

VETERANS' COMPENSATION COST-OF-LIVING
 ADJUSTMENT ACT OF 2018

MAY 18, 2018.—Committed to the Committee of the Whole House on the State of
 the Union and ordered to be printed

Mr. ROE of Tennessee, from the Committee on Veterans' Affairs,
 submitted the following

R E P O R T

[To accompany H.R. 4958]

[Including cost estimate of the Congressional Budget Office]

The Committee on Veterans' Affairs, to whom was referred the bill (H.R. 4958) to increase, effective as of December 1, 2018, the rates of compensation for veterans with service-connected disabilities and the rates of dependency and indemnity compensation for the survivors of certain disabled veterans, and for other purposes, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

CONTENTS

	Page
Purpose and Summary	2
Background and Need for Legislation	2
Hearings	3
Subcommittee Consideration	3
Committee Consideration	3
Committee Votes	3
Committee Oversight Findings	3
Statement of General Performance Goals and Objectives	3
New Budget Authority, Entitlement Authority, and Tax Expenditures	4
Earmarks and Tax and Tariff Benefits	4
Committee Cost Estimate	4
Congressional Budget Office Estimate	4
Federal Mandates Statement	5
Advisory Committee Statement	5
Constitutional Authority Statement	5
Applicability to Legislative Branch	5
Statement on Duplication of Federal Programs	5
Disclosure of Directed Rulemaking	5
Section-by-Section Analysis of the Legislation	6
Changes in Existing Law Made by the Bill as Reported	6

PURPOSE AND SUMMARY

H.R. 4958 the “Veterans Compensation Cost of Living Adjustment Act of 2018,” would, effective December 1, 2018, increase the rates of Wartime Disability Compensation, Compensation for Dependents, Clothing Allowance, Dependency and Indemnity Compensation to Surviving Spouse, and Dependency and Indemnity Compensation to Children by the same percentage as the increase in benefits provided under title II (Old Age, Survivors, and Disability Insurance) of the Social Security Act. Rep. Mike Bost of Illinois introduced H.R. 4958 on February 7, 2018.

BACKGROUND AND NEED FOR LEGISLATION

Veterans who are disabled as a result of their military service may be eligible to receive disability compensation. The purpose of disability compensation is to provide relief to the veteran for the loss of earning capacity due to his or her service-connected disability. The amount of compensation a veteran receives varies according to the veteran’s degree of disability.

To be eligible to receive disability compensation, a veteran must have a disability incurred or aggravated during military service, which is not the result of willful misconduct. Additionally, the veteran must have been discharged under other than dishonorable conditions. The Department of Veterans Affairs (VA) is responsible for determining if a veteran is entitled to service-connection for a disability.

Dependency and Indemnity Compensation (DIC) are monthly benefits paid to a surviving spouse and dependent children of a veteran who died while on active duty; or as a result of disabilities determined by VA to be service-connected, or had a service-connected disability rated at 100 percent for a certain period of time prior to death. Survivors who are housebound, require aid and attendance, or who have minor children may be paid additional amounts. The purpose of DIC benefits authorized under chapter 13 of title 38, U.S.C, is to provide partial compensation to the disabled veteran’s surviving dependents for the loss in financial support due to the veteran’s service-connected death. The dependent’s income and need are not considered when VA determines a surviving spouse’s or child’s entitlement because the nation, in part, assumes the legal and moral obligation of the deceased veteran to support his or her spouse and children.

Section 2 of H.R. 4958 would increase the rates of Wartime Disability Compensation, Additional Compensation for Dependents, Clothing Allowance, Dependency and Indemnity Compensation to Surviving Spouse, and Dependency and Indemnity Compensation to Children. Such increase in benefits would increase to be the same percentage as the increase in benefits provided under title II (Old Age, Survivors, and Disability Insurance) of the Social Security Act.

Section 3 of H.R. 4958 would require the Secretary to publish in the Federal Register the cost-of-living as increased under section 2, not later than the date on which the matters specified by 42 U.S.C. § 415(i)(2)(D) of the Social Security Act are required to be published during fiscal year 2018.

