



U.S. Trustees (USTP)

FY 2025 Budget Request At A Glance	
FY 2024 Continuing Resolution:	\$255.0 million (1,010 positions; 390 attorneys)
Current Services Adjustments:	+\$8.5 million
Program Changes:	+\$0
FY 2025 Budget Request:	\$263.5 million (1,010 positions; 390 attorneys)
Change From FY 2024 Continuing Resolution:	+\$8.5 million (+3.3%)

Mission:

The United States Trustee Program (USTP)'s mission is to promote the integrity and efficiency of the bankruptcy system for the benefit of all stakeholders—debtors, creditors, and the public.

The USTP ensures compliance with bankruptcy laws while also balancing the legitimate interests of all parties. The Program is the only participant in the bankruptcy system with a national perspective and a responsibility to promote the coherent and consistent application and development of bankruptcy law throughout the country. The USTP identifies issues and presents the law and facts so that courts can adjudicate matters with the benefit of a fully developed record of facts and arguments. In support of this effort, the Program handles a large number of appeals annually, many of which have a profound and long-standing effect on the bankruptcy system.

Resources:

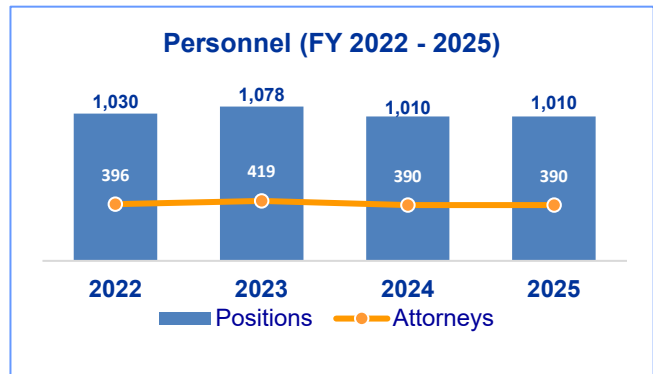
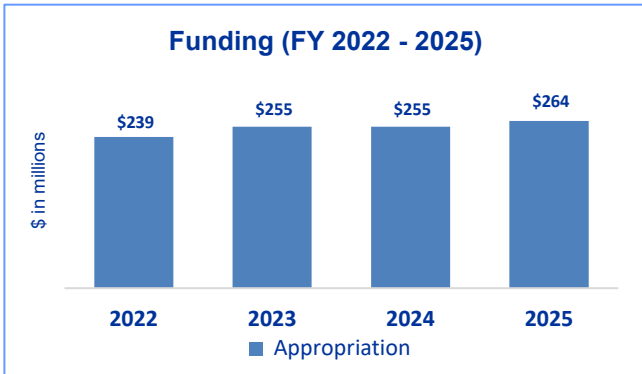
The FY 2025 budget request for USTP totals \$263.5 million, which is a 3.3 percent increase over the FY 2024 Continuing Resolution.

Organization:

The USTP is managed by an Executive Office in Washington, DC, which is headed by a Director, a career appointee in the Senior Executive Service, who provides comprehensive policy and management direction to the U.S. Trustees and their staffs. The USTP operates in 88 judicial districts through a system of 21 regions, each headed by a U.S. Trustee, and 89 field office locations. It does not operate in the judicial districts established for Alabama and North Carolina.

Personnel:

The USTP's direct authorized positions for FY 2025 total 1,010 positions and are the same as FY 2024 Continuing Resolution.



FY 2025 Strategy:

The “USTP” or the “Program” is a litigating component of the Department whose mission is to promote the integrity and efficiency of the nation’s bankruptcy system for the benefit of all stakeholders—debtors, creditors, and the public. In the past year, the USTP’s enforcement actions have addressed both novel and recurring legal issues, with system-wide implications, including in a number of high-profile cases involving cryptocurrency-related businesses as well as a landmark case before the Supreme Court on a pharmaceutical company at the center of the national opioid crisis. With about one million Americans relying on the system annually, the Program’s balance of resources between staffing and operations will be intensified in FY 2025. Cases are continuing to rise across all chapters and may begin approaching pre-COVID-19 pandemic levels in FY 2025, which would significantly increase average caseloads per employee. At the same time, critical Program initiatives to reduce costs and improve the USTP’s cybersecurity posture will be ongoing. These efforts include the modernization of the USTP’s 30-year-old core case management system, which maintains the personally identifiable information of individual debtors, and the mandated relocation of offices from commercial to Federal space. Under these constraints, the USTP will need to prioritize efforts within its enforcement activities to continue delivering on its mission and ensure critical operational investments are maintained.

