#### UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT Salaries and Expenses SUMMARY STATEMENT OF ACCOUNT REQUIREMENTS

	Mandatory	Discretionary	Total	
Total Fiscal Year 2021 Enacted Appropriation	\$3,168,000	\$33,500,000	\$36,668,000	
Total Fiscal Year 2022 Appropriation Request	\$3,216,000	\$34,280,000	\$37,496,000	
Total Requested Increase from Fiscal Year 2021 Enacted Appropriation	\$48,000	\$780,000	\$828,000	

#### **APPROPRIATION LANGUAGE**

#### UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

#### SALARIES AND EXPENSES

For salaries of officers and employees, and for necessary expenses of the court, as authorized by law, [\$33,500,000]*\$34,280,000*.

In addition, there are appropriated such sums as may be necessary under current law for the salaries of the chief judge and judges of the court.

(P.L. 116-260 - Financial Services and General Government Appropriations Act, 2021)

#### SUMMARY OF REQUEST COURT OF APPEALS FOR THE FEDERAL CIRCUIT SALARIES AND EXPENSES FISCAL YEAR 2022 (Dollar amounts in thousands)

Page <u>Fiscal Year 2022 Resource Requirements:</u>	M	landatory	Discreti	onary	<u>T</u>	<u>'otal</u>
<u>No.</u>	FTE	<u>Amount</u>	FTE	<u>Amount</u>	FTE	<u>Amount</u>
Fiscal Year 2021 Assumed Obligations	12	3,168	140	35,060	152	38,228
Utilization of Judiciary Information Technology Fund (including EPA) Balances		-		(1,560)		(1,560)
Fiscal Year 2021 Enacted Appropriation	12	3,168	140	33,500	152	36,668
Adjustments to Base to Maintain Current Services:						
A. Judges						
Pay and benefits adjustments						
2.9 1. Proposed 2022 pay adjustment (1.0% for nine months)		30	-	-	-	30
2.9 2. Annualization of 2021 pay adjustment (1.0% for three months)		10	-	-	-	10
2.9 3. Benefits increases						
a. Health benefits	-	4	-	-	-	4
b. FICA adjustment	-	4	-	-	-	4
B. Court Support Personnel						
Pay and benefits adjustments						
2.10       4. Proposed 2022 pay adjustment (1.0% for nine months)	_	_	_	128	_	128
2.10       4. Proposed 2022 pay adjustment (1.0% for three months)         2.10       5. Annualization of 2021 pay adjustment (1.0% for three months)		_	_	43	_	43
2.10     5. Frindalization of 2021 pay adjustment (1.070 for three months).       2.10     6. Promotions and within-grade increases.		_	_	188	_	188
2.10 0. Fromotions and within-grade increases	•• -	_		100		100
a. Health benefits	_	-	_	29	_	29
b. FICA adjustment		_	-	16	_	16
c. FERS adjustment		-	-	100	-	100

#### SUMMARY OF REQUEST COURT OF APPEALS FOR THE FEDERAL CIRCUIT SALARIES AND EXPENSES FISCAL YEAR 2022 (Dollar amounts in thousands)

Page	Ma	andatory	Discreti	onary	<u>T</u>	otal
<u>No.</u>	FTE	<u>Amount</u>	FTE	<u>Amount</u>	FTE	<u>Amount</u>
C. Other Adjustments						
General Inflationary Adjustments						
2.11 8. Inflationary increases in charges for contracts, services, supplies and equipment	-	-	-	131	-	131
2.11 9. GSA space rental increases and adjustments						
a. Inflationary increases in GSA space rental costs	-	-	-	440	-	440
b. GSA rent credit adjustment	-	-	-	(820)	-	(820)
2.12 10. Lawbooks and computer-assisted legal research (CALR)	-	-	-	25	-	25
Subtotal, Adjustments to Base to Maintain Current Services	-	48	-	280	-	328
Total Current Services Appropriation Required	12	3,216	140	33,780	152	36,996
D. Program Increase						
2.12 11. Upgrade of courthouse security equipment	-	-	-	500	-	500
Total Program Increases	-	-	-	500	-	500
Total Fiscal Year 2022 Appropriation Required	12	3,216	140	34,280	152	37,496
Total Appropriation Increase, Fiscal Year 2021 to Fiscal Year 2022	_	48	_	780	_	828
	-	-10	-	700	-	020
Financing the Fiscal Year 2022 Request:						
2.13 12. Utilization of Electronic Public Access Receipts and Judiciary Information						
Technology Fund	-	-	-	602	-	602
	<u> </u>	<u> </u>	·			
Total Estimated Obligations, Fiscal Year 2022	12	3,216	140	34,882	152	38.098
Total Estimated Obigations, Hstar Ftar 2022	12	5,210	140	54,002	152	20,070
		I		I		

#### UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT SALARIES AND EXPENSES

Obligations by Activity (\$000)						
	FY 2020	FY 2021	FY 2022			
Activity	Actual	Assumed	Request			
Total Obligations	35,794	38,228	38,098			
Unobligated Balance, Start of Year:						
Judiciary Information Technology Fund	(4,568)	(3,817)	(2,309)			
Deposits and Other Adjustments:						
Prior Year Recoveries Judiciary Information Technology Fund	(131)					
PACER Receipts	(8)	(52)	(52)			
Unobligated Balance, End of Year:						
Judiciary Information Technology Fund	3,817	2,309	1,759			
Subtotal, Other Obligations	(890)	(1,560)	(602)			
Direct Obligations	34,904	36,668	37,496			
Transfer to Defenders Services	625	)	- )			
Unobligated Balance, End of Year	288					
Appropriation Total	35,817	36,668	37,496			
Appropriation - Mandatory	3,117	3,168	3,216			
Appropriation - Discretionary	32,700	33,500	34,280			

Obligations	hy A	ativity	(@000)
	IIV A	<b>XCHIVHV</b>	1.50/00/07

		FY 2020	FY 2021	FY 2022
	Description	Actual	Assumed	Request
11	Personnel compensation	17,157	18,760	19,159
12	Personnel benefits	4,238	4,985	5,138
13	Benefits for former personnel	165	70	15
21	Travel	24	75	100
22	Transportation of things	21	93	37
23	Rent, communications and utilities			
	Rental payments to GSA	6,388	6,422	6,606
	Communications utilities & misc. charges	192	222	230
24	Printing and reproduction	0	10	10
25	Other services	5,917	5,199	4,991
26	Supplies and materials	128	155	160
31	Equipment	674	677	1,050
Dire	t Obligations	34,904	36,668	37,496
	Other Obligations (JITF and PACER Obligations)	890	1,560	602
Total	Obligations	35,794	38,228	38,098

# UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT Salaries & Expenses Relation of Direct Obligations to Outlays (\$000)

	FY 2020	FY 2021	FY 2022
	Actual	Assumed	Request
Direct obligations incurred	34,904	36,668	37,496
Obligated balance, start of year	6,046	3,928	6,560
Adjustments of prior year activity	131	0	0
Obligated balance, end of year	<u>(3,928)</u>	<u>(6,560)</u>	<u>(5,678)</u>
Total Outlays	37,153	34,036	38,378
Less Offsets	<u>(8)</u>	<u>(52)</u>	<u>(52)</u>
Net Outlays	37,145	33,984	38,326

# Personnel Summary

	FY 2020	FY 2021	FY 2022
	Actual	Assumed	Request
Total compensable workyears:			
Full-time equivalent employment	141	152	152

UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT SALARIES AND EXPENSES					
	Sur	nmary of Mandatory C	Costs		
	Fiscal Year 2021 Fiscal Year 2022				
	No. of Judgeships	Compensation and	No. of Judgeships	Compensation and	
		Benefits		Benefits	
		(\$000)		(\$000)	
Article III Judges	12	3,168	12	3,216	

### **GENERAL STATEMENT AND INFORMATION**

The United States Court of Appeals for the Federal Circuit, located in Washington, DC, has nationwide jurisdiction over a large number of diverse subject areas, such as appeals in all patent cases, all government contract cases, all international trade cases, government personnel cases, cases involving monetary claims against the United States under the Tucker Acts, veterans benefits cases, and many others.

Appeals to the court come from all 94 federal district courts, the United States Court of Federal Claims, the United States Court of International Trade, and the United States Court of Appeals for Veterans Claims. The court also takes appeals of certain administrative agencies' decisions, including the United States Merit Systems Protection Board, the Boards of Contract Appeals, the Patent Trial and Appeal Board, and the Trademark Trial and Appeal Board. Decisions of the United States International Trade Commission, the Office of Compliance, an independent agency in the Legislative Branch, and the Government Accountability Office Personnel Appeals Board also are reviewed by the court. For additional information on the court's jurisdiction, see the appendix beginning on page 2.15

#### COVID-19 Ramifications on Court Operations

Due to the COVID-19 pandemic, the Court of Appeals for the Federal Circuit closed to the public on March 16, 2020, and building access continues to be limited to essential staff. Since the Court has an extensive continuity of operations plan and employees are fully equipped to telework, the Court was able to switch quickly to a virtual posture and operate court remotely. Using the resources and technological solutions already in place, the Court successfully began conducting telephonic arguments within three weeks and without delay to the regularly scheduled court session in early April.

