

## S. 2513, Brian Neuman Department of Veterans Affairs Clothing Allowance Improvement Act of 2021

As ordered reported by the Senate Committee on Veterans' Affairs on December 15, 2021

By Fiscal Year, Millions of Dollars	2022	2022-2026	2022-2031
Direct Spending (Outlays)	0	*	1
Revenues	0	0	0
Increase or Decrease (-) in the Deficit	0	*	1
Spending Subject to Appropriation (Outlays)	0	3	not estimated
Statutory pay-as-you-go procedures apply?	Yes	<b>Mandate Effects</b>	
Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2032?	< \$5 billion	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	No

\* = between zero and \$500,000.

S. 2513 would make changes to the clothing allowance benefit administered by the Department of Veterans Affairs (VA).

Under current law, veterans who receive compensation from VA for injuries or illnesses caused by their military service are eligible to receive additional payments if those injuries require the use of prosthetic devices or skin medications that damage their clothing. Those clothing allowances are paid from mandatory appropriations.

Veterans who began receiving the allowance after 2012 must reapply for the benefit each year. Veterans who were receiving the clothing allowance prior to 2012 continue to receive payments automatically unless they die, notify VA that they no longer need the benefit, or apply for a clothing allowance for an additional condition. S. 2513 would require VA to periodically review whether recipients' clothes are still being damaged by their prosthetics or medication. Under the bill, VA would be required to automatically reenroll veterans who began receiving the benefit after 2012 unless the department determines that they no longer need the allowance.

VA terminates clothing allowance payments for about 75 veterans each year for reasons other than the death of the veteran. About 25 of those terminations are for veterans who are



automatically reenrolled under current law and thus would not be affected by the bill. CBO estimates that the remaining 50 terminations are for veterans who must reapply each year because they started receiving benefits after 2012.

Of those 50 veterans, half would not have their clothing allowance terminated each year under the bill. (The remaining half would still have the benefit terminated when VA reevaluates whether their prosthetics or medical treatments still damage their clothing.) CBO estimates that each year, an additional cohort of 25 veterans would receive clothing allowance payments that will not be made under current law. Thus, a total of 250 veterans would retain benefits that they will not otherwise receive for some period over the budget window. After accounting for mortality and subsequent reevaluation or termination of benefits for some veterans, CBO estimates that 150 veterans would receive those payments in 2031. Payments for benefits would average about \$1,000 per veteran in each year. As a result, S. 2513 would increase direct spending by insignificant amounts in each year and by \$1 million over the 2022-2031 period.

CBO estimates that VA would require additional information technology (IT) resources to update its system to manage the review of each recipient's ongoing need for the benefit and to automatically reenroll those veterans who still need it. Based on information from the agency about similar IT updates, CBO estimates it would cost \$3 million to update the department's IT systems. Those costs would be subject to the availability of appropriated funds.

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