowa Veteran Population Demographics



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

Other States

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

Home Base Iowa

During the 2014 Legislative Session, 2014 Iowa Acts, chapter [1116](#) (Home Base Iowa Act), created Home Base Iowa (HBI) 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 (IWD), the HBI program aims to establish Iowa as the state of choice for veterans, transitioning service members, and their families. Home Base Iowa works to foster collaborations and form strategic partnerships with the DVA, the Iowa Economic Development Authority, community partners, employers, and educational institutions with an aim to provide veterans and their families with educational opportunities, employment, and community integration.

Significant changes in the 2014 legislation included the following:

- Excluding federal retirement pay received for military service and survivor benefits from State individual income tax.
- 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.⁶
- Requiring all public postsecondary institutions and Iowa Tuition Grant-eligible private and independent colleges to participate in HBI postsecondary education reporting.

Home Base Iowa underwent multiple changes in 2023. In March of that year, the IWD brought all Veteran-related programs under one bureau called the Office of Veteran Workforce Services. On April 7, 2023, the IWD launched the [IowaWORKSforVeterans.gov](#) portal as the front-facing portal for veterans, service members, and employers as they register within the IowaWORKS system. The portal contains various links to resources, tools, and programs relevant to veterans and their families. In May of 2023, a new HBI employer indicator was added to the IowaWORKS system so that the IWD can identify HBI employers for job seekers. The HBI employer certification changed in fiscal year 2023 to showcase employers setting themselves apart through various veteran hiring initiatives.

From FY 2022 through FY 2023, there were over 600 referrals in the HBI system. In FY 2023, HBI designated 126 employers and helped 95 veterans, service members, and spouses find employment. In FY 2024, HBI designated 129 employers and helped 106 veterans, service members, and spouses find employment.

Veterans Trust Fund

The Veterans Trust Fund was created in 2003.⁷ 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

⁶ 2019 Iowa Acts, chapter [9](#) (Military and Veterans Benefits Act).

⁷ 2003 Iowa Acts, chapter [131](#) (Veterans Trust Fund Act), codified in Iowa Code section [35A.13](#).

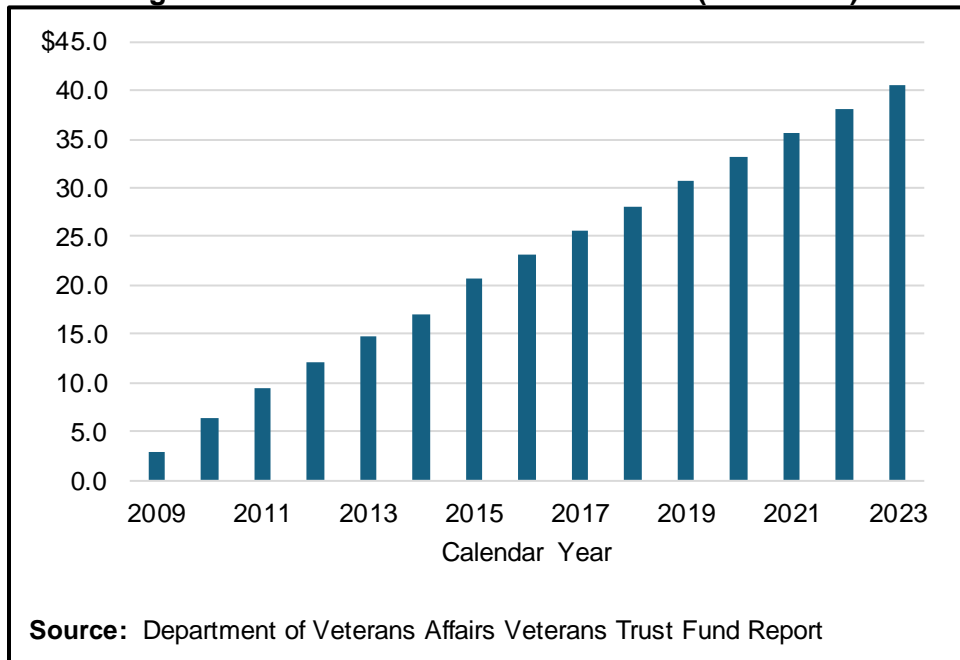
income and asset guidelines.⁸ The scope of services and reach of the Trust Fund have expanded since the Trust Fund’s inception as the fund’s balance and public awareness have grown. From calendar year (CY) 2013 to CY 2023, a total of \$6.9 million was awarded from the Trust Fund through over 4,700 awards.⁹ Money in the Veterans Trust Fund is divided into two categories, principal and spendable.