Since April 2020, Court hearings continue to be held telephonically. The Court has also used additional technology to enhance and expand both the portability and capacity of its telephonic argument process, successfully leveraging it to conduct remotely an *en banc* argument in October 2020. The Court continues to assess existing and emergent technologies to ensure that both court operations and oral arguments continue uninterrupted, despite the restrictions presented by the current pandemic environment.

COVID-19 has caused an increase in the Federal Circuit's operating expenses as the Court continues to implement measures in response to the pandemic, such as changes in HVAC operating schedules as well as enhanced and responsive sanitation efforts to ensure the safety of court personnel that require ongoing access to the building.

#### Court Continues to Serve as a Model of Operational Excellence

The Clerk's Office of the United States Court of Appeals for the Federal Circuit strives to be a model organization for the judiciary as well as for federal agencies across the country. In the wake of the Court receiving the W. Edwards Deming Award in late 2019, judiciary colleagues across the third branch have sought out the Federal Circuit's assistance in implementing programs created by the Court and in developing strategies to drive efficiencies and realize better utilization of available resources.

To date, 35 federal courts have reached out for additional information on the Federal Circuit's Clerk's Office case management training program, which reduces training time and increases docketing accuracy. The Clerk's Office continues to provide additional information and assistance to these courts, including sharing how the Court was able to leverage its existing technology to adapt its program for an all-virtual format after the start of the pandemic.

Clerk's Office representatives recently conducted a virtual presentation about the training program at the annual conference of the National Association for Court Management and will soon participate in a program on federal workforce innovations hosted by Graduate School USA, an independent educational institution based in Washington, DC, offering professional development and training courses for the federal government and the private sector. Finally, the Federal Circuit will resume work with the Federal Judicial Center on the creation of a video based on the Court's training initiative. Production of the video was paused as a result of the pandemic and will begin again once normal court operations resume. The video will be made available judiciary wide.

## FISCAL YEAR 2021 APPROPRIATION ASSUMPTION

The judiciary built the FY 2022 budget request for the Court of Appeals for the Federal Circuit on the enacted FY 2021 appropriation of \$33,500,000. For bill language, the judiciary used the language from P.L. 116-260, Financial Services and General Government Appropriations Act, 2021.

#### **Justification of Changes**

The FY 2022 request for the Court of Appeals for the Federal Circuit totals \$37,496,000. This request includes \$3,216,000 for mandatory expenses and \$34,280,000 for discretionary expenses. The discretionary request includes \$280,000 in adjustments to base necessary to maintain current services and one program increase of \$500,000 for a total discretionary spending increase of \$780,000. The discretionary request of \$34,280,000 is a 2.3 percent increase from the FY 2021 enacted appropriation amount of \$33,500,000.

Adjustments to base to maintain current services include funds for the following: increased salaries and benefits costs for judges and current staff as well as increased costs for required operating activities such as rent, postage, printing, office supplies, security, and computer-assisted legal research services. This request includes one program increase required for an essential upgrade of court security equipment. Justification for this program increase begins on page 2.12.

## ADJUSTMENTS TO BASE TO MAINTAIN CURRENT SERVICES

A. JUDGES

Pay and benefit adjustments

1. Proposed 2022 pay adjustment

#### Mandatory Increase: \$30,000

The judiciary is assuming federal pay rates will increase by 1.0 percent in January 2022. The requested increase provides for the cost of nine months of the anticipated pay adjustment in FY 2022, from January 2022 to September 2022. (If the pay adjustment included in the President's FY 2022 budget request is different from this 1.0 percent guidance, the judiciary will revise this line item in its FY 2022 budget re-estimate.)

#### 2. Annualization of 2021 pay adjustment

#### Mandatory Increase: \$10,000

The requested increase provides for the annualized costs of a 2021 Employment Cost Index pay adjustment. Based on the enacted FY 2021 appropriation, federal pay rates for judges increased by 1.0 percent, effective as of January 2021. The requested increase provides for the cost of three months (from October 2021 to December 2021) of the assumed 2021 pay increase in FY 2022.

#### 3. Benefits increase

a. Health benefits

#### Mandatory Increase: \$4,000

Based on information from the Office of Personnel Management, agency health benefit premium contributions are projected to increase by an average of 3.0 percent both in January 2021 and January 2022. The requested increase annualizes the 2021 premium increase and includes a ninemonth provision for an estimated 3.0 percent increase anticipated for FY 2022.

