

**UNITED STATES COURT OF APPEALS
FOR VETERANS CLAIMS**



**FISCAL YEAR 2020 BUDGET ESTIMATE
MARCH 11, 2019**

FISCAL YEAR 2020 BUDGET ESTIMATE

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INTRODUCTION

The United States Court of Appeals for Veterans Claims (Court) is a national court of record established by the Veterans Judicial Review Act, Pub. L. No. 100–687, Division A (1988) (Act). The Act, as amended, is codified in part at 38 U.S.C. §§ 7251–7299. The Court is located in Washington, D.C., but as a national court may sit anywhere in the United States.

The Court is part of the federal judicial system and has a permanent authorization for seven judges, one of whom serves as chief judge. Per Public Law No. 114-315, Congress has temporarily authorized expansion of the Court to nine active judges. Judges are appointed by the President, by and with the advice and consent of the Senate, for 15-year terms. The Court is currently staffed at nine active judges, with the terms of two of those judges expiring in December 2019. Upon retirement, a judge may choose to be recall eligible, and thus willing to be recalled to service by the Chief Judge. Currently eight of the Court's ten retired judges are recall eligible and are recalled to service on a rotational basis. Recall-eligible retired judges may elect full retirement at any time.

The Court has exclusive jurisdiction to review decisions made by the Department of Veterans Affairs Board of Veterans' Appeals (Board) that adversely affect a person's entitlement to VA benefits. This judicial review, although specialized in scope, is the same as that performed by all other United States Courts of Appeals. In cases before it, the Court has the authority to decide all relevant questions of law; to interpret constitutional, statutory, and regulatory provisions; and to determine the meaning or applicability of actions/decisions by the Secretary of Veterans Affairs. The Court may affirm, set aside, reverse, or remand those decisions as appropriate. Additionally, the Court has class action authority, has jurisdiction under 28 U.S.C. § 1651 to issue all writs necessary or appropriate in aid of its jurisdiction, and may act on applications under 28 U.S.C. § 2412(d), the Equal Access to Justice Act (EAJA). Certain decisions by the Court are reviewable by the United States Court of Appeals for the Federal Circuit and, if *certiorari* is granted, by the Supreme Court of the United States. For management, administration, and expenditure of funds in areas beyond the bounds of Chapter 72 of Title 38, the Court may exercise the authorities provided for such purposes applicable to other courts as defined in Title 28, U.S. Code.

In 1992, Congress authorized the Court to transfer funds from its appropriation that year to the Legal Services Corporation (LSC), for the purpose of providing, facilitating, and furnishing legal and other assistance, through grant or contract, to veterans and others seeking recourse in the Court. That program, often referred to as the pro bono representation program, has been ongoing since that time, with LSC responsible for oversight and grant distribution responsibilities. The Appropriations Subcommittees consider LSC's budget request separately from the Court's budget request, although both are submitted together. The fiscal year (FY) 2020 LSC request in the amount of \$2,698,997, is attached at Appendix A.

UNITED STATES COURT OF APPEALS FOR VETERANS CLAIMS

**APPROPRIATION LANGUAGE
GENERAL AND SPECIAL FUND**

SALARIES AND EXPENSES

A total of [\$33,600,000] **\$35,400,000**, of which **\$32,701,003** will be used by the United States Court of Appeals for Veterans Claims for operations as authorized by 38 U.S.C. §§ 7251-7299 (to include \$800,000 for expenses associated with obtaining a courthouse); Provided further, that [\$2,580,000] **\$2,698,997** shall be transferred to the Legal Services Corporation to facilitate the furnishing of legal and other assistance in accordance with the process and reporting procedures set forth under this heading in Public Law No. 102-229.

UNITED STATES COURT OF APPEALS FOR VETERANS CLAIMS PROGRAM JUSTIFICATION

Court Caseload Trends and Variations

The United States Court of Appeals for Veterans Claims (Court) remains one of the busiest federal appellate courts based upon the number of appeals and petitions filed per active judge. Each active judge on the Court carries a substantial workload that includes rendering decisions on appeals, petitions, motions, applications filed pursuant to 28 U.S.C. § 2412 (the Equal Access to Justice Act), and a new and growing class action caseload. In FY 2018, the Court averaged 149 cases (appeals and petitions) decided on the merits per active judge. During the same period, the average number of merits decisions decided per active judge in the 13 Circuit Courts of Appeals ranged from 44 to 283.

Appeals to the Court come from the pool of cases in which the Board of Veterans' Appeals (Board) has denied some or all benefits sought by claimants. From FY 1999 through FY 2004, when the Court had seven judges, approximately 200 cases per month were filed at the Court. Since FY 2008, the Court has averaged 376 cases filed per month and, in December 2009, the Court's active judge authorization was temporarily increased to nine judges to respond to caseload increases. In FY 2018, the cases filed at the Court surged dramatically to an average of 567 appeals filed per month. Specifically, FY 2018 started with 591 appeals filed in October 2017, which at that time was the highest number of appeals filed in a single month since the Court was created. That number was exceeded when fourth quarter filings averaged over 634 cases per month. The Court has kept pace with this historic increase in the number of appeals in large part due to a significant increase in the percentage of cases that are resolved through the mandatory pre-briefing conferences conducted by Court staff attorneys.

Historically, when the number of claims processed by the Board increases or decreases, the number of appeals filed with the Court will also increase or decrease, with a time lag of about one year. The Board has continued to expand its staff with a goal of accelerating the rate and number of claims it decides. As a result, and with recent months a clear indication, the Court expects to continue to receive an even greater number of appeals. The impact of the Veterans Appeals Improvement and Modernization Act of 2017 has yet to be felt, but we are mindful that it may increase the efficiency of the Board in processing appeals, which may in turn increase the number of appeals to the Court. The Court will watch this implementation closely and attempt to anticipate how this change will affect the Court's caseload. The chart below illustrates the number of cases filed at the Court as a percentage of the number of claims denied by the Board by fiscal year since FY 2008:

	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18
BOARD TOTAL DENIALS	17005	17601	13788	11758	9957	10142	11934	10628	9385	11371	17821
CASE FILINGS TO COURT	4128	4725	4341	4085	3803	3734	4057	4894	4499	4296	7067
CASE FILINGS AS % OF DENIALS	24.3%	26.8%	31.5%	34.7%	38.2%	36.8%	34.0%	46.0%	47.9%	38%	39.6%

Staffing Requirements

The Court requests funding for 134 full-time equivalent (FTE) positions in FY 2020. This represents an increase of four additional positions over the FY 2019 FTE request. The four new positions are two additional judicial law clerks to support the Court's recalled-retired judges, a new Special Master position to assist the Court in processing class action litigation, and one administrative assistant to that Special Master.