Principal

This is the portion of the Fund that is available to produce income through earning interest. The principal consists of previous appropriations made by the General Assembly, transfers of Iowa Lottery revenues, and donations through the income tax checkoff. Iowa Code section [35A.13](#) establishes that it is the intent of the General Assembly for the principal balance to reach \$50.0 million. After the Fund has reached \$50.0 million for two consecutive fiscal years, 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.

As of December 2023, the principal balance of the Veterans Trust Fund was \$40.4 million. The historical balance of the Trust Fund is displayed in **Figure 2**. Under current law, the LSA currently estimates that the Trust Fund will reach the \$50.0 million goal by FY 2029.

Figure 2 — Veterans Trust Fund Balance (in Millions)



Revenue Sources

The Veterans Trust Fund has been funded from sources 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. Current law requires the Iowa Lottery to transfer \$2.5 million annually to the Trust Fund. Of that amount, the Commission can spend \$500,000 to assist veterans eligible for services. The DVA is permitted to use \$300,000 of the transfer amount for training purposes on a reimbursable basis. The Trust Fund also earns interest

⁸ An eligible family must have household income below 300.0% of the Federal Poverty Level (FPL) Guidelines and less than \$20,000 in liquid assets.

⁹ The 4,700 figure does not represent 4,700 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.

from the investment of the Fund balance that is permissible to be spent. Interest earned over CY 2023 was nearly \$1.6 million.

Prior to its repeal in FY 2024, Iowa Code section [422.12L](#) established a joint income tax checkoff for the Veterans Trust Fund and the Volunteer Fire Fighter Preparedness Fund. Individuals who filed a tax return could designate \$1 or more to be paid jointly to both funds. Any amount received from the checkoff was deposited in the principal balance of the Veterans Trust Fund. The income tax checkoff generated approximately \$33,000 annually.

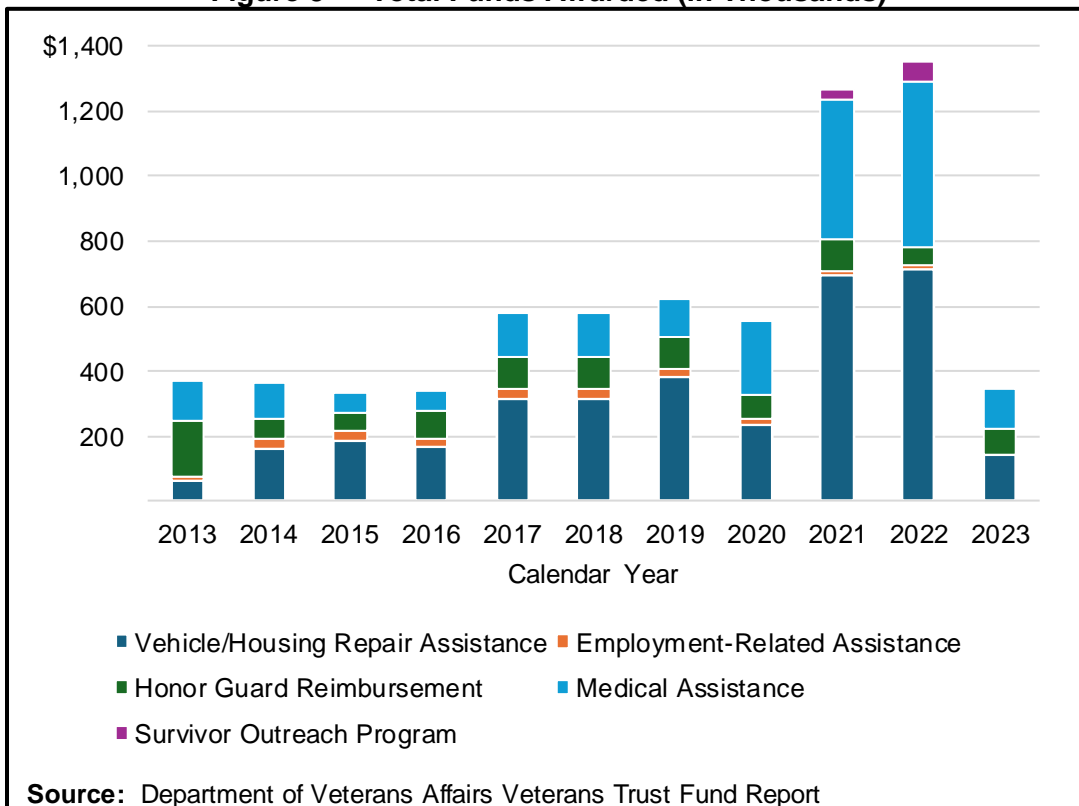
Funds Available for Awards

The spendable portion of the Trust Fund includes \$500,000 of the annual transfer from the Iowa Lottery and interest income earned. 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 is added to the principal balance of the Veterans Trust Fund, and is no longer available for payments for assistance.

