

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



FISCAL YEAR 2025 BUDGET ESTIMATE
February 5, 2024

FISCAL YEAR 2025 BUDGET ESTIMATE

TABLE OF CONTENTS

	PAGE
INTRODUCTION	3
APPROPRIATION LANGUAGE	4
PROGRAM JUSTIFICATION.....	5
FISCAL YEAR 2023 PROGRAM.....	7
FISCAL YEAR 2024 PROGRAM.....	8
FISCAL YEAR 2025 PROGRAM.....	9
SUMMARY OF FISCAL YEAR 2025 BUDGET REQUEST	10
SUMMARY OF FISCAL YEAR 2025 PROGRAM FUNDING CHANGES.....	11
DETAILS OF FISCAL YEAR 2025 PROGRAM FUNDING CHANGES	12
PROGRAM AND FINANCING SCHEDULE	15
OBJECT CLASSIFICATION SCHEDULE.....	16
JUDGES' RETIREMENT FUND INTRODUCTION AND SCHEDULE	17
PRO BONO REPRESENTATION SERVICES	
Fiscal Year 2025 Budget Request.....	Appendix A

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. Under Public Law No. 116-159, Congress extended the temporary authorization that expands the Court to nine active judges, and currently all nine positions are filled. Judges are appointed by the President, by and with the advice and consent of the Senate, for 15-year terms. Upon retirement, a judge may choose to be recall eligible, and thus willing to be recalled to service by the Chief Judge. Nine of the Court's retired judges are recall eligible, and three are currently in recall status. 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 acts 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 called 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) 2025 LSC request for \$3,800,000, 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 [~~\$47,200,000~~] **\$47,300,000**, of which [~~\$44,200,000~~] **\$43,500,000** will be used by the United States Court of Appeals for Veterans Claims for operations as authorized by 38 U.S.C. §§ 7251-7299. Provided further, that [~~\$3,000,000~~] **\$3,800,000** 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 U.S. Court of Appeals for Veterans Claims (Court) remains one of the busiest federal appellate courts based on the number of filings 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 relatively new class action caseload.

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 appeals per month were filed. Starting in FY 2007, the Court saw a sustained increase in that number, with an average of 376 cases filed per month. In late 2009, the Court's active judge authorization was temporarily increased to nine judges to respond to that caseload increase. A more recent surge in appeals that started in FY 2018 continued upward in FY 2019, with an average of 706 appeals filed per month. In FY 2020, that increase continued even further with nearly 750 appeals filed per month. In 2020, Congress renewed the temporary authorization for nine judges. Since FY 2020, the Court has continued to receive, on average, between 650-750 appeals per month—more than double the numbers from ten years prior.

Historically, the number of Court appeals per year correlate to about 8% of the number of Board decisions per year, and when final Board decision numbers increase or decrease, Court appeal numbers likewise generally rise or fall. The chart below tracks that data over the past ten years. In FY 2023 the Board issued 103,245 decisions, their highest number ever, and the Court received 7,528 appeals, roughly 200 more than the prior year. With minor fluctuations, the percentage of Board decisions appealed to the Court has remained steady, and the number of Court appeals remains historically high when compared with FY 2017 and earlier.

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Board Final Decisions	55,532	55,713	52,011	52,661	85,288	95,089	102,663	99,721	95,294	103,245
Board Members	88	88	88	94	92	96	100	108	125	Unavail.
Board Staff Attorneys	410	450	450	671	806	800	850	770	873	Unavail.
Appeals to CAVC	3,745	4,506	4,140	4,040	6,802	8,470	8,954	8,266	7,344	7,528
Number of CAVC Judges Authorized	9	9	9	9	9	9	9	9	9	9

Two factors make it difficult to predict whether the 8% average appeal rate to the Court will continue in coming years. The Veteran Appeals Improvement and Modernization Act of 2017 gave claimants an additional separate review option when they disagree with a Board decision. Additionally, the 2022 Sergeant First Class Heath Robinson Honoring our Promise to Address Comprehensive Toxics Act has yielded more than a million new VA benefits claims, which is expected to surge appeals to the Board and the Court. The Court is monitoring these factors in an effort to identify trends in future Court appeals numbers.