FISCAL YEAR 2018 PROGRAM

The Court's FY 2018 program accomplished the following:

Opened 7,067 new cases, including appeals from decisions of the Board of Veterans' Appeals and petitions for extraordinary relief directed to the Court. During the same period, the Court disposed of 5,080 cases through a combination of panel opinions, single judge decisions, and court orders. In addition, the Court ruled on thousands of motions and took action on approximately 3,297 applications for attorney fees filed under the Equal Access to Justice Act.

Expended funds as necessary to staff and support the operations of the Court and ensured its continued proper functioning throughout the fiscal year.

Received an Unmodified Opinion following its FY 2018 financial audit, which is the highest level of assurance that can be expressed. The Unmodified Opinion states that the financial statements are presented fairly in all material respects.

Funded enhancement of the Court's Continuity of Operation Program plan as part of the Court's ongoing information technology maintenance and upgrade.

Continued agreements with the United States Marshals Service and the Federal Protective Service for Court security; the Department of Agriculture's National Finance Center for payroll/personnel services; the U.S. Department of the Treasury Bureau of the Fiscal Service for administrative payments, credit card, travel, and financial accounting and reporting services; and the Administrative Office of the U.S. Courts for Case Management/Electronic Case Filing (e-filing) system support.

Paid benefits from the Court of Appeals for Veterans Claims Retirement Fund (Judges' Retirement Fund) to retired judges and one survivor annuitant. Pursuant to 38 U.S.C. § 7298, also funded the Judges' Retirement Fund through September 30, 2018, to reduce any unfunded liability.

Transferred appropriations to Legal Services Corporation for pro bono representation services in accordance with Public Law No. 102-229.

Returned funding appropriated for site search, assessment, and the initial planning and design of a courthouse.

FISCAL YEAR 2019 PROGRAM

The Court's FY 2019 budget authority reflects the following:

Funding to staff and support the operations of the Court to ensure its continued proper functioning throughout the fiscal year, to include funding for nine active judges on the Court and three additional full-time equivalent (FTE) positions (law clerks to support the Court's recalled-retired judges), as well as scheduled step increases, time-in-grade promotions for eligible employees, and a 3% cost of living allowance.

Funding to audit the Court's financial statements.

Funding to continue the agreements with the United States Marshals Service and the Federal Protective Service for Court security; the Department of Agriculture's National Finance Center for payroll/personnel services; the U.S. Department of the Treasury Bureau of the Fiscal Service for administrative payments, credit-card, travel, and financial accounting and reporting services; and the Administrative Office of the United States Courts for Case Management/Electronic Case Filing (e-filing) system support.

Funding to maintain and update as necessary the Court's information technology infrastructure.

Funding to reduce any unfunded liability in the Judges' Retirement Fund.

Funding to transfer to Legal Services Corporation for pro bono representation services in accordance with Public Law No. 102-229.

FISCAL YEAR 2020 PROGRAM

The Court's FY 2020 budget request reflects the following:

Funding to staff and support the operations of the Court to ensure its continued proper functioning throughout the fiscal year, to include funding for nine active judges on the Court and four additional full-time equivalent (FTE) positions (two additional judicial law clerks to support the Court's recalled-retired judges, a Special Master to assist the Court in processing class action litigation, and one administrative assistant to that Special Master), as well as scheduled step increases, time-in-grade promotions for eligible employees, and a 3% cost of living allowance.

Funding to audit the Court's financial statements.

Funding to continue the agreements with the United States Marshals Service and the Federal Protective Service for Court security; the Department of Agriculture's National Finance Center for payroll/personnel services; the U.S. Department of the Treasury Bureau of the Fiscal Service for administrative payments, credit-card, travel, and financial accounting and reporting services; and the Administrative Office of the United States Courts for Case Management/Electronic Case Filing (e-filing) system support.

Funding for site search, assessment, and the initial planning and design of a courthouse.

Funding to maintain and update as necessary the Court's information technology infrastructure.

Funding to reduce any unfunded liability in the Judges' Retirement Fund.

Funding to transfer to Legal Services Corporation for pro bono representation services in accordance with Public Law No. 102-229.

SUMMARY OF FISCAL YEAR 2020 BUDGET REQUEST
(in thousands of dollars)

The FY 2020 budget request of \$35,400,000 reflects an increase of \$445,000 over the Court's FY 2019 budget authority. A summary of the FY 2020 funding request compared with the FY 2019 budget authority follows:

	FY 2019 Budget Authority	FY 2020 Budget Estimate	Change
FTE Positions	130	134	+4
Personnel Compensation and Benefits	\$19,929	\$21,205	+\$1,276
Other Objects (Operating Expenses)	\$9,446	\$8,496	-\$950
Judges' Retirement Fund	\$3,000	\$3,000	+\$0
Pro Bono Representation Services (Grant)	\$2,580	\$2,699	+\$119
Budget Authority/Appropriation	\$34,955	\$35,400	+\$445

SUMMARY OF FISCAL YEAR 2020 PROGRAM FUNDING CHANGES
(in thousands of dollars)

Personnel Compensation and Benefits: + \$1,276

This increase reflects the funding necessary to accommodate the salary and benefits expenses for the Court's 134 positions, to include nine active judges and chambers staff, as well as scheduled step increases, time-in-grade promotions for eligible employees, and a 3% cost of living allowance. A portion of the increase is attributable to the request for two additional law clerks to support the Court's recalled-retired judges, a new Special Master position at a CS16, and an administrative assistant to that Special Master.

All Other Objects (Operating Expenses): - \$950

This decrease is largely due to one-time GSA credits applied to the Court's rent for the first year of the lease renewal.

Contribution to Judges' Retirement Fund: + \$0

There is no change for FY 2020 in the actuarial projection of the deposit necessary to fully fund the Judges' Retirement Fund pursuant to 38 U.S.C. § 7298.

Pro Bono Representation Services (Legal Services Corporation Grant): + \$119

See Appendix A.

TOTAL CHANGES: + \$445

DETAILS OF FISCAL YEAR 2020 PROGRAM FUNDING CHANGES
(in dollars)

The following information provides details of the funding changes from FY 2019:

PERSONNEL COMPENSATION & BENEFITS **+ \$1,276,000**

This increase reflects the funding necessary to accommodate the salary and benefits expenses for the Court's 134 positions, to include maintaining nine active judges on the Court and sufficient FTE positions to staff nine chambers. These funds also accommodate scheduled step increases, time-in-grade promotions for eligible employees, and a 3% cost of living allowance. With the continued surge in appeals filed, the Court anticipates steady growth in its caseload and the need to recall more Senior Judges to service. Therefore, a portion of the increase in this category is attributable to the request for two additional judicial law clerks to support the Court's recalled-retired judges. The increase is also attributable in part to the request for a new Special Master position at a CS16 grade and an administrative assistant to that Special Master at a CS11 grade. These two new positions will assist the Court by conducting and managing the administrative proceedings necessary to the orderly processing of class actions.