Expenditures

Awards from the Trust Fund fall into five categories: vehicle/housing repair assistance, employment-related assistance, Honor Guard reimbursement, medical assistance, and the survivor outreach program. Expenditures from the Trust Fund for assistance began in FY 2009, but the annual report for the Fund is on a calendar year basis. Since CY 2013, a total of \$6.7 million has been awarded from the Trust Fund, primarily in the areas of vehicle/housing repair assistance (49.3%) and medical assistance (29.7%). **Figure 3** shows the amount of expenditures on claims for assistance that fall within these categories on a calendar year basis.

Figure 3 — Total Funds Awarded (in Thousands)



Miscellaneous Provisions

2013 Iowa Acts, chapter [91](#) (War Orphans Educational Assistance Fund Act), consolidated the War Orphans Education Assistance Program 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 may only be used to assist in the education of orphaned children of veterans. Interest earned on funds in the War Orphans Education Assistance account is also credited to the account. This account is excluded from 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 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 August 2024, total contributions associated with the bell are approximately \$5,000. As of August 2024, the approximate expenses associated with the bell were reported to be \$730.

Until FY 2025, Iowa Code had a provision allowing funds in the Trust Fund 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 removed under 2024 Iowa Acts, chapter [1047](#) (Veterans Affairs, Programs, and Funding Act).

Injured Veterans Grant Program

The Iowa Injured Veterans Grant Program was created in 2006 and aids service members who are injured on active duty.¹⁰ 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.¹¹

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. The grants 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.

The Program has been funded with periodic General Fund appropriations totaling \$4.0 million from FY 2006 through FY 2011. The appropriations do not revert to the General Fund and are permitted to carry forward. As of October 2024, there is \$124,000 available for payments.

Figure 4 shows net appropriations by fiscal year, amount expended, number of payments, and the carryforward balance for the Program. 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, 2024.

¹⁰ 2006 Iowa Acts, chapter [1106](#) (Injured Veterans Grant Program Act).

¹¹ 2019 Iowa Acts, chapter [9](#) (Military and Veterans Benefits Act).

Figure 4 — Injured Veterans Grant Program

<u>Fiscal Year</u>	<u>Net Appropriations</u>	<u>Expenditures</u>	<u>Number of Payments</u>	<u>Ending Balance</u>
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	882,000	241	1,006,305
2012	0	420,000	113	586,305
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
2020	0	0	0	183,897
2021	0	20,000	0	163,897
2022	0	0	0	163,897
2023	0	30,000	3	133,897
2024	0	10,000	1	123,897
Total	\$ 3,848,305	\$ 3,724,500	679	

Source: Department of Veterans Affairs

County Commissions of Veteran Affairs Fund

In 2008, the General Assembly created a standing appropriation of \$1.0 million from the General Fund to the DVA County Commissions of Veteran Affairs Fund to be used to provide services to veterans pursuant to Iowa Code section [35B.6](#) and provide for and maintain accreditation in accordance with the policies and procedures of the United States Department of Veterans Affairs. This amount was reduced by the annual Appropriations Act to \$990,000 from FY 2011 until the standing appropriation amount was decreased to \$990,000 by 2024 Iowa Acts, chapter [1157](#) (FY 2025 Health and Human Services Appropriations Act).

The Fund allocates \$10,000 to each county. If a county fails to be in compliance with the requirements of Iowa Code section [35B.6](#), all moneys shall be reimbursed to the Fund. Any moneys remaining after the allocations are made are to be credited to the County Commission of Veteran Affairs Training Program Account to be used to fund the County Commission of Veteran Affairs Training Program (CCVATP) operated by the DVA.

2024 Iowa Acts, chapter [1128](#) (Veteran Service Officer Training Appropriations Act), allocated \$300,000 from the Veterans Trust Fund to the CCVATP to pay for additional training with national service organizations on a reimbursable basis up to \$3,000 per county.

