

**U.S. Trustee Program**  
(Dollars in Thousands)

	SALARIES AND EXPENSES		
	Pos.	FTE	Amount
2005 Obligations .....	1,198	1,137	\$174,961
2006 Appropriation.....	1,468	1,325	214,402
2006 Rescission -- Reduction applied to DOJ (0.28%).....	0	0	-600
2006 Rescission -- Government-wide reduction (1.0%).....	0	0	-2,138
2006 Hurricane Supplemental .....	0	0	0
2006 Enacted (with Rescissions) .....	1,468	1,325	211,664
2007 Request.....	1,519	1,486	236,116
Change 2007 from 2006.....	51	161	24,452
<b>Technical Adjustments</b>			
Restoration of 2006 Government-wide reduction (1.0%) .....	0	0	2138
2007 Impact of 2006 Rescission (1.0%) .....	0	0	-2198
Restoration of 2006 Prior Year .28% rescission .....	0	0	600
Total Technical Adjustments .....	0	0	540
<b>Adjustments to Base</b>			
<b>Increases:</b>			
2007 Pay Raise (2.2%) .....	0	0	2,656
Annualization of 2006 Pay Raise (3.1%) .....	0	0	812
Annualization of 2006 positions (FTE) .....	0	135	0
Annualization of 2006 positions (Dollars) .....	0	0	12,557
GSA Rent .....	0	0	1,267
Moves (Lease Expirations) .....	0	0	76
Total Increases .....	0	135	17,368
<b>Decreases:</b>			
Non-recurring Decreases .....	0	0	-6,125
Total Decreases.....	0	0	-6,125
Total Adjustments to Base .....	0	135	11,243
Total Adjustments to Base and Technical Adjustments .....		135	11,783
2007 Current Services .....	1,468	1,460	223,447
<b>Program Changes</b>			
<b>Increases by Strategic Goal:</b>			
Strategic Goal Two: Enforce Federal Laws and Represent the Rights and Interests of the American People .....	51	26	12,669
Program Increases .....	51	26	12,669
Total Program Changes .....	51	26	12,669
2007 Request .....	1,519	1,486	236,116
Change 2007 from 2006 .....	51	161	24,452

**U.S. Trustee Program**  
**SALARIES AND EXPENSES**  
(Dollars in thousands)

<u>Comparison by activity and program</u>	<u>2006 Enacted</u> (w/ Rescissions)			<u>2007 Current Services</u>			<u>2007 Request</u>			<u>Total Program Changes</u>		
	<u>Perm Pos.</u>	<u>FTE</u>	<u>Amount</u>	<u>Perm Pos.</u>	<u>FTE</u>	<u>Amount</u>	<u>Perm Pos.</u>	<u>FTE</u>	<u>Amount</u>	<u>Perm Pos.</u>	<u>FTE</u>	<u>Amount</u>
1. Administration of Cases.....	1,468	1,325	\$211,664	1,468	1,460	\$223,447	1,519	1,486	\$236,116	51	26	\$12,669
Total.....	1,468	1,325	211,664	1,468	1,460	223,447	1,519	1,486	236,116	51	26	12,669
Reimbursable FTE	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Grand Total	1,468	1,325	211,664	1,468	1,460	223,447	1,519	1,486	236,116	51	26	12,669

Consistent with the Government Performance and Results Act, the U.S. Trustee Program's FY 2007 budget proposed to streamline the decision unit structure from Management and Administration program activities to Administration of Cases to align the U.S. Trustee Program's budget more closely with the mission and strategic objectives contained in the DOJ Strategic Plan (FY 2003-2008). In addition, the budget has been realigned to reflect the U.S. Trustee Program's outputs and full costs by major program activity, including the costs of management and administration, so that a more accurate picture of total activity costs is reflected in the budget. In this way, budget and performance are more closely linked, and provide a better basis on which to make budget decisions. Over time, agencies will be expected to identify effective outcome measures, monitor their progress, and accurately present the associated costs.

**U. S. Trustee Program**  
**SALARIES AND EXPENSES**  
(Dollars in thousands)

<u>Program Increases by Strategic Goal</u>	<u>Perm.</u>		<u>Amount</u>
	<u>Pos.</u>	<u>FTE</u>	
Strategic Goal Two: Enforce Federal Laws and Represent the Rights and Interests of the American People.....	51	26	\$12,669

1. Debtor Audits

**The USTP requests \$4,769,000 to conduct debtor audits.** U.S. Trustees must contract with qualified persons to conduct a random audit of at least one out of every 250 debtors in each judicial district and, in addition, audit debtors whose income and expenses reflect "greater than average variances from the statistical norm of the district". The audits will begin in FY 2007. Based on projected Chapter 7 and 13 bankruptcy filings in FY 2007, the USTP will be required to conduct 6,338 random audits at a cost of approximately \$500 each for a total cost of approximately \$3,169,000. The USTP estimates that there would be slightly more than 1,000 targeted audits at a cost of \$1,500 each, for a total cost of \$1,600,000. FY 2007 current services are 2 positions, 2 FTE and \$280,000. FY 2007 total request for this initiative are 2 positions, 2 FTE and \$5,049,000.