OTHER OBJECTS (OPERATING EXPENSES) **-\$949,997**

Travel **+ \$0**

Funding in this category accommodates the estimated travel for Court staff associated with training and out-of-town oral arguments, as well as travel of retired judges recalled to judicial service. Actual expenditures in 2018 were less than budgeted, however, currently scheduled travel in FY 2019 is projected to increase. Accordingly, the requested amount remains the same as the FY 2019 budget.

Transportation of things **+ \$15,000**

The increase in this category is attributable to relocation expenses associated with the anticipated appointment of two new judges to the Court.

Rental payment to GSA **- \$1,300,000**

The decrease in this category reflects a one-time credit from the General Services Administration (GSA) attributable to renewal of our lease. The Court anticipates a significant increase in this category in FY 2021.

Rental payment to others **+ \$0**

This category remains static.

Communications, utilities, and miscellaneous charges **-\$45,000**

The decrease in this category is associated with completion of the Court's migration to the Federal Cloud. Expenses in this category for FY 2020 reflect maintenance as opposed to start-up costs.

Printing & reproduction**- \$10,000**

The decrease in this category results from no Judicial Conference scheduled for FY 2020.

**Purchases of Goods and Services
from Government and Other Sources****-\$69,997**

Although there have been slight increases in some expenses in this category (for example, existing services agreements with the United States Marshals Service and the Federal Protective Service for Court and judicial security; the Department of Agriculture's National Finance Center for payroll/personnel services; the U.S. Department of the Treasury Bureau of the Fiscal Service for administrative payments, credit-card, travel, and financial accounting and reporting services; and the Administrative Office of the United States Courts for Case Management/Electronic Case Filing (e-filing) software and support), the slight decrease in this category overall is attributable to the reduction in external contracts essential to building and training Court staff on virtual desktops.

Courthouse**+ \$800,000**

Funding to provide a feasibility study for a future courthouse for the U.S. Court of Appeals for Veterans Claims. Funds requested are based on a General Services Administration (GSA) estimate of all costs associated with site search, assessment, and the initial planning and design of a courthouse.

Supplies & Materials**+ \$0**

This category remains static.

Equipment**- \$340,000**

The decrease in this category is due primarily to the fact that most necessary lifecycle replacement of computer monitors, printers, and obsolete telephones, as well as upgrades to Court servers, were funded in the FY 2019 budget authority. This category includes the necessary funding to maintain current Microsoft Office 365 licenses for the Court, and software needed to deploy patches and updates to all Court servers and workstations.

CONTRIBUTION TO JUDGES' RETIREMENT FUND**+\$0**

The actuarial projection of the deposit necessary to fully fund the Judges' Retirement Fund pursuant to 38 U.S.C. § 7298 remains static in FY 2020.

**PRO BONO REPRESENTATION SERVICES
(LEGAL SERVICES CORPORATION GRANT)****+ \$118,997**

See Appendix A.

TOTAL CHANGES**+ \$445,000**

UNITED STATES COURT OF APPEALS FOR VETERANS CLAIMS

PROGRAM AND FINANCING
(in thousands of dollars)

CODE	OBLIGATIONS BY PROGRAM ACTIVITY	FY 2018 Actual	FY 2019 Budget Authority	FY 2020 Budget Estimate
10.00	Total Obligations	\$32,267.0	\$34,955.0	\$35,400.0
	BUDGETARY RESOURCES AVAILABLE FOR OBLIGATION			
21.40	Unobligated balance available, start of year			
22.00	New budget authority (gross)	\$32,267.0	\$34,955.0	\$35,400.0
22.30	Less: Unobligated balance expiring	\$1,332.7	-	-
23.95	New obligations	\$32,267.0	\$34,955.0	\$35,400.0
24.40	Unobligated balance available, end of year	\$1,332.7	-	-
	NEW BUDGET AUTHORITY (GROSS) DETAIL			
40.00	Appropriation	\$32,267.0	\$34,955.0	\$35,400.0
40.35	Appropriation rescinded	-	-	-
43.00	Appropriation (total)	\$32,267.0	\$34,955.0	\$35,400.0
	CHANGE IN UNPAID OBLIGATIONS			
72.40	Obligated balance, start of year	\$2,482.3	\$2,735.5	\$3,085.1
73.10	New obligations	\$32,367.1	\$34,955.0	\$35,400.0
73.20	Total outlays (gross)	-\$32,113.9	-\$34,605.5	-\$35,046.0
74.40	Obligated balance, end of year	\$2,735.5	\$3,085.1	\$3,439.1
	OUTLAYS (GROSS), DETAIL			
86.90	Outlays from new current authority	\$30,827.3	\$31,870.0	\$31,961.0
86.93	Outlays from current balances	\$1,286.6	\$2,735.5	\$3,085.1
87.00	Total outlays	\$32,113.9	\$34,605.5	\$35,046.0
	NET BUDGET AUTHORITY AND OUTLAYS			
89.00	Budget authority	\$32,267.0	\$34,955.0	\$35,400.0
90.00	Outlays	\$32,113.9	\$34,605.5	\$35,046.0

UNITED STATES COURT OF APPEALS FOR VETERANS CLAIMS

SALARIES AND EXPENSES

Object Classification (in thousands of dollars)

CODE	Direct Obligations	FY 2018 Actual	FY 2019 Budget Authority	FY 2020 Budget Estimate
11.1	Full-time permanent	\$13,154.9	\$15,080.0	\$16,035.0
43.0	Interest	-	-	-
11.5	Other personnel compensation	\$193.3	\$189.0	\$219.0
11.9	Total personnel compensation	\$13,348.2	\$15,269.0	\$16,254.0
12.1	Civilian personnel benefits	\$3,993.6	\$4,660.0	\$4,951.0
13.1	Unemployment compensation	-	-	-
21.0	Travel and transportation of persons	\$31.5	\$90.0	\$90.0
22.0	Transportation of things	\$2.6	\$15.0	\$30.0
23.1	Rental payments to GSA	\$3,546.4	\$3,700.0	\$2,400.0
23.2	Rental payments to others	\$165.9	\$210.0	\$210.0
23.3	Communications, utilities, and miscellaneous charges	\$235.6	\$376.0	\$331.0
24.0	Printing and reproduction	\$3.3	\$20.0	\$10.0
25.2	Other services	\$1,860.9	\$2,000.9	\$2,000.9
25.3	Purchases of goods and services from government sources	\$945.0	\$1,046.2	\$1,850.0
25.4	Operation and maintenance of facilities	\$121.8	\$184.8	\$111.0
25.7	Operation and maintenance of equipment	\$165.6	\$243.1	\$243.1
26.0	Supplies and materials	\$146.9	\$220.0	\$220.0
31.0	Equipment	\$720.0	\$1,340.0	\$1,000
94.0	Contributions to Judges' Retirement Fund	\$4,400.0	\$3,000.0	\$3,000.0
41.0	Pro Bono Representation Services (Grant)	\$2,580.0	\$2,580.0	\$2,699.0
99.9	Total obligations	\$32,267.3	\$34,955.0	\$35,400.0

