



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

August 3, 2000

S. 3011

Veterans' Compensation Cost-of-Living Adjustment Act of 2000

As ordered reported by the Senate Committee on Veterans' Affairs on July 27, 2000

The bill 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) payable to Social Security recipients. The increase would take effect on December 1, 2000, and the results of the adjustment would be rounded to the next lower dollar.

The COLA that would be authorized by this bill is assumed in the budget resolution baseline, pursuant to section 257 of the Balanced Budget and Emergency Deficit Control Act, and savings from rounding it down were achieved by the Balanced Budget Act of 1997 (Public Law 105-33). As a result, the bill would have no budgetary effect relative to the baseline. Relative to current law, CBO estimates that enacting this bill would increase spending for these programs by about \$349 million in 2001 and \$465 million a year thereafter. This estimate assumes that the COLA effective on December 1, 2000, would be 2.4 percent.

This bill contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would impose no costs on state, local, or tribal governments.

On July 21, 2000, CBO prepared a cost estimate for H.R. 4850 as ordered reported by the House Committee on Veterans' Affairs. Section 101 of H.R. 4850 would provide the same COLA as this bill would. The estimated costs of this bill and section 101 of H.R. 4850 are the same.

This estimate was prepared by Michelle Patterson. It was approved by Robert A. Sunshine, Assistant Director for Budget Analysis.