U.S. Trustees (USTP)

FY 2027 Budget Request At A Glance

FY 2026 Enacted:	$205.0 million (700 positions; 310 attorneys)
Current Services Adjustments:	-$7.3 million
Program Changes:	+$0
FY 2027 Budget Request:	$197.7 million (671 positions; 310 attorneys)
Change From FY 2026 Enacted:	-$7.3 million (-3.6%) (-29 positions)

Mission:

The United States Trustee Program ("USTP" or "the Program") is a component of the Department of Justice whose mission is to promote the integrity and efficiency of the bankruptcy system for the benefit of all stakeholders – debtors, creditors, and the public. The Program exercises a neutral oversight role, to prevent fraud, dishonesty, and improper conduct in the bankruptcy system. This role includes supervising more than 1,000 USTP-appointed private trustees who distribute billions of dollars annually in over one million active bankruptcy cases.

Over the past forty years since the Program's nationwide expansion, USTP's mandate has remained vital to the proper functioning of the nation's economy. The Program has significant statutory responsibilities in all cases, including those of individuals, small businesses and complex chapter 11 reorganizations. Annually, the Program takes more than 20,000 actions in and out of court to enforce compliance with the Bankruptcy Code and Rules, resulting in hundreds of millions of debts not discharged, fees disgorged, fines, penalties, and other relief. Program staff also annually refer more than 2,000 criminal matters and assist in the prosecution of bankruptcy crimes.

Organization:

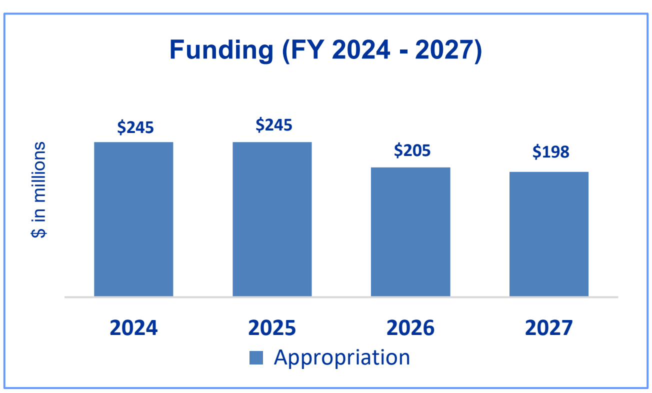
USTP is managed by an Executive Office in Washington, DC, which provides comprehensive policy and management direction to Program field offices. The field offices serve 88 judicial districts, which exclude those established for Alabama and North Carolina. Field offices are statutorily organized into 21 regions, each headed by a United States (U.S.) Trustee. Within these regions, the Program has 82 field office locations, reflecting several closures in recent years.

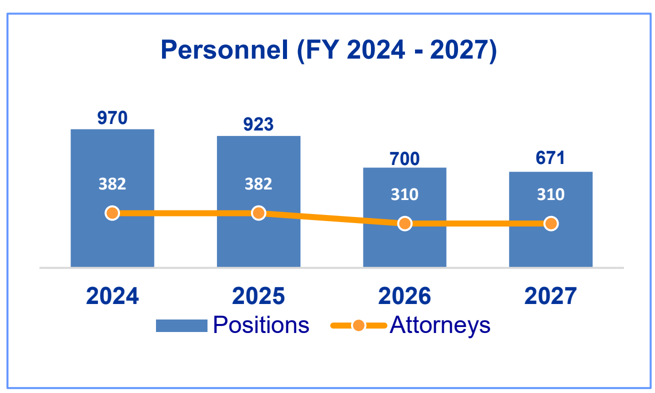
Resources:

The FY 2027 budget request for USTP totals $197.7 million, which is a 3.6 percent decrease from the FY 2026 Enacted level.

Personnel:

USTP's direct authorized positions for FY 2027 total 671, including a decrease of 29 positions from FY 2026 Enacted.





FY 2027 Strategy:

FY 2025 was a transformative year for USTP. The Program accomplished its mission amidst an 11 percent annual increase in filings and a 25 percent reduction in staff through the beginning of FY 2026 (roughly 240 positions). Significantly, workload-intensive chapter 11 business reorganization cases almost doubled from three years prior, with subchapter V small business cases increasing nearly 60 percent over that time and total active chapter 11 cases reaching the highest total in nearly a decade.

Based on recent trends, new chapter 11 cases have outpaced case closings, leading to a growth in active chapter 11 cases. In FY 2027, overall filings may continue double-digit percentage growth rates for the fifth straight year as cases gradually near normal historical levels. Under this scenario, cases may reach 669,000 in total, which is nine percent below the pre-pandemic level of FY 2019. The Program must meet this rising workload and additional pressure from individual case complexities as it streamlines its workforce further in FY 2027. To efficiently deliver on its mandate to the American people, USTP must maintain a singular focus on its core responsibilities through FY 2027. These responsibilities require advocacy before more than 300 judges in 88 judicial districts located across the country. In addition, a Program-wide working group will continue efforts to identify further workstream consolidation, and ways to leverage staffing distributed across the Program's geographic base. These efforts will be balanced with the Program's need to maintain the agility and consistency in approach that is central to USTP's effectiveness.