UNITED STATES COURT OF APPEALS FOR VETERANS CLAIMS

JUDGES' RETIREMENT FUND

The United States Court of Appeals for Veterans Claims Retirement Fund (Judges' Retirement Fund or Fund), established under 38 U.S.C. § 7298, is used for judges' retired pay and for annuities, refunds, and allowances provided to surviving spouses and dependent children. Participating judges pay 1% of their salaries to cover creditable service for retired pay purposes and 2.2% of their salaries for survivor annuity purposes. Additional funds needed to cover the unfunded liability may be transferred to the Judges' Retirement Fund from the Court's annual appropriation. The Court's contribution to the Fund is estimated annually by an actuarial firm retained by the Court. The Fund is invested solely in government securities.

JUDGES' RETIREMENT FUND

(in thousands of dollars)

Code	Description	FY 2018 Actual	FY 2019 Budget Authority	FY 2020 Budget Estimate
	Unavailable Collection Schedule:			
01.00	Balance, start of year	\$44,657.0	\$47,553.0	\$48,823.0
	Receipts			
12.01	Earnings on investment	\$652.0	\$700.0	\$750.0
12.02	Employer contributions	4,400.0	\$3,000.0	\$3,000.0
12.03	Employee contributions	\$67.0	\$70.0	\$80.0
12.99	Subtotal, receipts	\$5,120.0	\$3,770.0	\$3,830.0
45.00	Offsetting collections (outlays)	-\$2,224.0	-\$2,500.0	-\$3,000.0
88.03	Total: Balances and collections	\$47,553.0	\$48,823.0	\$49,653.0
	Appropriations			
65.99	Judges' Retirement and Survivor Annuity Fund	-\$2,224.0	-\$2,500.0	-\$3,000.0
88.99	Balance, end of year	\$47,553.0	\$48,823.0	\$49,653.0

APPENDIX A

January 18, 2019

The Honorable Robert N. Davis
Chief Judge
United States Court of Appeals for Veterans Claims
625 Indiana Avenue, N.W., Suite 900
Washington, D.C. 20004

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James J. Sandman

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Albuquerque, NM

Re: FY 2020 Budget Request for the Veterans Pro Bono Program

Dear Chief Judge Davis:

This letter describes the activities of the Legal Services Corporation (LSC) regarding the veterans pro bono program pursuant to Public Law 102-229, Title I, Ch. II, 105 Stat. 1701, 1710 (Dec. 12, 1991). Congress appropriates funding for this program to the U.S. Court of Appeals for Veterans Claims (Court) with specific direction to provide those funds to LSC to make “grants and contracts” to “facilitate the furnishing of legal and other assistance, without charge, to veterans and other persons who are unable to afford the cost of legal representation in connection with decisions” of, or other proceedings in, the Court. *Id.*

The grantee, currently the Veterans Consortium Pro Bono Program (Consortium), has provided an annual recommended funding request, which LSC is not in a position to evaluate and which is provided to Congress along with the Court’s budget submission. LSC is not involved in the determination of the need for veterans pro bono legal services or the amount of the annual funding request. LSC’s role begins after Congress has appropriated funding and the Court has provided the funds to LSC. LSC then evaluates applications, awards the grant, and conducts grant oversight and follow-up activities.

LSC’s activities focus on ensuring that the grantee provides the assistance and performs the activities required by Public Law 102-229. LSC’s activities include, but are not limited to, the following:

- Reviewing and evaluating the Consortium’s annual renewal applications.
- Subjecting each grant award to Grant Assurances that specify conditions the Consortium must meet to receive the grant.
- Attending the meetings of the Consortium’s board of directors and reviewing copies of the Consortium’s budget and other reports the Consortium’s staff submit to the Consortium’s board. (Court staff also attend the board’s meetings and are provided these reports.)

The Honorable Robert N. Davis, Chief Judge
January 18, 2019
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- Conducting periodic, comprehensive, on-site reviews of the Consortium's operations. (Six have been conducted since 1995. The most recent on-site review was in 2017.)
- Maintaining communications with the Consortium's board chair and executive director.
- Requiring the Consortium to submit copies of its annual audited financial statements to LSC's Office of the Inspector General (OIG) for review. The OIG has not identified any issues that require follow up for at least the last ten years.
- Requiring that the Consortium track and report any carryover fund balance of grant funds from one year to the next (by year and cumulative), and include that information in the program's annual budget request for submission to Congress.

Beginning with the 2015 grant year, and after consultation with the Court, LSC has added a 40% cap on the amount of funds that the Consortium may carry over as a fund balance from prior grants. Any carryover funds above that cap will be returned to LSC for reimbursement to the Court.

Based on these oversight activities, LSC has determined that the Consortium's services and operations have, in all prior years, met the requirements set forth in Public Law 102-229.

LSC last conducted a public competition for the calendar year 2016 grant. LSC received five applications in response to a November 2015 Request for Proposals. The applicants included the Consortium, a legal aid organization, a private practitioner, and two law schools. After a thorough review of all applications, we selected the Consortium for the 2016 grant. LSC renewed the grant for 2017, 2018, and 2019. We expect the Consortium to apply for the grant for FY 2020.

Please let me know if you have any questions or require further information.

