

VETERANS' COMPENSATION COST-OF-LIVING
 ADJUSTMENT ACT OF 2019

MAY 16, 2019.—Committed to the Committee of the Whole House on the State of
 the Union and ordered to be printed

Mr. TAKANO, from the Committee on Veterans' Affairs,
 submitted the following

R E P O R T

[To accompany H.R. 1200]

[Including cost estimate of the Congressional Budget Office]

The Committee on Veterans' Affairs, to whom was referred the bill (H.R. 1200) to increase, effective as of December 1, 2019, 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	4
Committee Consideration	4
Committee Votes	4
Committee Oversight Findings	4
Statement of General Performance Goals and Objectives	4
New Budget Authority, Entitlement Authority, and Tax Expenditures	4
Earmarks and Tax and Tariff Benefits	4
Committee Cost Estimate	4
Congressional Budget Office Estimate	5
Federal Mandates Statement	5
Advisory Committee Statement	5
Constitutional Authority Statement	5
Applicability to Legislative Branch	6
Statement on Duplication of Federal Programs	6
Section-by-Section Analysis of the Legislation	6

PURPOSE AND SUMMARY

H.R. 1200, the “Veterans’ Compensation Cost-of-Living Adjustment Act of 2019,” was introduced by Representative Elaine Luria, Chair of the Subcommittee on Disability Assistance and Memorial Affairs, on February 13, 2019. H.R. 1200 would become effective December 1, 2019, and 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.

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 the entitlement for a surviving spouse or child because the government, 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. 1200 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 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. 1200 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 2019.

HEARINGS

For the purposes of section 103(i) of H. Res. 6 of the 116th Congress—(1) the following hearing was used to develop or consider H.R. 1200.

On May 1, 2019, the Subcommittee on Disability Assistance and Memorial Affairs conducted a legislative hearing on various bills introduced during the 116th Congress, including H.R. 1200.

The following witnesses testified:

The Honorable Mark Takano, U.S. House of Representatives, 41st Congressional District of California; The Honorable David P. Roe, U.S. House of Representatives, 1st Congressional District of Tennessee; The Honorable Conor Lamb, U.S. House of Representatives, 17th Congressional District of Pennsylvania; The Honorable Greg Steube, U.S. House of Representatives, 17th District of Florida; The Honorable Julia Brownley, U.S. House of Representatives, 26th Congressional District of Florida; Mr. Matthew Sullivan, Deputy Under Secretary for Finance and Planning, National Cemetery Administration; accompanied by Mr. Kevin Friel, Deputy Director for Pension and Fiduciary, Veterans Benefits Administration; Dr. Patricia Hastings, Deputy Chief Consultant, Post Deployment Health Service, Veterans Health; Mr. Derrick Curtis, Director, Software Testing & 508, Enterprise Portfolio Management Division, Office of Information Technology; Ms. Melanie Brunson, Government Relations Officer, Blinded Veterans Association; Mr. Karl R. Horst, Major General, U.S. Army (Ret), President and Chief Executive Officer, Congressional Medal of Honor Foundation; Ms. Allison Adelle Hedge Coke, Distinguished Professor of Creative Writing, University of California, Riverside; Mr. Carlos Fuentes, Director, National Legislative Service, Veterans of Foreign Wars; Mr. Rick Weidman, Executive Director, Policy and Government Affairs, Vietnam Veterans of America; Mr. Chanin Nuntavong, Veterans Affairs and Rehabilitation Division Director, The American Legion; Mr. Shane L. Liermann, Assistant National Legislative Director, Disabled American Veterans; and Dr. David A. Butler, Director, Office of Military and Veterans Health, Health and Medicine Division, The National Academies of Sciences, Engineering, and Medicine; accompanied by Dr. Ourania Kostis, Senior Program Officer, Principal Investigator, Radiation Effects Research Foundation, The National Academies of Sciences, Engineering, and Medicine.

Statements for the record were submitted by:

The Honorable Doug LaMalfa, U.S. House of Representatives, 1st Congressional District of California; Mr. John Wells, Executive Director, The Military-Veterans Advocacy; Mr. Keith Kiefer, National Commander, National Association of Atomic Veterans; Mr. Robert Celestial, SGT, U.S. Army Retired (D.A.V.), Veteran who participated in Enewetak Cleanup; Mr. Ken Brownell, Veteran who participated in Enewetak Cleanup; and The American Federation of Government Employees, AFL-CIO.

SUBCOMMITTEE CONSIDERATION

There was no Subcommittee consideration of H.R. 1200.

COMMITTEE CONSIDERATION

On May 8, 2019, the Full Committee met in an open markup session, a quorum being present, and reported H.R. 1200 favorably to the House of Representatives by voice vote.

COMMITTEE VOTES

Clause 3(b) of rule XIII of the Rules of the House of Representatives requires the Committee to list the recorded votes on the motion to report the legislation and amendments thereto. There were no recorded votes taken on amendments or in connection with reporting H.R. 1200 to the House. A motion by Ranking Member David P. Roe of Tennessee to report H.R. 1200 favorably to the House of Representatives was agreed to 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 establishes the following performance goals and objectives for this legislation: to increase, as of December 1, 2019, 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.

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. 1200 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. 1200 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. 1200 provided by the Director of the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974:

H.R. 1200, Veterans' Compensation Cost-of-Living Adjustment Act of 2019			
As ordered reported by the House Committee on Veterans' Affairs on May 8, 2019			
By Fiscal Year, Millions of Dollars	2019	2019-2024	2019-2029
Direct Spending (Outlays)	0	0	0
Revenues	0	0	0
Deficit Effect	0	0	0
Spending Subject to Appropriation (Outlays)	0	0	0
Pay-as-you-go procedures apply?	No	Mandate Effects	
Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2030?	No	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	No

H.R. 1200 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 2020. The increase would take effect on December 1, 2019.

Relative to current law, CBO estimates that enacting this bill would increase spending for those programs by \$1.5 billion in fiscal year 2020. CBO estimates that the COLA effective on December 1, 2019, will be 2.1 percent. (The annualized cost would be about \$2.0 billion in subsequent years.) However, section 257 of the Balanced Budget and Emergency Deficit Control Act directs CBO to assume that COLA will occur in CBO's baseline. Because the COLA is assumed in CBO's baseline, authorizing that increase would have no budgetary effect relative to the baseline.

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. 1200 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. 1200.

CONSTITUTIONAL AUTHORITY STATEMENT

Pursuant to Article I, section 8 of the United States Constitution, H.R. 1200 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. 1200 does not relate to the terms and conditions of employment or access to public services or accommodations within the legislative branch.

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. 1200 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.

SECTION-BY-SECTION ANALYSIS OF THE LEGISLATION

Section 1—Short title

Section 1 would establish the “Veterans’ Compensation Cost-of-Living Adjustment Act of 2019” as 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, 2019, 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).

○

¹ 42 U.S.C. § 415(i).