USTP must also continue to seek options to complete the modernization of its 12 legacy bankruptcy data management systems. With each phase that is funded and developed, this technology initiative will be a primary tool for incrementally maximizing staff productivity and the security of sensitive case and debtor information. The effort, initiated in FY 2022, has focused on a core case management system, which enables staff to manage one million ongoing bankruptcy cases each year. The modules of the new system for chapter 9 (municipalities) and chapter 15 (international cross-border) cases went live in early FY 2026. Funded on a piecemeal basis through limited carryover, they reflect customization for present-day work processes and an underlying platform that can adapt to changes in Program mandates and technological advancements. The full project scope, however, is significant and includes the deployment of artificial intelligence (AI) technologies as critically needed offsets to limited staffing.

Beyond staffing and technology, USTP will maintain operational streamlining efforts expanded over recent years. This includes significant contractor and operational reductions; closures of field offices and section 341 meeting spaces which reduce the cost of USTP current services; and a migration to lower cost technologies for voice calls and broadband connectivity. The Program is also identifying further office space reduction and cost-saving opportunities. These measures will allow USTP to operate at reduced funding levels through FY 2027. USTP will continue using limited one-time funding, like carryover, for the highest priority costs to deliver the most value to taxpayers.

To continue a focus on core Program duties in FY 2027, USTP will target its activities, including in these areas:

- Investigating and taking actions to address fraudulent and abusive conduct by debtors and others, including when assets are concealed or false oaths are made in bankruptcy filings;
- Appointing and supervising about 1,000 private trustees handling day-to-day administration of cases under chapter 7 (liquidation), subchapter V of chapter 11 (small business reorganization), chapter 12 (debt adjustment for family farmers or family fishermen), and chapter 13 (debt adjustment for individuals with regular income);
- Policing the conflicts of professionals paid from the bankruptcy estate at creditors' expense, including attorneys and other professionals who are paid millions of dollars in fees annually;
- Making criminal referrals and assisting in the prosecution of bankruptcy crimes;
- Fulfilling a Program statutory duty to approve and monitor providers of mandatory pre-bankruptcy credit counseling and pre-discharge financial education required for consumer debtors;
- Enforcing the statutory "means test" to determine whether consumer debtors are entitled to relief without repaying creditors; and
- Participating in appeals to bankruptcy appellate panels, district courts, courts of appeals, and the Supreme Court to promote consistency in case law and compliance with statutory requirements.

USTP's appropriation is offset primarily by filing fees paid by debtors as well as quarterly fees paid in most chapter 11 cases. These fees are deposited into the United States Trustee System Fund (Fund). The February 2026 enactment of the Bankruptcy Administration Improvement Act of 2025 (BAIA 2025, P.L. 119-76) continued the quarterly fee schedule enacted in January 2021 (BAIA 2020, P.L. 116-325) from April 1, 2026 through December 31, 2030, with an additional 0.1 percent in the percentage fee paid by larger bankruptcy cases. In addition, USTP's chapter 7 filing fee allocation was reduced to permanently fund additional chapter 7 private trustee compensation beginning on October 1, 2026. Funding for temporary bankruptcy judgeships was also continued. USTP projects the law will enable the Program to offset appropriations through new revenue annually through FY 2030.

FY 2027 Program Changes:

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

U.S. Trustees
(Dollars in Thousands)

	U.S. Trustees		
	Pos	**FTE**	**Amount**
2025 Enacted*	**[923]**	**918**	**245,000**
2026 Enacted	**[700]**	**707**	**205,000**
2027 Request	**[671]**	**671**	**197,702**
Change 2027 from 2026 Enacted	**[-29]**	**-36**	**-7,298**
Technical Adjustments			
Position/FTE Adjustment	[-29]	-36	-3,910
Total Technical Adjustments	**[-29]**	**-36**	**-3,910**
Base Adjustments			
Pay & Benefits	[0]	0	665
Domestic Rent & Facilities	[0]	0	-4,100
Other Adjustments	[0]	0	47
Total Base Adjustments	**[0]**	**0**	**-3,388**
2027 Current Services	**[671]**	**671**	**197,702**
Program Changes			
Increases:			
Subtotal, Program Increases	**[0]**	**0**	**0**
Decreases:			
Subtotal, Program Decreases	**[0]**	**0**	**0**
Total Program Changes	**[0]**	**0**	**0**
2027 Request	**[671]**	**671**	**197,702**

* FTE is actual.

U.S. Trustees
(Dollars in Thousands)

Comparison by activity and program	2026 Enacted			2027 Current Services		
	Pos.	FTE	Amount	Pos.	FTE	Amount
Administration of Cases	[700]	707	205,000	[671]	671	197,702
Total	**[700]**	**707**	**205,000**	**[671]**	**671**	**197,702**
Reimbursable FTE		0			0	
Total Direct and Reimbursable	**[700]**	**707**	**205,000**	**[671]**	**671**	**197,702**

Comparison by activity and program	2027 Total Program Changes			2027 Request		
	Pos.	FTE	Amount	Pos.	FTE	Amount
Administration of Cases	[0]	0	0	[671]	671	197,702
Total	**[0]**	**0**	**0**	**[671]**	**671**	**197,702**
Reimbursable FTE		0			0	
Total Direct and Reimbursable	**[0]**	**0**	**0**	**[671]**	**671**	**197,702**