To date, the Court has been able to keep pace with the sustained growth in appeals numbers without the need for additional judges because a higher percentage of appeals are resolving via mediation prior to reaching chambers. But even if this higher pre-chamber resolution rate is maintained going forward, the Court expects an increase in appeals numbers due to expanded Board staffing and decision production goals. Appropriations necessary to expand the Court to eleven judges were provided in FY 2023, but authorizations have not yet followed suit.

Staffing Requirements

The Court requests funding for 161 full-time equivalent (FTE) positions in FY 2025. This represents an increase of 3 FTE positions over the FY 2024 request. The new requested positions are a staff attorney for the Court's Central Legal Staff, a docket clerk for the Court's Public Office, and an associate attorney to the Court's General Counsel's office. The Court also requests funding to convert the Chief Judge's grade CS-10 second secretary position to a CS-14 staff attorney for the Counsel to the Board of Judges' office. All positions are necessitated by the current and projected growth in the Court's workload.

FISCAL YEAR 2023 PROGRAM

The Court's FY 2023 program accomplished the following:

Opened 7,744 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 7,839 cases (petitions and appeals) through a combination of panel opinions, single judge decisions, and court orders. In addition, the Court ruled on thousands of motions and acted on approximately 6,410 applications for attorney fees filed under the Equal Access to Justice Act. The Court also had six cases in which a Request for Class Certification and Class Action was filed.

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

Hired two additional staff attorneys for the Court's Central Legal Staff, two additional docket clerks for the Court's Public Office, and one additional judicial law clerk to support the Court's recalled-retired (Senior) judges.

Funded tech refresh of the Court's wireless system, and necessary life cycle equipment replacement.

Obligated funding to GSA to reconfigure existing Court space to accommodate two additional judicial chambers.

Received an Unmodified Opinion following its FY 2023 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.

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, funded the Judges' Retirement Fund in accordance with independent actuarial assessments.

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

FISCAL YEAR 2024 PROGRAM

The Court's FY 2024 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, including funding for 11 active judges with support staff and two new positions – an additional staff attorney for the Court's Central Legal Staff, and an additional docket clerk for the Court's Public Office. Also, the necessary funding for scheduled step increases, time-in-grade promotions for eligible employees, employee benefits, and a cost of living allowance.

Funding for the Court's 16th Judicial Conference, a judicial retreat, and associated travel expenses.

Funding for a new Visitor Management System (software and equipment) to track and conduct background checks on all Court visitors.

Funding for information technology services and updates, to include migration of the Court's remote data storage backup facility to the cloud, tech refresh of the Court's wireless system, and necessary life cycle equipment replacement.

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 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 2025 PROGRAM

The Court's FY 2025 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, including funding for 11 active judges with support staff and three new positions – a staff attorney for the Court's Central Legal Staff, a docket clerk for the Court's Public Office, and an associate attorney for the Court's General Counsel's office. Funding to convert the Chief Judge's grade CS-10 second secretary position to a CS-14 staff attorney for the office of the Counsel to the Board of Judges. Funding for scheduled step increases, time-in-grade promotions for eligible employees, employee benefits, and a possible cost of living allowance.

Funding for electronic case management system modernization.

Funding for information technology services and updates, to include finalizing the Court's migration of data from a remote data storage backup facility to the cloud, beginning the infrastructure and application systems migration to the cloud, and enhancing overall IT security.

Funding to implement the Daniel Anderl Judicial Security and Privacy Act.