From FY 2020 through FY 2024, an average of 1.9% of the funds allocated were returned. **Figure 5** shows funds expended or returned from the County Commissions of Veteran Affairs Fund and the number of counties returning funds.

Figure 5 — County Commissions of Veteran Affairs Fund

	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>
Total Spent	\$ 981,466	\$ 971,501	\$ 982,292	\$ 963,429	\$ 958,917
Total Returned	\$ 8,534	\$ 18,499	\$ 7,708	\$ 26,571	\$ 31,083
Counties Returning Funds	10	10	11	13	14
Largest Return County	\$ 3,463 Shelby	\$ 4,280 Shelby	\$ 2,509 Shelby	\$ 7,778 Fremont	\$ 4,092 Palo Alto

Source: Department of Veterans Affairs

Counties have returned funds because the services were not being provided in a public office location, the required office hours were not being provided, or the funds were not being used for their intended purpose. The funds cannot be used to provide direct assistance to veterans. Since FY 2020, 82 counties have spent all of the funding allocated to them each year.

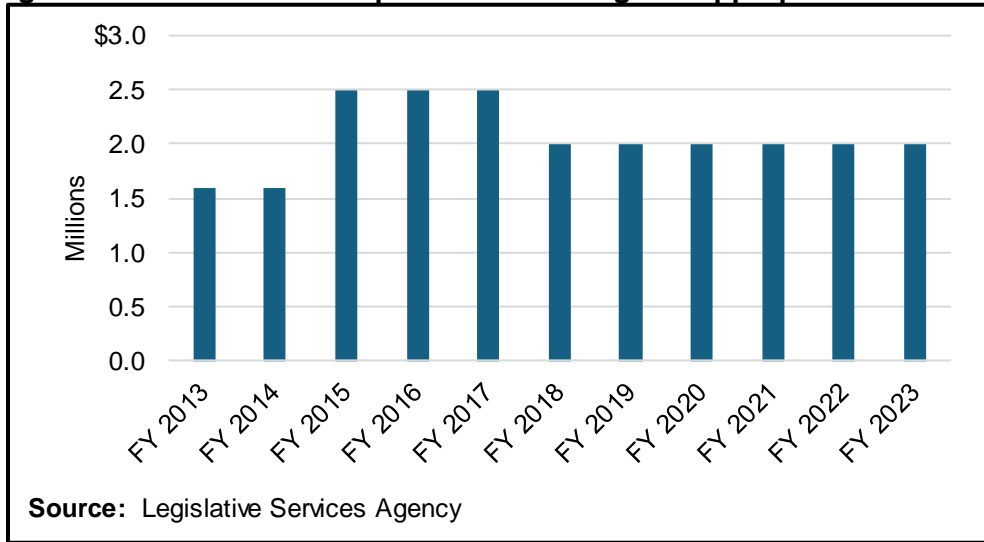
Home Ownership Assistance Program

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 considered eligible, the service member or veteran must have served a cumulative 90 days on active duty for other than training 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.¹²

The DVA receives an annual appropriation and transfers it to the IFA. **Figure 6** illustrates the historical funding. In the time the Program has been operating, it has received funding from the General Fund, Cash Reserve Fund, Veterans Trust Fund, and RIIF. Since FY 2013, the appropriation has been made exclusively from the General Fund.

¹² Eligibility requirements are available on the [IFA website](#).

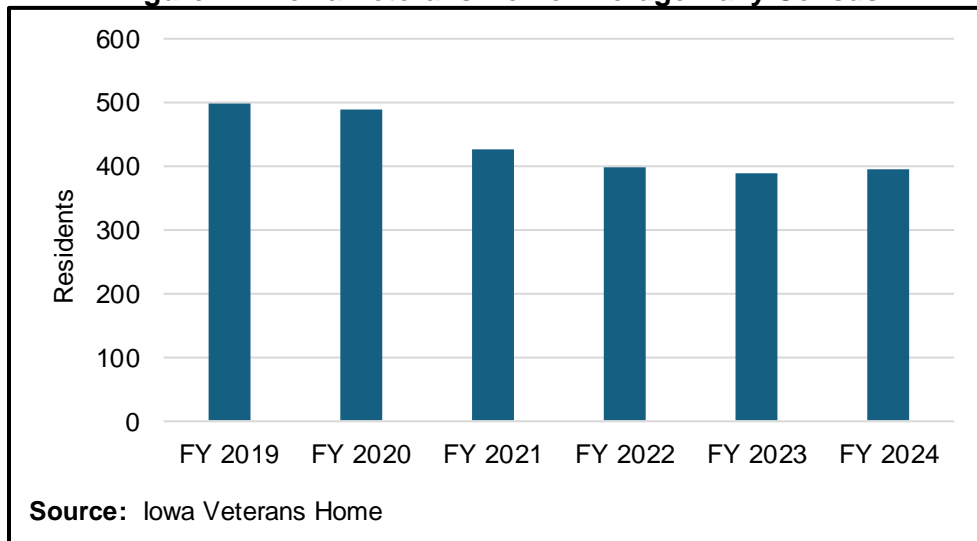
Figure 6 — Home Ownership Assistance Program Appropriations History