Respectfully yours,



James J. Sandman
President

cc: Eva Armah, Chief Financial Officer, Budget and Finance Office, United States Court of Appeals for Veterans Claims

VETERANS PRO BONO PROGRAM

FY 2020 FUNDING REQUEST, BUDGET, AND NARRATIVE

15 January 2019

INTRODUCTION

The federal Veterans Pro Bono Program recruits and trains volunteer attorneys to provide assistance to financially qualified, unrepresented veterans and their family members, caregivers, or survivors who have filed veterans benefits appeals at the U.S. Court of Appeals for Veterans Claims (Court). A goal of the federal Veterans Pro Bono Program is to offer representation before the Court to every financially eligible appellant with a meritorious appeal in order to ensure that each appellant attains the best possible outcome. Ensuring every appellant is represented also assists the Court in efficient processing of claims as the appellants have advocates to guide their claims through the complex appeals process. The Veterans Consortium (TVC) is an independent nonprofit organization that operates the federal Veterans Pro Bono Program (Program). A 501c(3) entity founded in 1992, the organization enlists and maintains its TVC National Volunteer CorpsSM to serve the eligible U.S. veteran population worldwide. To this day, its Executive Board maintains voting representation from its four founding Member Organizations: Paralyzed Veterans of America, Disabled American Veterans, The American Legion, and the National Veterans Legal Services Program. These four Veterans Service Organizations (VSO) continue to support and assist The Veterans Consortium in a shared mission to serve veterans and their loved ones. On behalf of the Court and our nation's defenders, the Program leads and sustains a collaborative effort with the Department of Veterans Affairs (VA), law firms, corporate legal departments, bar associations, law schools, solo practitioners, and other nonprofit organizations and mission partners that provide services to veterans, to develop broad capabilities and capacity for the services performed for appellants in need.

In response to a request by the Court, the Congress established the Program via Public Law No. 102-229 to provide legal and other assistance, without charge, to veterans and other persons who are unable to afford the cost of legal representation before the Court. The Program is funded through a grant administered by Legal Services Corporation (LSC), which comes from an appropriation request submitted as part of the Court's appropriation request.

The Program is requesting an appropriation of new grant funds in the amount of \$2,698,997 for FY 2020, a 4.6% increase from amount that was requested for FY 2019. Thirty thousand dollars (\$30,000) of this amount is assumed for the estimated LSC grant administration cost, and the remainder of this amount is for Program operations. The Program's proposed budget for FY 2020 is included herein.

On a related note, **mission statistics** herein are reported by government Fiscal Year (FY), in line with the reporting periods used by the Court and the Board of Veterans' Appeals (BVA). While the LSC-administered federal Veterans Pro Bono Program and the independent 501c(3) entity The Veterans Consortium both operate using Calendar Year (CY) cycles, the annual budget amounts submitted herein are for government FY 2020.

SIGNIFICANT STATISTICS FOR THE BOARD OF VETERANS' APPEALS, THE U.S. COURT OF APPEALS FOR VETERANS CLAIMS, AND THE FEDERAL VETERANS PRO BONO PROGRAM

The Program continues to provide legal advice and assistance free of charge to a significant—and growing—number of unrepresented veterans in need and their qualified family members, caregivers, and survivors with active appeals at the Court. The Program is unique in that it successfully leverages the investment of the United States by annually obtaining millions of dollars' worth of *pro bono* representation for the veterans in need and their family members, caregivers, and survivors. For example, in FY 2018 volunteers across the U.S. participating in the Program provided *pro bono* legal and related professional services valued at more than \$7.0 million on behalf of appellants, and the annual value is more than twice that amount when one adds the calculated sum of lifetime care, benefits, and compensation regained by veterans and their loved ones.

The number of appeals decided by the BVA generally serves as an indicator of potential appeals at the Court, and therefore potential *pro se* appellants that would need Program services. According to the BVA's most recent (FY 2018) publicly available annual report, **“The Board issued 85,288 decisions to Veterans, a historic record for any year in the Board's history. In comparison to 52,661 decisions dispatched during FY 2017, this represents an increase of approximately 62 percent.”** (p. 8) **Additionally, the same report projects that the number of cases received at the BVA will more than double to 164,258 in FY 2019, and the BVA estimates it will render 90,050 decisions in FY 2019.** (p. 33, **emphasis added**) These expected increases in BVA activity will almost certainly result in a greater number of *pro se* appellants at the Court and in the pipeline for Program services.

The Court's most recent (FY 2017) publicly available annual report states that there were 4,040 appeals (excluding writs) filed with the Court in FY 2017, of which 1,050 (26%) were *pro se* at the time of filing, about the same rate as the past few years. The *pro se* rate has plateaued after dropping from its FY 2011 level of 54%. This decrease of the *pro se* rate has historically been a Program goal, and while this success is notable, there remains a very significant need for *pro bono* services for those veterans and their family members, caregivers, and survivors who remain unrepresented. According to the Court's report, “Of note, a marked increase in filings has been evident with the start of FY 2018, as 579 new appeals, the highest to date, were filed in October 2017. Between August 2017 and December 2017, the Court has averaged 515 appeals per month, not including petitions, an increase of more than 50 percent above the FY 2017 average monthly filings. Historically, when the number of claims processed by the Board of Veterans' Appeals (Board) increases or decreases, the number of appeals filed with the Court will also increase or decrease. The Board has continued to expand its staff with the goal of accelerating the rate and number of claims it decides. **As a result, and with recent months a clear indication, the Court expects to receive a considerable increase in the number of appeals being filed over the course of FY 2018.**” (p. 5, **emphasis added**)

The Program sent offers of assistance to all *pro se* appellants (100%) with appeals at the Court in FY 2018. In response to requests for its services in FY 2018, Program staff attorneys screened 513 appellate cases, and placed 297 of these cases (58%) with *pro bono* attorneys (and sometimes an in-house staff attorney in special circumstances); while continuing to manage and support more than 100 active cases placed in FY 2017. The remainder of these applicants were not able to receive services because their appeals either lacked legal merit or suffered from jurisdictional defects. Appellants not qualified for Program services were provided with detailed information about the reason for their status and referrals to other resources as appropriate.

A level of Program assistance is still available to these unqualified appellants, as well as other *pro se* appellants, through the Program's 'Limited Legal Assistance and Information Helpline.' This Helpline guides unrepresented veterans and their family members through their appeals at the Court by providing limited legal assistance and information regarding (1) the explanation of the Court's function, processes, and timelines, (2) the completion of Informal Briefs, Record Before the Agency (RBA) disputes, and other pleadings, and (3) the explanation of Court filings and decision memoranda.

The Helpline provides unrepresented appellants with the opportunity to produce informed and cogent pleadings to the Court and allows the Court to process the appellants' filings more efficiently. It also affords the Program another way to offer unrepresented appellants additional program services. Since its inception in 2014, the Helpline has assisted hundreds of *pro se* appellants; in general each year approximately 25% of these veterans applied for pro bono representation subsequent to utilizing the Helpline. The number of Helpline users is substantial, with more than 1,000 *pro se* appellant actions (letters, calls, emails) handled in FY 2018, and the Program anticipates even greater demand for Helpline services in FY 2019 due to the projected increase in activity at the BVA and the Court.