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 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 2025 BUDGET REQUEST
(in thousands of dollars)

The FY 2025 budget request of \$47,300,000 reflects an increase of \$100,000 over the Court's FY 2024 budget request. A summary of the FY 2025 funding request compared with the FY 2024 request follows:

	FY 2024 Budget Request	FY 2025 Budget Estimate	Change
FTE Positions	158	161	+3
Personnel Compensation and Benefits	\$29,483	\$30,725	+\$1,242
Other Objects (Operating Expenses)	\$10,417	\$10,775	+\$358
Judges' Retirement Fund	\$4,300	\$2,000	-\$2,300
Pro Bono Representation Services (Grant)	\$3,000	\$3,800	+\$800
Budget Authority/Appropriation	\$47,200	\$47,300	+\$100

SUMMARY OF FISCAL YEAR 2025 PROGRAM FUNDING CHANGES
(in thousands of dollars)

Personnel Compensation and Benefits: + \$1,242

The Court is requesting funding to cover compensation and benefits for 161 FTEs, to include eleven judicial chambers with support staff and three new FTE positions for FY 2025—an additional staff attorney for the Court's Central Legal Staff, an additional docket clerk for the Court's Public Office, and an associate attorney for the Court's General Counsel's office. The Court is also requesting funding to convert a current FTE from a grade CS-10 secretary position to a CS-14 staff attorney for the Counsel to the Board of Judges' office. The increase in funding requested is necessary to accommodate the salary and benefits expenses for 161 FTEs, as well as scheduled step increases, time-in-grade promotions for eligible employees, and an anticipated 3% cost of living allowance for all Court employees.

All Other Objects (Operating Expenses):+ \$35

The increase in this category is primarily attributable to the costs associated with modernizing the Court's electronic case management system. The Court's current case management system is based on outdated platforms and lacks modern security evolutions. It must be replaced with a contemporary system to allow the Court to continue processing cases efficiently and securely.

Contribution to Judges' Retirement Fund: (- \$2,300)

This decrease results from a reduction 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):+ \$800

See Appendix A.

TOTAL CHANGES: + \$100

**DETAILS OF FISCAL YEAR 2025 PROGRAM FUNDING CHANGES
(in dollars)**

The following information provides details of the funding changes from FY 2024:

PERSONNEL COMPENSATION & BENEFITS **+ \$1,242,000**

The Court is requesting funding to cover compensation and benefits for 161 FTEs, to include eleven judicial chambers. The increase in funding requested is necessary to accommodate the salary and benefits expenses for 161 FTEs, to include three new FTEs for FY 2025, and the conversion of the Chief Judge's grade CS-10 second secretary position to a CS-14 staff attorney for the Office of the Counsel to the Board of Judges. This funding request also provides for scheduled step increases, time-in-grade promotions for eligible employees, and an anticipated 3% cost of living allowance for all Court employees. The three new positions are: (1) a Staff Attorney for the Central Legal Staff—the office responsible for conducting all pre-briefing conferences, preparing orders, memoranda, and vote sheet packets, and analyzing case trends; (2) a Docket Clerk in the Court's Public Office responsible for case opening, case closing, and all docket entries; and (3) an Associate Attorney for the Court's General Counsel's office – the office responsible for providing legal and ethical oversight, guidance, and training, to the Court as a whole, as well as to individual Judges and Court staff.

OTHER OBJECTS (OPERATING EXPENSES) **+358,000**

Travel **(- \$20,000)**

The Court will not convene a judicial conference in FY 2025. The decrease in this category is associated with reduced travel spending in non-conference years.

Transportation of things **+ \$0**

This category remains static.

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

This request reflects the General Services Administration (GSA) rent estimate.

Rental payment to others **(- \$40,000)**

The decrease in this category is associated with reduced rental payments in non-conference years.

Communications, utilities, and miscellaneous charges **(-\$75,000)**

The decrease in this category is associated with reduced communications expenses in non-conference years.

Printing & reproduction**(- \$2,000)**

The decrease in this category is associated with reduced printing expenses in non-conference years.

**Purchases of Goods and Services
from Government and Other Sources****+ \$395,000**

Funding in this category is used generally to maintain existing Court services and also covers the costs of necessary Court inter-agency 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) technical support. Funding in this category also covers the costs of technical support to complete migration of the Court's remote data storage backup facility to the cloud and begin transitioning the infrastructure and application systems to the cloud. Funding is also requested for augmented judicial security for judges and a writing seminar/training for Court attorneys.

