

H.R. 7846, Veterans' Compensation Cost-of-Living Adjustment Act of 2022

As ordered reported by the House Committee on Veterans' Affairs on July 19, 2022

By Fiscal Year, Millions of Dollars	2022	2022-2027	2022-2032
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	not estimated
Statutory pay-as-you-go procedures apply?	No	Mandate Effects	
Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2033?	No	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	No

H.R. 7846 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 2023. The increase would take effect on December 1, 2022.

Relative to current law, CBO estimates that enacting this bill would increase spending for those programs by \$6.4 billion in fiscal year 2023. CBO estimates that the new COLA will be 6.0 percent. (The annualized cost would be about \$8.5 billion in subsequent years.) However, section 257 of the Balanced Budget and Emergency Deficit Control Act directs CBO to assume that the 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 Director of Budget Analysis.