

VETERANS' COMPENSATION COST-OF-LIVING
ADJUSTMENT ACT OF 2024

JULY 18, 2024.—Committed to the Committee of the Whole House on the State of
the Union and ordered to be printed

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

R E P O R T

[To accompany H.R. 7777]

[Including cost estimate of the Congressional Budget Office]

The Committee on Veterans' Affairs, to whom was referred the bill (H.R. 7777) to increase, effective as of December 1, 2024, 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, reports favorably thereon without amendment and recommends that the bill do pass.

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PURPOSE AND SUMMARY

H.R. 7777, the “*Veterans’ Compensation Cost-of-Living Adjustment Act of 2024*,” was introduced by Rep. Morgan Luttrell of Texas on March 21, 2024. The bill would require the Department of Veterans Affairs (VA) to increase the amounts payable for war-time disability compensation, additional compensation for dependents, the clothing allowance for certain disabled veterans, and dependency and indemnity compensation for surviving spouses and children. Specifically, VA would increase these amounts by the same percentage as the cost-of-living increase in benefits for Social Security recipients that is effective on December 1, 2024. The bill would also require VA to publish the amounts payable, as increased, in the Federal Register. VA would also be authorized to make a similar adjustment to the rates of disability compensation payable to persons who have not received compensation for service-connected disability or death.

BACKGROUND AND NEED FOR LEGISLATION

Section 1: Short title

This Act may be cited as the “Veterans’ Compensation Cost-of-Living Adjustment Act of 2024.”

Section 2: Increase in Rates of Disability Compensation and Dependency and Indemnity Compensation

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.

The Committee believes this section is important because veterans and their survivors often depend on VA compensation bene-

fits to pay for daily living expenses and support their families. While Social Security benefits are automatically adjusted for the increased cost of living annually, Congress must pass legislation every year to keep the rates of veterans' disability compensation and survivors' compensation in line with inflation. The Committee believes that this section is necessary to ensure that VA compensation benefits for veterans and survivors keep up with increasing cost of living and inflation so that they can meet their financial needs.

HEARINGS

On April 10, 2024, the Subcommittee on Disability Assistance and Memorial Affairs held a legislative hearing on H.R. 7777 and other bills that were pending before the subcommittee.

The following witnesses testified:

The Honorable Keith Self, U.S. House of Representatives; The Honorable John S. Duarte, U.S. House of Representatives; The Honorable Jahana Hayes, U.S. House of Representatives; Colonel Tiffany M. Wagner, Clerk of the Court, U.S. Court of Appeals for Veterans Claims; Mr. Daniel T. Shedd, Legislative Attorney, American Law Division, Congressional Research Service; The Honorable Jaime Areizaga-Soto, Chairman, Board of Veterans' Appeals, U.S. Department of Veterans Affairs; Ms. Brianne Ogilvie, Assistant Deputy Under Secretary, Office of Policy and Oversight, Veterans Benefits Administration, U.S. Department of Veterans Affairs; Ms. Jessica Pierce, Assistant Director, Compensation Service Policy Staff, U.S. Department of Veterans Affairs; Ms. Candace Wheeler, Director, Government and Legislative Affairs, Tragedy Assistance Program for Survivors; Mr. Christopher Macinkowicz, Deputy Director, National Veterans Service, Veterans of Foreign Wars of the United States; Mr. Andrew Tangen, First Vice President, National Association of County Veterans Service Officers; and Ms. Renee Burbank, Director of Litigation, National Veterans Legal Services Program.

The following individuals and organizations submitted statements for the record:

The Honorable Dean Phillips, U.S. House of Representatives; The Honorable Marilyn Strickland, U.S. House of Representatives; Paralyzed Veterans of America; Disabled American Veterans; National Organization of Veterans' Advocates, Inc.; Administrative Conference of the United States; The American Legion; and Mr. Michael J. Wishnie.

SUBCOMMITTEE CONSIDERATION

On April 16, 2024, the Subcommittee on Disability Assistance and Memorial Affairs held a markup on proposed legislation, including H.R. 7777. There were no amendments to this bill. A motion was made by Ranking Member Pappas to favorably forward H.R. 7777 to the Full Committee.

COMMITTEE CONSIDERATION

On May 1, 2024, the Full Committee met in open markup session, a quorum being present, and ordered H.R. 7777 be reported favorably to the House of Representatives by voice vote.

A motion by Ranking Member Takano to report H.R. 7777 favorably to the House of Representatives was agreed to by voice vote.

COMMITTEE VOTES

In compliance with clause 3(b) of rule XIII of the Rules of the House of Representatives, no recorded votes were taken on amendments or in connection with ordering H.R. 7777 reported to the House.

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 of H.R. 7777 are to require VA to provide a cost-of-living adjustment for veterans and survivors compensation.

EARMARKS AND TAX AND TARIFF BENEFITS

H.R. 7777 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 Congressional Budget Office cost estimate on this measure.

BUDGET AUTHORITY AND CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

H.R. 7777, Veterans' Compensation Cost-of-Living Adjustment Act of 2024			
As ordered reported by the House Committee on Veterans' Affairs on May 1, 2024			
By Fiscal Year, Millions of Dollars	2024	2024-2029	2024-2034
Direct Spending (Outlays)	0	0	0
Revenues	0	0	0
Increase or Decrease (-) in the Deficit	0	0	0
Spending Subject to Appropriation (Outlays)	0	0	0
Increases <i>net direct spending</i> in any of the four consecutive 10-year periods beginning in 2035?	No	Statutory pay-as-you-go procedures apply?	No
		Mandate Effects	
Increases <i>on-budget deficits</i> in any of the four consecutive 10-year periods beginning in 2035?	No	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	No

H.R. 7777 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 2025. The increase would take effect on December 1, 2024.

CBO estimates that the new COLA will be 2.5 percent. CBO estimates that enacting H.R. 7777 would increase spending for those programs by about \$4.8 billion in calendar year 2025 and by similar amounts in subsequent years relative to amounts that would be provided under current law. However, section 257 of the Balanced Budget and Emergency Deficit Control Act of 1985 requires that CBO's baseline projections incorporate the assumption that the COLA will be provided. Thus, 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 Christina Hawley Anthony, Deputy Director of Budget Analysis.

PHILLIP L. SWAGEL,
Director, Congressional Budget Office.

FEDERAL MANDATES STATEMENT

Section 423 of the Congressional Budget and Impoundment Control Act (as amended by Section 101(a)(2) of the Unfunded Mandate Reform Act, P.L. 104-4) is inapplicable to H.R. 7777.

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. 7777.

APPLICABILITY TO LEGISLATIVE BRANCH

The Committee finds that H.R. 7777 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.

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. 7777 would establish or reauthorize 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 short title of the bill as the "Veterans' Compensation Cost-of-Living Adjustment Act of 2024."

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

Section 2 would require the Secretary of Veterans Affairs to increase the rates of compensation for veterans with service-con-

nected disabilities and the rates of dependency and indemnity compensation for the survivors of certain disabled veterans as of December 1, 2024.

Section 3. Publication of adjusted rates

Section 3 would require the Secretary of Veterans Affairs to publish the increase in the Federal Register no later than the date specified in the Social Security Act.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

There are no changes to existing law made by the bill.