In addition to providing appellants at the Court with representation, counseling, or information about their cases, the Program also responded to inquiries from almost 2,500 veterans who did not have a case at the Court in FY 2018. These veterans were provided with information regarding the appeals process and directed to veterans service officers (VSOs) and referrals for legal services unrelated to the Court, such as family or housing legal issues.

The Program anticipates that there will be an increase in requests for services in the future as indicators show that the BVA will continue to decide an even greater number of appeals to clear out backlogged cases, leading to more appeals filed with the Court. Furthermore, additional filings at the Court are expected as a result of appeals being filed by returning veterans who served in Iraq and Afghanistan, and the impact of recent appeals modernization legislation signed into law may also be additive to the appellate caseload in FY 2020.

Select Federal Veterans Pro Bono Program Accomplishments in FY 2018

- ✓ Won 267 appellate cases for clients, a success rate in Court of nearly 86%
- ✓ Trained 287 attorneys and paralegals in veterans appellate law to prepare them to provide volunteer services to federal Veterans Pro Bono Program clients and sustain the Court's bar
- ✓ Provided 297 financially qualified veterans or their qualified family members, caregivers, and survivors with free legal representation for their cases before the Court
- ✓ Provided 191 *pro se* appellants with information about their cases and other assistance after determining these cases could not be accepted for Program services
- ✓ Handled more than 6,000 inquiries from veterans and their loved ones about the federal Veterans Pro Bono Program services, the appeals process before the Court and before the VA, or referrals for local legal services such as family and housing matters
- ✓ Supported hundreds of *pro se* appellants using the Limited Legal Assistance and Information Helpline, by handling more than 1,000 Helpline actions

From FY 1992 to the present day, the Program has helped more than 45,000 veterans and their family members, caregivers, and survivors meet their challenges. A total of over 4,300 volunteers have been trained in veterans law, enabling more than 5,000 federal appellate cases to be placed with pro bono attorneys, who have achieved a lifetime 82% success rate in support of Program clients. The Program staff is committed to continue delivering this sustained level of support, plus handling the projected increased need from qualified appellants, to provide the best legal services—free of charge—to our nation's veterans in need and their qualifying families, caregivers, and survivors.

BUDGET REQUEST DETAIL

1. Personnel Expenses

\$1,614,829

A. The Program requests a very slight increase of approximately 4% in personnel funds over FY 2019 estimated costs, for projected increased labor of 0.2 FTE to handle growing caseload, increases in medical benefits costs/inflation, and planned merit-based reviews. Although double-digit caseload growth is estimated, personnel expenses increase moderately from FY 2019 to FY 2020, primarily due to the use of automation to handle the growing caseload without driving a direct correlation in staff growth and some realignments of positions in terms of skill mix and experience. The vast majority of assistance provided to veterans and their family members is accomplished by personal contact. The Program actively undertakes direct contact with veterans and their loved ones to ensure they understand what is happening with their cases and the staff works to provide assistance in any way possible. Salary and benefits for people performing daily services for the Program are paid from grant funds.

Table A: Staffing Plan

PERSONNEL AND FTE DISTRIBUTION				
Program Components I through IV	Total Number of Personnel Providing Services to the Program	Total FTE Authorized by the Grant	Total Number of Personnel Providing Services to the Program	Total FTE to be Requested under the Grant
	FY 2019	FY 2019	FY 2020	FY 2020
I. Veterans and Dependents Outreach/Educ.	3.0	2.2	3.0	2.2
II. Case Evaluation and Placement ⁽¹⁾ IV. Additional Program Services	13.0	10.8	14.0	11.0
III. Pro Bono Attorney Recruiting and Training ⁽²⁾	8.0	3.8	8.0	4.0
Management and Administration ⁽³⁾	3.0	2.2	2.0	2.0
Total	27.0	19.0	27.0	19.2

(1) Personnel includes paid interns (part-time, temporary positions)

(2) Includes part-time, on-call Mentors as a resource for each volunteer attorney

(3) One position is shared with a position in Component I (dual-hatted personnel)

Table A above shows the number of Full-Time Equivalents (FTE) to be paid out of grant funds in FY 2019 and FY 2020. It includes full-time, part-time, and temp-to-perm personnel of The Veterans Consortium Pro Bono Program staff, plus part-time personnel provided by subgrantees for training and support of volunteer attorneys and direct representation services. A detailed description by FY 2020 Program Component follows.

B. Veterans and Dependents Outreach & Education (Component I)

Personnel working for this Program Component conduct direct outreach to veterans and their loved ones or survivors to educate and inform them of Program services that are available. Activities range from working veterans outreach events, to website and social media and other communications activities, to mailing pamphlets, booklets, and other materials. These personnel also conduct outreach via partners and stakeholders, including Veterans Service Organizations, State and County veterans service officers, and a variety of federal, state, and local offices as well as through other non-profit organizations. Positions for this Component include a portion of the Executive Director of The Veterans Consortium Pro Bono Program (who continues to be dual-hatted as a member of this Component), and two full-time employees. Altogether these personnel comprise 2.2 FTE, and the Program requests continued funding for these positions in FY 2020.

C. Case Evaluation & Placement (Component II) & Additional Program Services (Component IV)

- The full-time Director of Case Evaluation & Placement and Staff Attorneys. The Component Director is the litigation lead and conducts senior case screening/management duties, oversees litigation strategy and mentoring, while providing supervision to the Component. The component also runs national outreach to law school clinical programs and manages related subgrants, manages the pro bono/low bono Independent Medical Review Program, and preparing lessons learned, after action reports, and special legal analyses. Three Staff Attorneys review the Records Before the Agency (RBA) and/or BVA decisions in each case to determine whether the case presents an issue that merits referral to a volunteer lawyer, and mentor volunteers. Staff attorneys provide limited legal assistance to appellants without representation before the Court via the Helpline.
- The Veterans Law Specialist. One Veterans Law Specialist is also full-time and reviews the VA claims file and BVA decision in each case to determine whether the case presents an issue that justifies referral to a volunteer attorney. The Veterans Law Specialist is one of the most experienced non-attorney practitioner/experts in the veterans' law field.
- The Program maintains five operations support positions. These include one Client Services Manager, two Paralegals/Docket Administrators who tracks all Court actions affecting clients and attorneys, and who communicates statuses and monitors progress of cases; and two Client Services associates. This team fields over 2,000 calls per month, receives and processes applications for Program services, conducts intake of clients, and refers veterans to in-house resources or vetted partners as appropriate.
- Altogether these personnel comprise 11.0 FTE, and the Program requests continued funding for these FTE in FY 2020. [Note: Subgrant FTE costs for direct representation and case mentoring are captured below in Paragraph 3, Third-Party Transfers, sub-paragraph B, Subgrants.]