The increase in this category is primarily attributable to the costs associated with modernizing the Court's electronic case management system. The Court's current case management system, CMECF, is antiquated and a new system is needed to continue processing cases efficiently and securely. The CMECF software was developed and built in the 1990s by the Administrative Office of U.S Courts (AO). According to a report issued by the General Services Administration (GSA) in 2021: "The foundational technology is outdated, and some components are becoming obsolete; it is not sustainable." The AO is currently undergoing case management modernization, and the Court is consulting with the AO and the Second and Ninth Circuits in exploring options to adopt or develop a successor system that will be wholly or partially cloud-based, increasing security and efficiency.

Supplies & Materials**+ \$0**

This category remains static.

Equipment**+ \$100,000**

The increase in this category includes equipment costs associated with developing and modernizing a new electronic case management system; overall security equipment for the Court's network to allow enhanced external vulnerability assessments and privacy assuredness; and new cable wiring and network drops throughout the Court, in particular for two new chambers and three new FTEs. The increased expenses in this category are partially offset by the absence of the FY 2024 request of specific life cycle technology replacements (5-year tech refresh).

CONTRIBUTION TO JUDGES' RETIREMENT FUND **(- \$2,300,000)**

This decrease results from a reduction 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) **+ \$800,000**

See Appendix A.

TOTAL CHANGES **+ \$100,000**

UNITED STATES COURT OF APPEALS FOR VETERANS CLAIMS

**PROGRAM AND FINANCING
(in thousands of dollars)**

CODE	OBLIGATIONS BY PROGRAM ACTIVITY	FY 2023 Actual	FY 2024 Budget Request	FY 2025 Budget Estimate
10.00	Total Obligations	\$43,209.7	\$47,200.0	\$47,300.0
	BUDGETARY RESOURCES AVAILABLE FOR OBLIGATION			
21.40	Unobligated balance available, start of year	-	-	-
22.00	New budget authority (gross)	\$46,900.0	\$47,200.0	\$47,300.0
22.30	Less: Unobligated balance expiring	\$3,690.0		
23.95	New obligations	\$43,209.7	\$47,200.0	\$47,300.0
24.40	Unobligated balance available, end of year	-	-	-
	NEW BUDGET AUTHORITY (GROSS) DETAIL			
40.00	Appropriation	\$46,900.0	\$47,200.0	\$47,300.0
40.35	Appropriation rescinded	-	-	-
43.00	Appropriation (total)	\$46,900.0	\$47,200.0	\$47,300.0
	CHANGE IN UNPAID OBLIGATIONS			
72.40	Obligated balance, start of year	\$3,404.2	\$4,668.6	\$5,140.6
73.10	New obligations	\$43,281.7	\$47,200.0	\$47,300.0
73.20	Total outlays (gross)	(\$42,017.3)	(\$46,728.0)	(\$46,827.0)
74.40	Obligated balance, end of year	\$4,668.6	\$5,140.6	\$5,613.6
	OUTLAYS (GROSS), DETAIL			
86.90	Outlays from new current authority	\$39,346.0	\$42,059.4	\$41,686.4
86.93	Outlays from current balances	\$2,671.3	\$4,668.6	\$5,140.6
87.00	Total outlays	\$42,017.3	\$46,728.0	\$46,827.0
	NET BUDGET AUTHORITY AND OUTLAYS			
89.00	Budget authority	\$46,900.0	\$47,200.0	\$47,300.0
90.00	Outlays	\$42,017.3	\$46,728.0	\$46,827.0

UNITED STATES COURT OF APPEALS FOR VETERANS CLAIMS

SALARIES AND EXPENSES

Object Classification (in thousands of dollars)