2. Means Testing

**The USTP requests 31 positions (25 Attorneys), 16 FTE, and \$2,515,000 in nonpersonnel funding for means testing.** The U.S. Trustee may seek to dismiss a consumer chapter 7 case for abuse, 11 U.S.C. 707(b). The Program has developed significant expertise litigating abusive consumer bankruptcy cases under its civil enforcement initiative. Based upon this experience, each case litigated as a result of the application of the means test would require an average of 18 hours of trial attorney time encompassing the following elements: drafting pleadings, preparing/responding to discovery, court hearings (including pre-trial conferences), travel time and appeals. Trial attorneys would also expend time monitoring motions to dismiss for abuse filed by creditors and trustees. The USTP projects that approximately 2,500 additional cases will need to be litigated in FY 2007. This request is needed to address additional workload as a result of the Bankruptcy Abuse Prevention and Consumer Protection Act (BAPCPA). FY 2007 current services for this initiative are 240 positions, 240 FTE, and \$26,708,000. FY 2007 total request for this initiative are 271 positions, 256 FTE and \$29,223,000.

3. Credit Counseling

**The USTP requests 20 positions (16 Attorneys), 10 FTE, and \$1,616,000 for credit counseling.** BAPCPA requires all individuals to attend a credit counseling session before they file for bankruptcy relief. In addition, it requires all chapter 7 and chapter 13 debtors to attend a debtor education program as a condition of discharge. The USTP estimates that a small percentage of debtors (2% or 29,002 cases) will fail to comply with the requirements for pre-petition credit counseling or post-petition debtor education. In those cases, the USTP will be required to file and prosecute motions to dismiss the cases or objections to discharge. The USTP estimates one hour of attorney time for each pleading, resulting in 16 additional attorney positions in the field. FY 2007 current services for this initiative are 20 positions, 20 FTE and \$2,595,000. FY 2007 total request for this initiative are 40 positions, 30 FTE and \$4,211,000.

4. Information Technology

**The USTP requests \$1,000,000 for information technology to implement BAPCPA.** To support information technology software applications for BAPCPA, funding is required for outyear operation and maintenance, specifically \$400,000 for debtor audits applications and \$600,000 for means testing applications. FY 2007 current services for this initiative are 37 FTE and \$15,725,000. FY 2007 total request for this initiative are 37 FTE and \$16,725,000.

5. Mandated Reports

**The USTP requests \$500,000 reports and studies mandated by BAPCPA.** The legislation requires the USTP to report on the use of Internal Revenue Service standards and the definition of household goods in the evaluation of household expenses and disposable income by consumer debtors, to conduct a study of the effectiveness of debtor education, and to report on results of the audits of consumer debtors. The USTP has estimated an additional \$500,000 is required to conduct these studies. FY 2007 current services for this initiative is \$950,000. FY 2007 total resources for this initiative is \$1,450,000.

6. Facilities

**The USTP requests \$2,269,000 for facilities expansion.** The additional positions received in FY 2006 and requested in FY 2007 create a need for increased office space. At present, the USTP is at or near capacity in most of its 95 field offices and Headquarters. FY 2007 current services for this initiative are \$500,000. Total request for this item is \$2,769,000.

Total Program Increases.....	51	26	\$12,669
Total Program Changes, U.S. Trustee Program.....	51	26	\$12,669

**U.S. Trustee Program**  
**DECISION UNIT RESTRUCTURING CROSSWALK**  
(Dollars in thousands)

<b><u>Current Decision Unit Structure</u></b> <u>Comparison by activity and program</u>	2006 Enacted (w/ Rescissions)			New Decision Unit Structure		
	<u>Perm Pos.</u>	<u>FTE</u>	<u>Amount</u>	<u>Perm Pos.</u>	<u>FTE</u>	<u>Amount</u>
1. Administration of Cases	1,388	1,257	\$175,202	1,468	1,325	\$211,664
2. Management and Administration	80	68	36,462	0	0	0
Total.....	1,468	1,325	211,664	1,468	1,325	211,664
Grand Total.....	1,468	1,325	211,664	1,468	1,325	211,664