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FACT SHEET: WARTIME BONUSES AND THE WISCONSIN VETERANS TRUST FUND

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World War I – The First Veterans Trust Fund

Veterans and other interested parties often have questions regarding the issue of the State of Wisconsin providing a cash bonus to wartime veterans. In 1919, Wisconsin's World War I veterans received their choice of one-time cash bonuses or education grants from the State. Cash bonuses were paid at the rate of \$10 per month of service, while the education grants were paid at the rate of \$30 per month of service.

World War II – The Second Veterans Trust Fund

As World War II progressed, the public's desire to provide for state veterans grew. Rather than awarding limited cash bonuses of little lasting value as was done following the first World War, the Wisconsin State Legislature debated, and ultimately authorized a surtax on personal income taxes in 1942 in order to establish a veterans trust fund for the purpose of meeting the medical, education, and economic needs of state veterans of World War II.

The WWII surtax raised \$7.6 million, and the Post-War Rehabilitation Trust Fund was established in 1943. Administration of the fund became the responsibility of the Veterans Recognition Board (also formed in 1943, renamed the Board of Veterans Affairs in 1945) and the Wisconsin Department of Veterans Affairs (created in 1945).

Post-World War II – The Third Veterans Trust Fund

Following World War II, the Legislature further authorized a tax on alcoholic beverages to create a second veterans trust fund, the Veterans Housing Trust Fund, which was created in order to provide qualified veterans with second mortgage loans for home purchases, construction, and improvements. While the second veterans trust fund was created in 1949 from liquor tax proceeds that ultimately provided \$18.2 million to the fund, its continued operations were ensured by a cycle of depositing repayments of loan principal and interest into the fund, followed by further loan making.

1961: The Trust Funds are Consolidated

In 1961, the three funds were consolidated into the Veterans Trust Fund. In 1975, the Veterans Mortgage Loan Repayment Fund was also created. Between 1969 and 1975, the State made more than \$37 million in loans to the Veterans Trust Fund. All have been repaid. Additional appropriations from the General Fund (tax revenue) were added to the various funds in 1947, 1951, 1971-1974, and 1985-1988. The Veterans Trust Fund has received no GPR (tax) dollars since 1988.

The Uses of the Veterans Trust Fund

True to the foresight of the Legislature, veterans trust fund dollars have been used to provide hundreds of millions of dollars in benefits to tens of thousands of Wisconsin veterans. Programs paid for by the veterans trust fund include educational grants for tuition/fee reimbursement (2,700 grants in fiscal year 2003 alone), retraining grants, health care aid grants (especially for dentures and hearing aids), retraining grants, grants to counties for operation of county veterans service offices (\$750,000 annually), grants to veterans service organizations that offer specialized services (i.e. claims assistance, transportation to VA facilities), home mortgage loans, home improvement loans, personal loans, homeless veterans assistance programs, operating expenses for state veterans cemeteries, and more.

Other States – Some Bonuses, No Trust Fund, Few State Veterans Benefits

Twenty of the 50 states provided one-time, limited cash bonuses to WWII veterans, nineteen provided bonuses to Korean War veterans, twenty-three provided bonuses to Vietnam War veterans, and eight provided bonuses to Persian Gulf War veterans. Of the states that provided these bonuses, none have a state veterans home mortgage loan program, none have a veterans home improvement loan program, and few have a low-interest personal loan program or state grant programs. Most notable of all is the fact that Wisconsin provides state veterans home loans, personal loans, grants, educational benefits, dependent educational benefits, state veterans cemeteries, and veterans nursing care. Most of these programs would not exist without being funded through the state's Veterans Trust Fund.

Continued Gratitude

Those who served our nation in the Armed Forces, particularly those who served in wartime, can never be fully compensated for their incredible sacrifices. However, with the earlier foresight and continued commitment of Wisconsin state government, the thanks of the grateful people of the state of Wisconsin can continue to be expressed.