Iowa Veterans Home

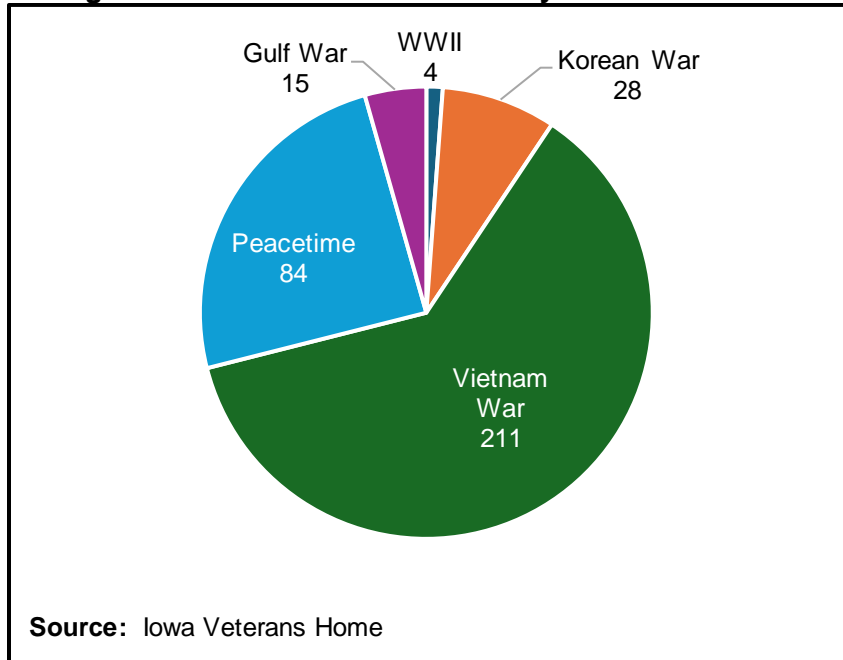
The Iowa Veterans Home (IVH), located in Marshalltown, Iowa, provides both nursing home and residential levels of care for Iowa’s aged, chronically ill, or disabled veterans; dependent spouses; and surviving spouses. The role of the IVH has evolved considerably over the years. The IVH was originally a domiciliary for veterans with insufficient resources to live independently or for veterans unable to earn a livelihood due to disability. Today, the IVH is a facility that serves veterans with chronic conditions rather than those with insufficient incomes. Spouses qualify for admission if they have been married to a veteran for at least one year before the date of application and meet residency requirements. **Figure 7** shows the average daily census for the IVH. 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 IVH has served approximately 19,500 veterans and spouses.

Figure 7 — Iowa Veterans Home Average Daily Census



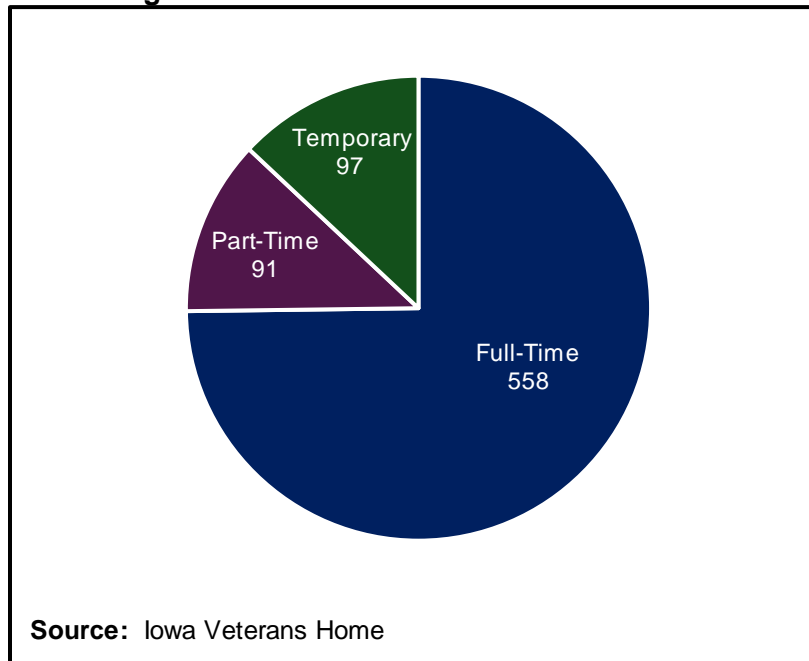
At the close of FY 2024, the IVH was home to 398 residents. Of those residents, 342 were veteran residents and 56 were veteran spouses. **Figure 8** shows the breakdown of the veteran population at the IVH by period of service.