CODE	Direct Obligations	FY 2023 Actual	FY 2024 Budget Request	FY 2025 Budget Estimate
11.1	Full-time permanent	\$17,602.8	\$21,500.0	\$22,450.0
43.0	Interest	-	-	-
11.5	Other personnel compensation	\$268.8	\$282.0	\$288.0
11.9	Total personnel compensation	\$17,871.6	\$21,782.0	\$22,738.0
12.1	Civilian personnel benefits	\$5,968.3	\$7,701.0	\$7,987.0
13.1	Unemployment compensation	\$11.6	-	-
21.0	Travel and transportation of persons	\$50.6	\$110.0	\$90.0
22.0	Transportation of things	\$8.5	\$30.0	\$30.0
23.1	Rental payments to GSA	\$3,500.0	\$3,500.0	\$3,500.0
23.2	Rental payments to others	\$132.1	\$220.0	\$180.0
23.3	Communications, utilities, and miscellaneous charges	\$171.1	\$325.0	\$250.0
24.0	Printing and reproduction	\$1.8	\$5.0	\$3.0
25.2	Other services	\$2,004.6	\$2,400.0	\$2,425.0
25.3	Purchases of goods and services from government sources	\$1,017.2	\$1,100.0	\$1,300.0
25.4	Operation and maintenance of facilities	\$10.9	\$70.0	\$70.0
25.7	Operation and maintenance of equipment	\$200.9	\$230.0	\$400.0
26.0	Supplies and materials	\$150.7	227.0	\$227.0
31.0	Equipment	\$1,240.0	\$2,200.0	\$2,300.0
32.0	Leasehold Improvements	\$1,344.0	-	-
94.0	Contributions to Judges' Retirement Fund	\$6,140.8	4,300.0	\$2,000.0
41.0	Pro Bono Representation Services (Grant)	\$3,385.0	3,000.0	\$3,800.0
99.9	Total obligations	\$43,209.7	\$47,200.0	\$47,300.0

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 2023 Actual	FY 2024 Budget Request	FY 2025 Budget Estimate
	Unavailable Collection Schedule:			
01.00	Balance, start of year	\$61,010.1	\$65,562.9	\$68,172.9
	Receipts			
12.01	Earnings on investment	\$1,321.2	\$1,500.0	\$1,700.0
12.02	Employer contributions	\$6,140.9	\$4,300.0	\$2,000.0
12.03	Employee contributions	\$103.4	\$110.0	\$130.0
12.99	Subtotal, receipts	\$7,565.5	\$5,910.0	\$3,830.0
45.00	Offsetting collections (outlays)	(\$3,012.7)	(\$3,300.0)	(\$3,600.0)
88.03	Total: Balances and collections	\$65,562.9	\$68,172.9	\$68,402.9
	Appropriations			
65.99	Judges' Retirement and Survivor Annuity Fund	(\$3,01.7)	(\$3,300.0)	(\$3,600.0)
88.99	Balance, end of year	\$65,562.9	\$68,172.9	\$68,402.9

APPENDIX A

December 20, 2023

President

Ronald S. Flagg

Board of Directors

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Chicago, IL
Chairman

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Rome, Italy
Vice Chair

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Laurie Mikva
Chicago, IL

Frank X. Neuner, Jr.
Lafayette, LA

Julie A. Reiskin
Denver, CO

Gloria Valencia-Weber
Albuquerque, NM

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

Re: FY 2025 Budget Request for the Veterans Pro Bono Program

Dear Chief Judge Bartley:

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.* LSC awards and oversees a calendar-year grant for those services.

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 determining 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 ensure that the grantee provides 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 Margaret Bartley, Chief Judge
December 20, 2023
Page 2 of 2

- Conducting periodic, comprehensive, on-site reviews of the Consortium's operations. (Eight have been conducted since 1995. The most recent review was in 2021 and was a virtual Program Quality Visit.)
- 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 requiring 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.

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

LSC conducted a public competition for the calendar year 2023 grant. LSC received one pre-application and one full application in response to a March 2022 Notice of Availability of Calendar Year 2023 Competitive Grant Funds. The sole applicant was the Consortium. After thoroughly reviewing the application, we selected the Consortium for the 2023 grant. LSC renewed the grant for 2024. We expect the Consortium to apply for grant renewal for FY2025.

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

Respectfully yours,



Lynn Jennings
Vice President for Grants Management

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

VETERANS PRO BONO PROGRAM

FY 2025 FUNDING REQUEST, BUDGET, AND NARRATIVE

19 December 2023

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). The 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). TVC a 501c (3) entity founded in 1992, enlists and maintains its TVC National Volunteer Corps 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 free services performed for appellants in need.