HEARINGS

On March 20, 2018, the Subcommittee on Disability Assistance and Memorial Affairs conducted a legislative hearing on various bills introduced during the 115th Congress, including H.R. 4958.

The following witnesses testified:

The Honorable Mike Bost, U.S. House of Representatives; 12th Congressional District of Illinois; The Honorable J. Luis Correa, U.S. House of Representatives, 46th Congressional District of California; The Honorable Austin Scott, U.S. House of Representatives, 8th Congressional District of Georgia; Ms. Cheryl Rawls, Director, Pension and Fiduciary Service, Veterans Benefits Administration, U. S. Department of Veterans Affairs, accompanied by Ms. Lisa J. Pozzebon, Executive Director, Office of Cemetery Operations, National Cemetery Administration, U. S. Department of Veterans Affairs; Mr. Larry L. Lohmann, Assistant Director, National Legislative Division, The American Legion; and, Mr. Carlos Fuentes, Director National Legislative Service, Veterans of Foreign Wars.

Statements for the record were submitted by:

The Honorable Walter B. Jones, Jr., U.S. House of Representatives; and the National Park Service, U.S. Department of the Interior.

SUBCOMMITTEE CONSIDERATION

There was no Subcommittee consideration of H.R. 4958.

COMMITTEE CONSIDERATION

On May 8, 2018, the Full Committee met in an open markup session, a quorum being present, and ordered H.R. 4958, reported favorably to the House of Representatives by voice vote.

COMMITTEE VOTES

In compliance with clause 3(b) of rule XIII of the Rules of the House of Representatives, there were no recorded votes taken on amendments or in connection with ordering H.R. 4958 reported to the House. A motion by Ranking Member Timothy Walz of Minnesota to report H.R. 4958 favorably to the House of Representatives was adopted by voice vote.

COMMITTEE OVERSIGHT FINDINGS

In compliance with clause 3(c)(1) of rule XIII and clause (2)(b)(1) of rule X of the Rules of the House of Representatives, the Committee's oversight findings and recommendations are reflected in the descriptive portions of this report.

STATEMENT OF GENERAL PERFORMANCE GOALS AND OBJECTIVES

In accordance with clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, the Committee's performance goals and objectives are to, as of December 1, 2018, increase the rates of War-time Disability Compensation, Compensation for Dependents, Clothing Allowance, Dependency and Indemnity Compensation to Surviving Spouse, and Dependency and Indemnity Compensation to Children by the same percentage as the increase in benefits pro-

vided under title II (Old Age, Survivors, and Disability Insurance) of the Social Security Act.

NEW BUDGET AUTHORITY, ENTITLEMENT AUTHORITY, AND TAX
EXPENDITURES

In compliance with clause 3(c)(2) of rule XIII of the Rules of the House of Representatives, the Committee adopts as its own the estimate of new budget authority, entitlement authority, or tax expenditures or revenues contained in the cost estimate prepared by the Director of the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974.

EARMARKS AND TAX AND TARIFF BENEFITS

H.R. 4958 does not contain any Congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9 of rule XXI of the Rules of the House of Representatives.

COMMITTEE COST ESTIMATE

The Committee adopts as its own the cost estimate on H.R. 4958 prepared by the Director of the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

Pursuant to clause 3(c)(3) of rule XIII of the Rules of the House of Representatives, the following is the cost estimate for H.R. 4958 provided by the Director of the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, May 9, 2018.

Hon. PHIL ROE, M.D.,
*Chairman, Committee on Veterans' Affairs,
House of Representatives, Washington, DC.*

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 4958, the Veterans' Compensation Cost-of-Living Adjustment Act of 2018.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Logan Smith.

Sincerely,

KEITH HALL,
Director.

Enclosure.

*H.R. 4958—Veterans' Compensation Cost-of-Living Adjustment Act
of 2018*

H.R. 4958 would increase the amounts paid to veterans for disability compensation and to their survivors for dependency and indemnity compensation by the same cost-of-living adjustment (COLA) that recipients of Social Security receive in 2019. The increase would take effect on December 1, 2018.