Figure 8 — Number of Residents by Period of Service



At the close of FY 2024, the IVH had 746 total staff. **Figure 9** shows the IVH staff broken out into full-time, part-time, and temporary staff.

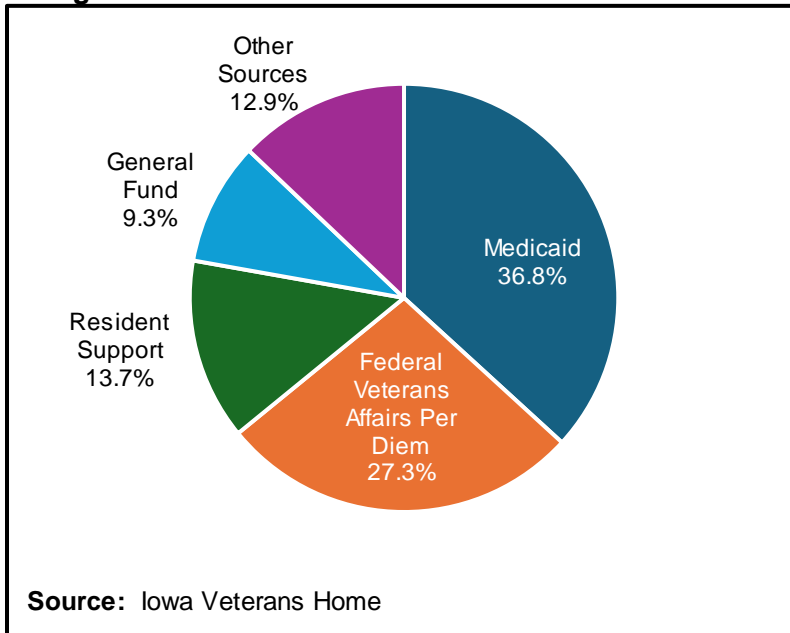
Figure 9 — Total Iowa Veterans Home Staff



Residents at the IVH may be offered the opportunity to perform services for the IVH through the incentive therapy program as part of their plan of care. Participating members are compensated at the State’s minimum wage for their involvement in the incentive therapy program. At the close of FY 2024, the IVH had 100 residents participating in the incentive therapy program.

The IVH revenue sources are approximately 36.8% Medicaid, 27.3% federal VA per diem, 13.7% resident support, 9.3% General Fund (annual appropriation approximately \$8.1 million), and 12.9% other sources. **Figure 10** shows the percentage breakdown of funding to the IVH by revenue source.

Figure 10 — Iowa Veterans Home Revenue Sources



Iowa Veterans Cemetery

The Iowa Veterans Cemetery, located in Van Meter, 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 \$978 per veteran. Spouses and dependents are buried for a \$300 interment fee. Both of these fees are deposited into the Perpetual Care Account. Iowa residency is not required for burial in the Iowa Veterans Cemetery. The U.S. Department of Veterans Affairs National Cemetery Administration furnishes headstones or markers upon request.¹³

The Cemetery was constructed in 2008 with federal funds and has an ongoing annual State operating expense of approximately \$250,000. The operating costs and 7.0 FTE positions are provided through the DVA General Fund appropriation. The Iowa Veterans Cemetery has provided more than 7,800 interments. Approximately 63.0% of recent interments are cremated remains.

¹³ National Cemetery Administration, U.S. VA, www.cem.va.gov/hmm/

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. 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 \$77,000 annually from FY 2015 through FY 2023. The Commission spent approximately \$299,000 in FY 2024. At the close of FY 2024, the Fund has approximately \$227,000 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 \$4,000 of assessed property valuation for veterans who served on active or reserve duty in the armed forces. 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 fewer than 18 months and was honorably discharged due to a service-related injury.