D. Pro Bono Attorney Recruiting & Training and Case Placement (Component III)

All assigned personnel are expected to communicate (both explain and espouse) Program services as members of Program's team, and engage with both prospective clients and potential volunteers. Likewise, while any team member can arrange the placement of a veteran's case with a pro bono attorney, the cadre specifically dedicated to this task include one full-time Component Director, one full-time Coordinator, three part-time Attorneys, one part-time Coordinator, and part-time Mentors. Each year this team recruits and trains between 200 to 300 new volunteer attorneys and paralegals to help build the Court's bar and to grow the national capability and capacity in the area of veterans law. Focused volunteer training and support for event-based surges in effort (generally regional trainings), as well as mentoring volunteers, is provided through a subgrant allocated to this function. Likewise, the full-time Director and Coordinator annually place over federal 500 cases before the Court. Altogether these personnel comprise 4.0 FTE, and the Program requests continued funding for these FTE in FY 2020. [Note: Subgrant FTE costs for Training and Support are captured below in Paragraph 3, Third-Party Transfers, sub-paragraph B, Subgrants.]

2. Project Expenses

\$291,233

Table B: Project Expense Categories

A. Travel	\$29,870
B. Equipment Rental & Telephone/Internet	\$34,765
C. Office Supplies & Communications & IT Software O&M	\$49,440
D. Online References & Continuing Education/Training	\$32,808
E. Volunteer Materials	\$52,836
F. Insurance Due, Fees, and Evaluation	\$38,680
G. Property Acquisition	\$0
TOTAL FY 2020 PROJECT EXPENSES:	\$291,233

A. Travel: The amount budgeted for Travel expenses relates to performing the core functions of the mission, including Outreach & Education to veterans and dependents, Recruiting & Training volunteer attorneys and related professionals, and attending professional development trainings/CLE for the Program staff. This is essential to the mission of the Program. Examples of targeted populations visited include veterans and their loved ones or survivors, volunteer attorneys, State & County veterans service officers/organizations, and law school clinics. Professional development focuses on the continuing education of Program staff which enables effective and efficient achievement of Program objectives. Federal guidelines were used for per diem, research of airfare and hotels to projected locations were used for those costs.

B. Equipment Rental & Telephone/Internet: The amount budgeted for Equipment Rental & Telephone/Internet includes expenses for postage/postage meter and office equipment repairs/maintenance. The postage meter is office equipment that the Program uses on a daily basis for communication purposes. The repairs and maintenance allocation is for the care of office equipment, such as printers, the copy machine, furniture, water cooler, etc. used in daily operations. Also included are high-speed internet connectivity and telephone capability.

C. Office Supplies & Communications & IT Software Maintenance Expenses: The amount budgeted for Office Supplies includes office supplies and expenses (paper, toner, envelopes, folders, archiving/storage, shipping, packaging, pens, pencils, folders, envelopes, labels, highlighters, tape, etc.). Expenses in this category also include advertising and promotion and website costs which relate to the outreach and education of veterans and their loved ones or survivors. This relates to one of the core missions of the Program which is to provide representation before the U.S. Court of Appeals for Veterans Claims and their families. Printing & editing funds are requested to cover the cost of editing and printing brochures, pamphlets, job aids, flyers, and forms that our eligible appellants use to learn about the Program and make decisions to choose our pro bono attorneys; that our volunteers read to learn how to join the Program; and that our Stakeholders/Partners (especially VSOs and State/County service officers) use to decide when to refer a veteran to the Program. Limited entertainment & meals expenses are invested in volunteer recruitment, training “lunch and learns,” and stakeholder outreach and partnerships for outreach and education of veterans and their loved ones or survivors. Advertising/Promotion expenses include the costs of booth space/banner fees/sponsorship fees at outreach events assuming: four large events, six mid-size events, and ten small events annually. Also included are ads in magazines and newspapers, and posters/awareness materials, with actual allocation to be determined during the procurement process.

D. Online References & Continuing Education/Training: Expenses in this category include online subscriptions, such as the LexisNexis is online legal research medium, Thomson/Westlaw, and the Veterans Appeals Reporter which is a monthly update of relevant decisions and articles regarding U.S. Courts. These are research and reference tools that permit the Case Evaluation & Placement Component to stay abreast of current case law and trends at the Court which supports efficient and accurate case evaluation enabling a greater placement of cases with volunteer attorneys. The professional development expenses are primarily the continuing education of staff which enhances skill sets and ultimately promotes innovative and efficient achievement of Program objectives. In addition to CLEs for legal professional development, the deploys upgrades and new tools and IT applications that require investment in training and reference materials.

E. Volunteer Materials: The amount budgeted for Volunteer Materials includes the reference materials for up to 250 trainees annually and 30 participating law school clinics, such as the *Veterans Benefits Manual* and the *Federal Veterans Laws, Rules, and Regulations* published by LexisNexis. Volunteer attorneys who do not already have access to these materials in their organizations, are provided these references for a thorough and authoritative view of veterans benefits law which is a key component in their representation of appellants before the Court and their written persuasive pleadings. The “Veterans Law Clinic-in-a-Footer” project provides reference materials the federal Veterans Pro Bono Program sends to law schools to help them start or maintain a veterans law clinic that takes cases from the Program. It also includes costs to print training certificates and a volunteer appreciation memento of nominal individual value for each volunteer attorney or associated pro bono professional (e.g., paralegal, law clerk, etc.).

F. Insurance, Dues, Fees, and Evaluation: The amount budgeted for Insurance, Dues, Fees, and Evaluation expenses includes professional insurance (malpractice insurance for volunteers, directors & officers, and fire & theft). Dues & fees are required for organizational dues such as bar and association fees, as well as organizational memberships including NLADA, CNA, NABPro, Pro Bono Institute, etc. for outreach to volunteers and to obtain best practices and lessons learned from other nonprofit legal aid services/legal aid societies, and development of referral relationships. Evaluation expenses include the cost of external evaluations, plus the deployment and implementation of evaluation tools such as visualization dashboard which will aggregate metrics and streamline reporting that will be provided to evaluators.

3. Third-Party Transfers \$858,151

A. Contract Services: In order to keep costs as low as possible and use federal Veterans Pro Bono Program funds to maximize delivery of legal services, The Veterans Consortium Pro Bono Program does not hire full-time administrative staff. Instead the program office uses outsourced Contract services as a virtual Back Office for operational support, as well as online archiving for its systems of record (case management, AR/AP, etc.). Other costs in this category are for Human Resources & Benefits Administration, IT (operations and maintenance of both workflow systems and infrastructure/email systems), Audit & Tax Preparation, Accounting, and Website operations/maintenance/hosting. The amount of \$283,757 budgeted for back office and mission infrastructure services assumes a 3% average increase in costs due to inflation.