The COLA that would be authorized by this bill is assumed in CBO's baseline, consistent with section 257 of the Balanced Budget and Emergency Deficit Control Act. Because the COLA is assumed

in CBO's baseline, authorizing its use would have no budgetary effect relative to the baseline. Relative to current law, CBO estimates that enacting this bill would increase spending for those programs by \$1.5 billion in fiscal year 2019. CBO estimates that the COLA effective on December 1, 2018, will be 2.3 percent. (The annualized cost would be about \$2.0 billion in subsequent years.)

Pay-as-you-go procedures do not apply because enacting H.R. 4958 would not affect direct spending relative to the baseline and would not affect revenues.

CBO estimates that enacting H.R. 4958 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2029.

H.R. 4958 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act.

The CBO staff contact for this estimate is Logan Smith. The estimate was reviewed by Leo Lex, Deputy Assistant Director for Budget Analysis.

FEDERAL MANDATES STATEMENT

The Committee adopts as its own the estimate of Federal mandates regarding H.R. 4958 prepared by the Director of the Congressional Budget Office pursuant to section 423 of the Unfunded Mandates Reform Act.

ADVISORY COMMITTEE STATEMENT

No advisory committees within the meaning of section 5(b) of the Federal Advisory Committee Act would be created by H.R. 4958.

CONSTITUTIONAL AUTHORITY STATEMENT

Pursuant to Article I, section 8 of the United States Constitution, H.R. 4958 is authorized by Congress' power to "provide for the common Defense and general Welfare of the United States."

APPLICABILITY TO LEGISLATIVE BRANCH

The Committee finds that H.R. 4958 does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(b)(3) of the Congressional Accountability Act of 1995.

STATEMENT ON DUPLICATION OF FEDERAL PROGRAMS

Pursuant to clause 3(c)(5) of rule XIII of the Rules of the House of Representatives, the Committee finds that no provision of H.R. 4958 establishes or reauthorizes a program of the Federal Government known to be duplicative of another Federal program, a program that was included in any report from the Government Accountability Office to Congress pursuant to section 21 of Public Law 111-139, or a program related to a program identified in the most recent Catalog of Federal Domestic Assistance.

DISCLOSURE OF DIRECTED RULEMAKING

Pursuant to section 3(i) of H. Res. 5, 115th Cong. (2017), the Committee estimates that H.R. 4958 contains no directed rule making that would require the Secretary to prescribe regulations.

SECTION-BY-SECTION ANALYSIS OF THE LEGISLATION

Section 1—Short title

Section 1 would establish the short title of the Act.

Section 2—Increase in rates of disability compensation and dependency and indemnity compensation

Section 2 would authorize VA to increase, effective December 1, 2018, the dollar amounts in effect for the payment of disability compensation and dependency and indemnity compensation.

Section 2(b) would specify the amounts that would be increased regarding the Wartime Disability Compensation, under section 1114 of title 38, U.S.C.; the Additional Compensation for Dependents, under section 1115(1) of title 38, U.S.C.; the Clothing Allowance, under section 1162 of title 38, U.S.C.; the Dependency and Indemnity Compensation to Surviving Spouses, under section 1311 of title 38, U.S.C.; and the Dependency and Indemnity Compensation to Children, under sections 1313(a) and 1314 of title 38, U.S.C.

Section 2(c) would specify that each amount shall be increased by the same percentage by which benefits are increased under title II of the Social Security Act.¹

Section 2(d) would provide a special rule authorizing VA to adjust administratively, consistent with the increases made under subsection (a), the rates of disability compensation payable to persons within the purview of section 10 of Public Law 85–857, who are not in receipt of compensation payable pursuant to chapter 11 of title 38, U.S.C.

Section 3—Publication of adjusted rates

Section 3 would require the Secretary of VA to publish in the Federal Register the amounts specified in subsection 2(b), as increased pursuant to 41 U.S.C. § 415(i)(2)(D).

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

If enacted, this bill would make no changes in existing law.



¹ 42 U.S.C. § 415(i).