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 can be 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 has been approximately \$1.5 million, which reimburses local governments for the exemption (**Figure 11**).

Figure 11 — Military Service Property Tax Exemption

Fiscal Year	Funding	Number of Claimants	Funding Level
2020	\$1,759,726	137,404	100%
2021	1,695,797	132,552	100%
2022	1,626,867	127,238	100%
2023	1,552,987	121,426	100%
2024	1,482,073	115,692	100%

Source: Department of Revenue

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. 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 Credit is funded through the Homestead Property Tax Credit standing unlimited appropriation. The annual appropriation for the Disabled Veteran Homestead Property Tax Credit is approximately \$25.0 million, which reimburses local governments for the exemption (**Figure 12**).

Figure 12 — Disabled Veteran Homestead Property Tax Credit

Fiscal Year	Funding	Number of Claimants	Average Claim	Funding Level
2020	\$12,900,000	4,296	\$3,003	100%
2021	15,300,000	5,250	2,914	100%
2022	18,495,845	5,817	3,180	100%
2023	21,098,990	6,424	3,284	100%
2024	25,071,671	7,218	3,473	100%

Source: Department of Revenue

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 for the credit. 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.

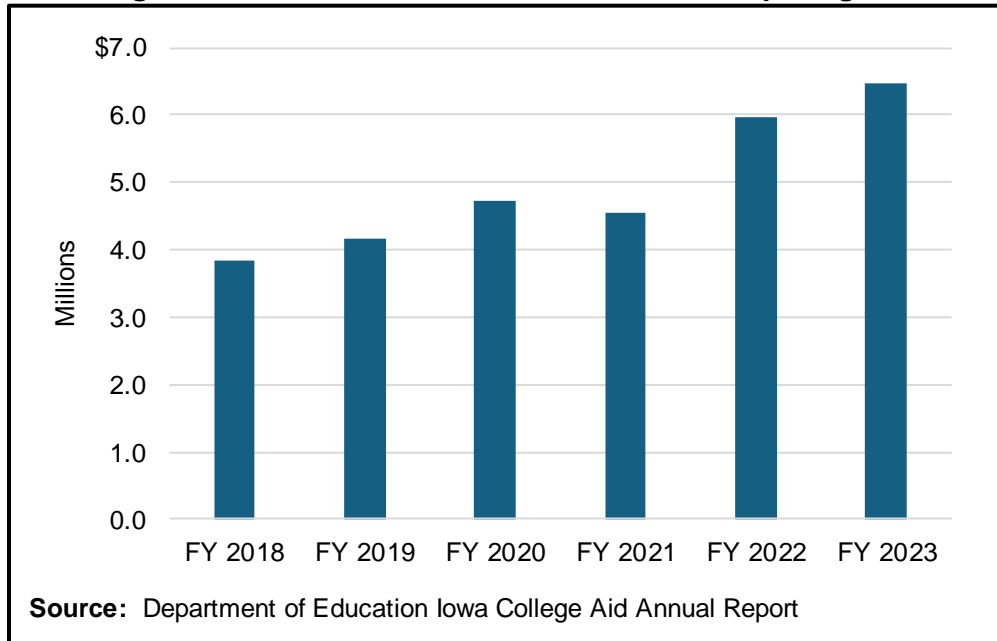
National Guard Service Scholarship Program

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.¹⁴ Funding is appropriated annually in the Education Appropriations Act 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 National Guard determines what percentage of tuition will be distributed to the colleges and universities 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](#).¹⁵ **Figure 13** shows the total funds awarded by the National Guard Service Scholarship Program annually. The annual appropriation is \$6.6 million from the General Fund for FY 2025. Appropriation amounts can fluctuate as a result of changes in demand due to deployment levels.

¹⁴ 1999 Iowa Acts, chapter [205](#) (FY 2000 Education Appropriations Act).

¹⁵ 2019 Iowa Acts, chapter [135](#) (FY 2020 Education Appropriations Act).

Figure 13 — National Guard Service Scholarship Program



Summary

The Commandant, who is responsible for administering the duties of the DVA and the Commission of Veterans Affairs, oversees operations at the Iowa Veterans Home, the Iowa Veterans Cemetery, and the benefits bureau.