In response to a request by the Court, 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 \$3,800,000 for FY 2025. Thirty-five thousand dollars (\$35,000) of this amount is assumed for the estimated LSC grant administration cost, and the remainder of this amount is for Program operations. TVC's grant fund requests for last year (FY 2024) and this request for FY2025 are reflective of an agreed upon plan with the Legal Services Commission to reduce the amount of TVC's accumulated funds from prior years. Through prudent management over several of years, TVC accumulated funds which, under TVC grant contract, were allowed to be carried forward up to a certain percentage of the grant value. Recently, the percentage allowed to be carried forward under TVC's contract was reduced from 40% of the then year grant to 10% of the grant which left TVC with an excess of accumulated funds. In accordance with the terms of TVC's grant contract, it was agreed with LSC that for FY 2024 and forward for the next few grant cycles, TVC would request grant amounts that were less than its projected budget. In FY 2024, TVC requested and received a \$3.0 million grant while its projected budget is approximately \$3.8 million which is expected to significantly reduce the excess accumulated funds balance. For FY 2025 (as further detailed herein) TVC is requesting a grant amount of \$3.8 million against a proposed budget for FY 2025 of approximately \$4.1 million. TVC expects to make one final grant request in the same manner for FY 2026 (final numbers will be presented in late 2024) which is expected to bring our accumulated funds balance within contractual limits.

The Program's proposed budget for FY 2025 is included herein. Like all other organizations, TVC has been directly impacted by increased inflation driven costs over the last few years and salary adjustments necessary to attract and retain necessary staff. On a related note, mission statistics herein are reported by the 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 2025.

**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 2023, volunteers across the U.S. participating in the Program provided *pro bono* legal and related professional services valued at more than \$5.8 million on behalf of appellants, and the annual value is a multiple of that amount when adding the calculated sum of lifetime care, benefits, and compensation regained by veterans and their loved ones.

As the Court is well aware, 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 latest annual report available, the number of new cases filed at the Court in FY 2022 decreased slightly over the previous year., likely due in large part to the slight decrease in final decisions issued by the Board of Veterans' Appeals (Board) during the same period. Based on the latest available data, the Board produced approximately 99,000 final decisions during FY 2022. Over the course of FY 2022, the Court averaged 680 appeals filed per month. The 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. There is no indication of any significant slowdown for TVC's activities in FY 2025.

The Court's most recent (FY 2022) publicly available annual report states that there were 7,344 appeals (excluding writs) filed with the Court, of which 17% 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. Over the past two years TVC has instituted, at the request of the Court, a "Rule 33" Program under which *pro se* litigants who have declined representation obtain limited representation up to the Rule 33 conference in a further effort to reduce the number of *pro se* litigants before the court. Since its inception in May 2021 the Rule 33 Program has provided representation for an additional 170 *pro se* litigants.

The Program sent offers of assistance to all *pro se* appellants (100%) with appeals at the Court in FY 2023. In response to requests for its services in FY 2023, Program staff attorneys screened 491 appellate cases, and placed 368 of these cases (75%) with *pro bono* attorneys (and sometimes an in-house staff attorney in special circumstances), while continuing to manage and support more than 80 active cases placed in FY 2023. 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 2,900 *pro se* appellant actions (letters, calls, emails) handled in FY 2023, and the Program anticipates even greater demand for Helpline services in FY 2025 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 3,000 veterans and their family members who were seeking information regarding the appeals process and directed to veteran's 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 PACT Act legislation may also be additive to the appellate caseload in FY 2024.

Select Federal Veterans Pro Bono Program Accomplishments in FY 2023

- Won 357 appellate cases for clients, a success rate in Court of nearly 86%.
- Trained 290 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 623 financially qualified veterans or their qualified family members, caregivers, and survivors, with free legal representation for their cases before the Court.
- Provided over 350 *pro se* appellants with information about their cases and other assistance after determining these cases could not be accepted for Program services.
- Handled over 6,200 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 2,900 Helpline actions (a 26% increase).

