



**Expand Veterans' Service with VA Claims  
Matching Grant Proposal**

**Background:**

Following World War I (WWI), The American Legion and other Veterans Service Organizations (VSOs) were formed to provide assistance to wounded and ill veterans returning home. That assistance led to the formation of the VA Medical Centers for health care and later the VA Benefits System to provide compensation for ongoing effects of war injuries and illness. That service continues into the present.

This service has resulted in millions of veterans receiving compensation for service-connected injuries in the over 100 years since WWI. That compensation has come at no cost to those veterans but also at no cost to the State of Iowa. The accompanying table shows the amount of compensation to veterans from claims services provided by the various VSOs for the fiscal year ending September 30, 2024. This data is provided by the Des Moines VA Regional Office.

**Statement of Problem:**

In recent years, it has become more difficult for the VSOs to continue to provide the needed level of assistance to veterans with claims for compensation to the VA. Currently, The American Legion provides that service from funds derived exclusively from membership dues. The ongoing loss of the World War II, Korean and Vietnam War soldiers through aging has reduced the number of veterans and resulted in decline in membership and reduction of the funds available to provide trained, professional help to veterans for claims assistance.

For example, in 2023, The American Legion reduced our service office from 4 to 3 claims representatives to assist veterans. The clerical work of the office is now being performed by volunteers rather than paid staff to spend every available dollar on professional assistance to veterans. Other VSOs are experiencing similar cuts to staff. These reductions result in veterans having to wait longer to receive help, as well as a reduction of time spent identifying secondary service-connected conditions.

**Proposal:**

The American Legion is proposing that the State of Iowa provide funding in the form of a matching grant to increase service office staff and provide additional assistance to veterans. The American Legion makes an ongoing commitment to continuing to fund the level of assistance currently provided from our funds. We instituted a \$5/member dues increase effective January 1, 2024, to ensure that commitment will be met.

We are asking for an appropriation of \$250,000 to be distributed among the VSOs that will make a minimum three-year commitment to continue their current effort of providing claims assistance. The distribution would be made in proportion to the funds that each is currently committing. It is intended that the funds distributed to each VSO would be used to allow that VSO to increase their service to veterans. Specifically for The American Legion, we would use the appropriated funds to increase our service office staff by one FTE, increasing our staff by 25%.

It is important that this funding is not for one year only. That would simply create an ongoing problem that would need to be addressed each year. It would be best to identify a funding source that would result in this being an annual appropriation. The VSOs receiving funds each year would be required to certify how those funds are spent to achieve the desired assistance to veterans.

**Justification:**

The primary purpose for the use of the requested matching grant is, of course, to increase the quality of life for a veteran suffering from service-connected conditions. Any veteran would gladly trade their service-connected compensation for return of the capabilities lost due to military service. That return to health is not possible. These benefits are just a small measure to compensate for the damage that was done.

Beyond that, though, this request would result in an increase in federal funds flowing into Iowa. While the compensation itself is not taxable, it does result in roll-over expenditures that are subject to sales tax and eventually income tax to the state. Economic development experts can project just how many times an incoming federal dollar will be spent in subsequent purchases and the resulting benefit to the local and state treasuries.

**Projected Results:**

New staff in this area require significant training to develop a complete understanding of the regulations controlling veterans' benefits. After hiring a new staff member, that training will commence but the workload in the office will also be adjusted to allow the new staff member to be productive during training through work on the simpler cases. Normally a staff increase of 25% would be expected to produce an increase in results also of 25%. Due to the training period required, the initial work period will yield a result somewhat less than that, but we anticipate an increase in work production due to the workload adjustment.

This additional increase in funding will obtain results since our experienced staff will have additional time with existing cases to develop claims for secondary conditions. These are conditions that are caused by the initial service-connected condition but the connection with the initial condition may not be immediately apparent, requiring additional development work for the claim to be successful.

In subsequent years, it can be logically projected that the 25% increase in staff may result in greater than 25% in veterans' benefits coming to Iowans thanks to the increased opportunity to develop secondary claims.