The 12-member Commission of Veterans Affairs is responsible for guiding 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 of \$1.4 million and 15.0 FTE positions. Approximately 80.8% of the appropriation covers personnel costs. The DVA is also responsible for administering the Veterans Trust Fund, the Injured Veterans Grant Program, and the County Commission of Veteran Affairs Training Program, as well as authenticating applications for the Military Home Ownership Assistance Program administered by the IFA.

The 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 \$124,000. The County Commission of Veteran Affairs Training Program remains at a historically high level of funding. A summary of all funding provided by the General Assembly and the Governor and total expenditures by program are included in **Attachment B**.

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Attachment A — Veterans and Military Assistance and Benefits

Program/Benefit	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 minimum. 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 preference 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.
	400.1	
	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 a 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	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	35A.5	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 requirements, or have served in a presidential call-up during reserve component service.
	38 C.F.R. 38.620	
Indigent Veteran Burial	35B.14	County Commissions of Veteran Affairs and the county boards 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.
Iowa Public Employees' Retirement System — Veteran's Credit	97B.80	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.
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.
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 interment at the national or State veterans cemetery.

Program/Benefit	Iowa Code	Explanation
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	256.210	Administered by the Department of Education, provides grants to National Guard members attending eligible Iowa colleges and universities, including community colleges.
Occupational Licensing	272C.12A	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(9)	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 tax 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 \$4,000 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 an 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 use disorders 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 of 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."
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 States armed forces while the service member is on active duty.

Attachment B — Funding and Expenditures of Veterans Programs

Funding Provided*	Funding Source	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
DVA General Administration	General Fund	\$ 1,225,500	\$ 1,229,763	\$ 1,229,763	\$ 1,229,763	\$ 1,033,289
County Commissions of Veteran Affairs Fund	General Fund	990,000	990,000	990,000	990,000	990,000
Home Ownership Assistance Program	General Fund	2,000,000	2,000,000	2,000,000	2,000,000	2,200,000
Iowa Veterans Home	General Fund	7,162,976	7,131,552	7,131,552	7,131,552	7,131,552
National Guard Educational Assistance Program	General Fund	4,700,000	4,700,000	4,700,000	4,700,000	6,600,000
Injured Veterans Grant Program	General Fund	0	0	0	0	0
Iowa Veterans Trust Fund	Lottery Receipts Transfer	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
Iowa Veterans Cemetery	Federal Funds, Fees, Other Income	458,510	1,588,721	559,399	506,375	546,466
Veterans License Plate Fee Fund	Statutory Allocation Fund	86,705	91,073	165,093	91,186	93,520
Military Service Property Tax Exemption	General Fund	1,352,000	1,700,500	1,640,000	1,580,000	1,580,000
Disabled Veteran Homestead Property Tax Credit	General Fund**	12,900,000	15,300,000	18,495,845	21,098,990	25,071,671
Total		\$ 33,375,691	\$ 37,231,609	\$ 39,411,652	\$ 41,827,866	\$ 47,746,498

Total Expenditures	Other Funding Sources Expended	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
DVA General Administration	Other Miscellaneous Sources	\$ 1,234,358	\$ 1,232,609	\$ 1,229,783	\$ 1,238,820	\$ 1,014,961
County Commissions of Veteran Affairs Fund	Returned Funds	1,012,029	1,022,320	1,026,851	1,031,060	1,005,065
Home Ownership Assistance Program		2,000,000	2,000,000	2,000,000	2,000,000	2,200,000
Iowa Veterans Home	Medicaid, Federal VA, Private	78,635,486	78,236,696	75,093,323	75,536,426	71,777,463
National Guard Educational Assistance Program		4,723,179	4,550,587	5,956,847	6,453,464	5,885,120
Injured Veterans Grant Program		0	20,000	0	30,000	10,000
Iowa Veterans Trust Fund	Portion of Lottery Transfer, Interest Income	592,465	725,474	1,444,105	810,922	944,559
Iowa Veterans Cemetery		261,968	1,382,418	642,596	416,979	869,877
Veterans License Plate Fee Fund		92,920	45,553	83,469	53,226	298,843
Military Service Property Tax Exemption		1,760,081	1,696,053	1,626,940	1,553,051	1,482,073
Disabled Veteran Homestead Property Tax Credit		12,900,000	15,300,000	18,495,845	21,098,990	25,071,671
Total		\$ 103,212,486	\$ 106,211,710	\$ 107,599,759	\$ 110,222,938	\$ 110,559,632

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

**The Disabled Veteran Homestead Property Tax Credit is funded through the Homestead Property Tax Credit standing unlimited appropriation.