From FY 1992 to the present day, the Program has helped more than 68,000 veterans and their family members, caregivers, and survivors meet their challenges. A total of over 7300 volunteers have been trained in veterans' law, enabling more than 7000 federal appellate cases to be placed with pro bono attorneys, who have achieved a lifetime 83% 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****\$2,904,208**

A. TVC makes cost-effective decisions concerning the mix of in-house and contracted personnel and will continue to do so. Most of the 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 aid in any way possible. Salary and benefits for people performing daily services for the Program are paid from grant funds. This section addresses TVC employee costs only. Outside services are reflected in the Contract Services section herein.

Table TVC PERSONNEL AND FTE DISTRIBUTION		
Program Components	Total Number of TVC Personnel Providing Services to the Program	Total FTE to be Requested Under the Grant
	20	20
	FY2024	FY 2025
Executive Office.	4	4
Case Evaluation and Litigation	6	6
Volunteer Outreach, Education & Placement	3	3
Client Services	4	4
Communication and Development	3	3

Table A above shows the number of Full-Time Equivalents (FTE) to be paid out of grant funds in FY 2024 and FY 2025. It includes full-time, part time, and temp-to-perm personnel of The Veterans Consortium Pro Bono Program staff. A detailed description of Program Components follows.

B. Executive Office

The Executive Office consists of the Executive Director, Director Business Operations, Senior Director of the CAVC Practice Area and an Office Manager. The Executive Office manages all of TVC's activities, including those which are ongoing outside of the CAVC Grant. A portion of the appropriate salaries and expenses incurred that are related to non-CAVC activities are borne by other funding sources and are charged to those other funding sources as agreed upon with the Legal Services Corporation.

C. Case Evaluation & Litigation

This area is led by the Deputy Director of Case Evaluation and Litigation who reports directly to the Senior Director CAVC Practice area. The Deputy Director is supported by two Staff Attorneys and three Veteran Law Specialists. The Deputy Director is the litigation lead and conducts senior case screening/management duties, oversees litigation strategy and mentoring, while providing supervision to the area. The team reviews 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.

D. Volunteer Outreach, Education & Placement

This area is led by the Deputy Director of Volunteer Outreach, Education and Placement who reports directly to the Senior Director of CAVC Practice area. The Deputy Director is supported by two Program Coordinators. The team recruits and trains between 400 to 500 new volunteer attorneys and paralegals to help build the Court's bar and to grow the national capability and capacity in veteran's law. They focus on volunteer training and support as well as volunteer mentoring. In addition, this team takes all cases deemed to have legal merit from the Case Evaluation and Litigation team and places those cases with appropriate volunteer outside counsel. Activities range from working veterans outreach events, to conducting 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.

The Component also runs national outreach to law school clinical programs and prepares lessons learned, after action reports, and special legal analyses.

E. Client Services

This area is led by the Deputy Director of Client Services who reports directly to the Senior Director of the CAVC Practice Area and supported by a Paralegal and two Client Services Specialists. 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. The team tracks all Court actions affecting clients and attorneys and communicates status and monitors progress of cases. This team fields over 1,800 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.

F. Communication and Development

This area is led by the Director of Communications and Development and is supported by a Communications & Outreach Coordinator and a Marketing and Outreach Specialist. 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. This team also has primary responsibility for all fund-raising activities and events.

2. **Project Expenses** **\$555,500**

A. Travel	\$45,000
B. Equipment Rental & Telephone/Internet	\$52,500
C. Office Supplies & Communications & IT Software O&M	\$126,000
D. Online References & Continuing Education/Training	\$37,000
E. Volunteer Materials	\$45,000
F. Insurance, Dues, Fees, and Evaluation	\$220,000
G. Property Acquisition	\$10,000
TOTAL FY 2024 PROJECT EXPENSES:	\$555,520

A. Travel: We are anticipating a more normal travel environment for FY 2024 and these estimates are based on that assumption. 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 office equipment includes postage that the Program uses daily for communication. The repairs and maintenance allocation are 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 both space/banner fees/sponsorship fees at outreach events assuming: four large events, six mid-size events, and some smaller 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, 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 system 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 500 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-Footerlocker" project provides reference materials that the federal Veterans Pro Bono Program sends to law schools to help them start or maintain a veteran's 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, 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**

\$704,970

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 case management systems of record. 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 **\$337,000** is budgeted for back office and mission infrastructure services.

