



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

June 2, 2009

S. 407 **Veterans' Compensation Cost-of-Living Adjustment Act of 2009**

*As ordered reported by the Senate Committee on Veterans' Affairs
on May 21, 2009*

S. 407 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, 2009, and the resulting adjustment would be rounded to the next lower dollar.

The COLA that would be authorized by this bill is assumed in CBO's baseline, consistent with 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) and extended to 2013 by the Veterans Benefits Act of 2003 (Public Law 108-183). Furthermore, based on its current economic forecast, CBO does not anticipate a cost-of-living increase in 2010 for Social Security; thus, CBO estimates that enacting this bill would have no impact on spending for those programs.

S. 407 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would not affect the budgets of state, local, or tribal governments.

On March 25, 2009, CBO transmitted a cost estimate for H.R. 1513, the Veterans' Compensation Cost-of-Living Adjustment Act of 2009, as ordered reported by the House Committee on Veterans' Affairs on March 25, 2009. The two versions of the legislation are similar and their estimated costs are identical.

The CBO staff contact for this estimate is Dwayne M. Wright. This estimate was approved by Theresa Gullo, Deputy Assistant Director for Budget Analysis.