B. Rent: Rent in Washington, DC for federal Veterans Pro Bono Program office space, comprises about \$245,000 of this category’s costs (typically most organizations’ largest expense after their personnel costs), which assumes a market-based 4% annual rent escalation.

C. Subgrants: The Pro Bono Program request includes funds for continuing support provided in FY 2019 by several subgrantees, comprising: (1) one subgrant for volunteer attorney Training and Support; (2) one subgrant for Direct Representation in exigent circumstances and for extremely complex medical issues; (3) one subgrant for Surge Support for Case Management (on-call, used as workloads warrant), and (4) two to five subgrants for Law School Clinical Programs to facilitate and encourage participation in the federal Veterans Pro Bono Program. The FY 2020 amount of \$329,394 assumes a 3% average increase in costs due to inflation.

(1) Pro Bono Attorney Training and Support: This subgrantee helps train volunteer attorneys to provide *pro bono* representation to the federal Veterans Pro Bono Program’s clients. In addition, this function also provides for mentoring support to volunteers with active cases. In FY 2019 these training and support services are provided on a fixed-price subgrant. For budget purposes it is anticipated that the incumbent subgrantee will continue to offer these services in FY 2020 in a similar manner.

(2) Direct Representation: Some cases require immediate focused attention by a lawyer experienced in veterans law to properly represent the appellant in an extremely complex case and/or to protect an appellant’s rights in exigent circumstances. This direct representation is provided either by TVC staff attorneys on the Program, or via attorneys on a subgrant for specialized (highly complex medical issues) or surge (exigent circumstances) support. For budget purposes it is anticipated that the incumbent subgrantee will continue to offer these services in FY 2020 in a cost-effective manner.

(3) Surge Support: From time to time, Program staff require surge support for case management functions. These needs may range from spikes in workloads due to timing of appeals received, to multi-week coverage for employees on short-term disability or handling family medical leave issues, to the annual archiving of case files. This contingency subgrant is for on-call support only used—and only paid for—if and when needed.

(4) Law School Clinical Programs: To help build/sustain the Court’s bar by increasing the number of veterans law clinics at accredited law schools and/or enhancing efforts by Program partner law clinics providing representation, during FY 2020 the Program proposes to continue law clinic subgrants in the range of ~\$2,500 to ~\$7,500. The specific law schools will be selected as a result of a competitive selection process to select the right new law clinics, at the best locations, at the right time in the academic year. In order to participate, the law clinics must take one or more cases from the Program and represent an appellant before the Court.

4. Total FY 2020 Veterans Pro Bono Program Funding Requested

Table C: FY 2020 Veterans Pro Bono Program Budget & Funding Requested

Personnel Expenses in 2020	\$1,614,829
Project Expenses in 2020	\$291,233
Third Party Transfers in 2020	\$858,151
Program Budget Sub-Total:	\$2,764,213
LSC Oversight Fee in 2020 (estimated)	\$30,000
TOTAL 2020 Program Budget + LSC Oversight	\$2,794,213
TOTAL FY 2020 FUNDING REQUESTED	\$2,698,997
Delta from Grant Fund Balances & Unappropriated Funds	\$95,216

5. Grant Funds Balance

The federal Veterans Pro Bono Program plans to continue its mission and meet growing and emerging needs by expanding existing projects, and by creating new ways to reach out to veterans and their families, caregivers, and survivors. The Veterans Consortium Pro Bono Program expects that it will have a relatively small grant fund balance to carry forward from CY 2019 to CY 2020 due to frugal management, outside support/donations raised, and projected efficiencies. However, a portion of the grant fund balance for 2020 is necessary to protect and ensure uninterrupted service to veterans during times of budgetary uncertainty. Further, a significant number of veterans remain under-served, and could benefit from various forms of Program services as they proceed through the appellate process. As described earlier, due to increased BVA and Court activity levels there will be an increased number of *pro se* appellants who will need federal Veterans Pro Bono Program services.

The Program Grant Assurances require that any year-end fund balance in excess of 40% of the current year grant funds must be returned to the LSC for reimbursement to the Court. The unaudited cumulative fund balance of appropriated funds as of December 31, 2018 is estimated at approximately \$318,000 which is well within the permitted limit to retain. The federal Veterans Pro Bono Program projects that the year-end CY 2019 cumulative fund balance of appropriated funds will be approximately \$300,000 which is toward the low end of the permitted amount pursuant to the usual Program Grant Assurances. After an annual audit, the permitted sum will be retained for Program operations. The Program staff estimate that the year-end CY 2020 cumulative fund balance of appropriated funds will be approximately \$205,000 which is within the estimated permitted amount pursuant to the usual Program Grant Assurances. After the annual audit, the permitted sum will be retained for program operations. (Please note these are fund balances of appropriated funds and do not include funds from other sources.)

Table D: Grant Fund Balances*

Estimated grant funds balances as of 12/31/18 (unaudited)	\$318,029
Projected grant fund balance at 12/31/2019	\$300,000
Projected grant fund balance at 12/31/2020	\$205,000

**Balances of appropriated funds do not include funds from other sources.*

6. Non-Appropriated Funds (from Other Sources)

To keep down costs for the federal Veterans Pro Bono Program, donations of funds, goods, and services are obtained from potential sources other than the federal grant. These other sources have included The Veterans Consortium's founding VSO member organizations, law firms, corporate legal departments, other organizations, foundations, and individual donors. In this way, each year The Veterans Consortium seeks to lessen or offset costs and stretch federal Veterans Pro Bono Program dollars. The Veterans Consortium Pro Bono Program has a history of never overspending available resources, and generally can scale and/or time discretionary purchases and expenses as needed to operate within the limits of total resources available (grant funds plus non-appropriated funds raised) while delivering high quality, cost-effective services.

Table E: Non-Appropriated Funds (All Sources)*

Total est. non-appropriated fund balance available at 12/31/2018 (unaudited)*	\$422,959
plus Projected Contributions in CY 2019 plus interest**	\$195,000
minus Projected Expenses paid from non-appropriated funds in CY 2019	\$310,000
Projected non-appropriated fund balance at 12/31/2019	\$307,959
Projected non-appropriated fund balance at 12/31/2020	\$325,000

**As an example, these funds are used for pro bono Medical Reviews beneficial to appellants and related, similar, or other beneficial expenses on behalf of veterans and their family members, caregivers, and survivors. Includes reserve funds for exigencies or contingencies.*

***Does not include the value of donated legal services or non-legal services (e.g., HR support, IT support, etc.).*

Est. available funds (appropriated and TVC non-appropriated) at 12/31/2020	\$530,000
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Funding data provided by:
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