B. Rent: Rent in Washington, DC for federal Veterans Pro Bono Program office space, comprises about **\$192,970** of this category's costs (typically most organizations' largest expense after their personnel costs), which reflects the actual cost of newly entered into lease for next six years. This is a substantial reduction (25%) from the prior year's costs.

C. Subcontracts: The Pro Bono Program request includes funds for continuing support provided in FY 2024 by several subcontractors, comprising: (1) one for volunteer attorney Training and Support; (2) one for Direct Representation in exigent circumstances and for extremely complex medical issues; (3) one 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 2021 amount is **\$175,000**.

(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 mentoring support to volunteers with active cases. In FY 2020 and forward, these training and support services are now being provided on a per use basis, which is achieving cost savings over prior years.

(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 subcontractor will continue to offer these services in FY 2024 on a per use, cost-effective manner.

(3) **Surge Support**: Program staff requires outside surge support for case management functions. We employ cost-effective outsourcing of this function on an as needed basis and is paid for only to the extent it is used. This system has been in place and is functioning well.

(4) **Law School Clinical Programs**: To help build/sustain the Court's bar by increasing the number of veteran's law clinics at accredited law schools and/or enhancing efforts by Program partner law clinics providing representation, during FY 2024 the Program proposes to continue law clinic subgrants in the range of \$1,000 to \$10,000. 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 2025 Veterans Pro Bono Program Funding Requested

Personnel Expenses in 2025	\$2,904,208
Project Expenses in 2025	\$588,470
Third Party Transfers in 2025	\$704,970
Program Budget Sub-Total:	\$4,164,678
LSC Oversight Fee in 2025 (estimated)	\$35,000
TOTAL 2025 Program Budget + LSC Oversight	\$4,199,678
Less use of portion of Grant Funds Balance from prior years	\$399,678
TOTAL FY 2025 FUNDING REQUESTED	\$3,800,000

5. *Grant Funds Balance*

As stated earlier herein, TVC's grant fund requests for last year (FY 2024) and this request for FY2025 are reflective of an agreed upon plan with the Legal Services Commission to reduce the amount of TVC's accumulated funds from prior years. Through prudent management of a series of years, TVC accumulated funds which, under TVC grant contract, were allowed to be carried forward up to a certain percentage of the grant value. Recently, the percentage allowed to be carried forward under TVC's contract was reduced from 40% of the then year grant to 10% of the grant which left TVC with an excess of accumulated funds. In accordance with the terms of TVC's grant contract, it was agreed with LSC that for FY 2024 and forward for the next few grant cycles, TVC would request grant amounts that were less than its projected budget. In FY 2024, TVC requested and received a \$3.0 million grant while its projected budget is approximately \$3.8 million which is expected to significantly reduce the excess accumulated funds balance. For FY 2025 (as further detailed herein) TVC is requesting a grant amount of \$3.8 million against a proposed budget for FY 2025 of approximately \$4.1 million. TVC expects to make one final grant request in the same manner for FY 2026 (final numbers will be presented in late 2024) which is expected to bring our accumulated funds balance within contractual limits.

Tabled: LSC Grant Fund Balances

Grant funds balances as of 12/31/2022	\$1,050,000
Projected grant fund balance at 12/31/2023	\$1,250,000
Projected grant fund balance at 12/31/2024	\$850,000

6. **Non-Appropriated Funds (from Other Sources)**

TVC conducts several other activities including a Discharge Upgrade Program and various Veteran related clinics and programs that are ancillary to its support of appeals in the CAVC. In order to support those activities donations of funds are obtained from The Veterans Consortium's founding VSO member organizations, law firms, corporate legal departments, other organizations, foundations, and individual donors.

Table E: Non-Appropriated Funds (All Sources)

Total est. non-appropriated fund balance available at 12/31/2023 (unaudited)	\$2,370,240
plus Projected Contributions in CY 2024 plus interest**	\$510,000
minus Projected Expenses paid from non-appropriated funds in CY 2024	\$1,053,066
Projected non-appropriated fund balance at 12/31/2024	\$1,827,174