As the vigilant “watchdog” of the bankruptcy system, the USTP conducts a broad range of administrative, regulatory and enforcement activities, including:

- Appointing and overseeing 1,100 private trustees who administer cases filed under chapters 7, 12 and 13 and subchapter V of chapter 11, and who distribute billions of dollars annually from the assets of bankruptcy estates;
- Policing billions of dollars in fees paid annually to attorneys, investment bankers, and other professionals;
- Taking on average around 25,000 civil enforcement actions each year (both in and out-of-court) to ensure that all parties comply with the Bankruptcy Code and Rules;
- Making more than 2,000 criminal referrals each year and assisting in the prosecution of bankruptcy crimes;
- Approving and monitoring about 225 agencies and providers of mandatory pre-bankruptcy credit counseling and pre-discharge financial education;
- Enforcing the statutory “means test” that applies to consumer debtors; and
- Participating in approximately 100 appeals annually to bankruptcy appellate panels, district courts, courts of appeals, and the Supreme Court to promote consistency in case law and compliance with statutory requirements.

The USTP is the only national enforcement agency that can identify and marshal resources against significant fraud, abuse and emerging threats to the integrity of the bankruptcy system. Current USTP activities are addressing the following:

- Non-consensual releases in chapter 11 reorganization plans that extinguish claims held by non-debtors against non-debtor third parties, without the claimants’ consent.

The USTP has consistently opposed such releases, litigating the bankruptcy courts’ statutory and constitutional authority to approve plans that include them;

- Disqualifying conflicts of interest for professionals retained in business cases. The USTP is typically the only party to question disclosures as well as file objections, and has taken a number of actions in the past year including in high-profile cases involving cryptocurrency;
- Fraudulent conduct and other violations by consumer bankruptcy law firms including system-wide, multi-jurisdictional misconduct. Lawyers who are incompetent, dishonest or who fail to satisfy minimal professional obligations impede the debtor’s “fresh start” and add costs to creditors and the entire system; and
- Bifurcated attorney fee arrangements for individuals in chapter 7 cases. When properly structured, such arrangements can remove barriers to accessing the bankruptcy system in jurisdictions that allow them, but must be reviewed to guard against potential overreach and abuse by lawyers.

The USTP’s appropriation is offset primarily by filing fees paid by debtors as well as quarterly fees based on disbursements made by most chapter 11 debtors that are deposited into the United States Trustee System Fund (Fund). The January 2021 enactment of the Bankruptcy Administration Improvement Act, PL 116-325, revised quarterly fees starting April 1, 2021, through December 31, 2025. The amendment enabled the offset of the USTP’s FY 2021 appropriation, continued funding for bankruptcy judgeships through FY 2026, and provided additional private chapter 7 bankruptcy trustee compensation through FY 2021 quarterly fees. The Program currently projects fully offsetting the USTP’s FY 2025 appropriation; continuing to fund bankruptcy judgeships; and using quarterly fees, if available, to fund additional private chapter 7 bankruptcy trustee compensation and related administrative costs.

FY 2025 Program Changes:

The budget proposal includes funds for current services for the USTP. No program changes are requested.

U.S. Trustees
(Dollars in Thousands)

	U.S. Trustees		
	Pos	FTE	Amount
2023 Appropriation	[1,078]	953	255,000
2024 Continuing Resolution	[1,078]	1,060	255,000
FY 2024 Annualized Continuing Resolution	[-68]	-57	0
2024 Continuing Resolution	[1,010]	1,003	255,000
2025 Request	[1,010]	1,003	263,514
Change 2025 from 2024 Continuing Resolution	[0]	0	8,514
Technical Adjustments			
Additional Amount for 2024 Pay Raise	0	0	2,000
Total Technical Adjustments	0	0	2,000
Base Adjustments			
Pay & Benefits	0	0	6,148
Domestic Rent & Facilities	0	0	57
Non-Personnel Related Annualizations	0	0	309
Total Base Adjustments	0	0	6,514
2025 Current Services	[1,010]	1,003	263,514
Program Changes			
Increases:			
Subtotal, Program Increases	0	0	0
Decreases:			
Subtotal, Program Decreases	0	0	0
Total Program Changes	0	0	0
2025 Request	[1,010]	1,003	263,514

U.S. Trustees
(Dollars in Thousands)

Comparison by activity and program	2024 Continuing Resolution			2025 Current Services		
	Pos.	FTE	Amount	Pos.	FTE	Amount
Administration of Cases	1,010	1,003	255,000	1,010	1,003	263,514
Total	1,010	1,003	255,000	1,010	1,003	263,514

Comparison by activity and program	2025 Total Program Changes			2025 Request		
	Pos.	FTE	Amount	Pos.	FTE	Amount
Administration of Cases	0	0	0	1,010	1,003	263,514
Total	0	0	0	1,010	1,003	263,514