#### b. FICA adjustment

#### Mandatory Increase: \$4,000

Based on information from the Social Security Administration, employer contributions to the Old Age, Survivor, and Disability Insurance (OASDI) portion of the FICA tax will increase in 2021. The salary cap for OASDI increased from \$137,700 to \$142,800 in January 2021. The requested amount is needed to pay the agency's contribution in FY 2022.

#### **B. PERSONNEL**

Pay and Benefit Adjustments

4. Proposed 2022 pay adjustment

Requested Increase: \$128,000

The judiciary is assuming federal pay rates will increase by 1.0 percent in January 2022. The requested increase provides for the cost of nine months of the anticipated pay adjustment in FY 2022, from January 2022 to September 2022. (If the pay adjustment included in the President's FY 2022 budget request is different from this 1.0 percent guidance, the judiciary will revise this line item in its FY 2022 budget re-estimate.)

### 5. Annualization of 2021 pay adjustment

#### **Requested Increase: \$43,000**

The requested increase provides for the annualized costs of a 2021 Employment Cost Index pay adjustment for federal civilian workers. Based on the FY 2021 enacted appropriation, federal pay rates increased by 1.0 percent, effective as of January 2021. The requested increase provides for the cost of three months (from October 2021 to December 2021) of the 2021 pay increase in FY 2022.

#### 6. Promotions and within-grade increases

#### Requested Increase: \$188,000

The requested increase provides for promotions and withingrade increases for personnel. The salary plan for judicial support personnel provides for periodic within-grade increases for staff who receive at least a satisfactory performance rating.

### 7. Benefits increases

a. Health benefits

# Requested Increase: \$29,000

Based on information from the Office of Personnel Management, agency health benefit premium contributions are projected to increase by an average of 3.0 percent both in January 2021 and January 2022. The requested increase annualizes the 2021 premium increase and includes a ninemonth provision for an estimated 3.0 percent increase anticipated for FY 2022.

# b. FICA adjustment

# Requested Increase: \$16,000

Based on information from the Social Security Administration, employer contributions to the Old Age, Survivor, and Disability Insurance (OASDI) portion of the FICA tax will increase in 2021. The salary cap for OASDI increased from \$137,700 to \$142,800 in January 2021. The requested amount is needed to pay the agency contribution in FY 2022.

c. FERS adjustment

# Requested Increase: \$100,000

Consistent with guidance from the Office of Management and Budget, funds are requested for an increase in the agency contribution rate to Federal Employees Retirement System (FERS) plans for FY 2022. For most employees, the agency contribution rate will increase from 17.3 percent to 18.4 percent. Any FERS increase is in accordance with revised estimates of the cost of providing benefits by the Board of Actuaries of the Civil Service Retirement and Disability System.

# C. OTHER ADJUSTMENTS

# General Inflationary Adjustments

8. Inflationary increases in charges for contracts, services, supplies, and equipment

# Requested Increase: \$131,000

Consistent with guidance from the Office of Management and Budget, the requested increase is required to fund inflationary adjustments of 2.0 percent for operating expenses such as travel, communications, printing, contractual services, supplies and materials, and furniture and equipment.

- 9. GSA Space Rental Increases and Adjustments
  - a. Inflationary increases and adjustments in the cost of GSA space rental

# Requested Increase: \$440,000

This request represents an inflationary increase and adjustments in the cost of GSA space rental charges for space occupied by the court for FY 2022 based on a rent estimate provided by GSA.

#### b. GSA Rent Credit Adjustment

#### Requested Decrease: (\$820,000)

In February 2021, the Federal Circuit Court entered into a new occupancy agreement on off-site space leased from a commercial lessor and occupied by senior judges of the Federal Circuit. GSA negotiates with commercial lessors on behalf of the judiciary for rental terms in lease agreements. GSA works directly with leasing offerors and makes awards based on terms that are most financially beneficial to the government. Some solicitations also consider trade-offs between price and other factors such as free rent credits. Specific to this lease, GSA negotiated with the lessor that a free rent credit in the total amount of \$2,906,170 would be an upfront savings to the government rather than prorated over the full term of the lease.

The terms of the new lease offer the government 30 full months and one partial month of free rent until the total rent credit is exhausted in the 31<sup>st</sup> month of the new occupancy agreement, September 2023. The occupancy agreement establishes that GSA will resume full annual rent collection on the space at an increased annualized amount of \$1,255,964 with the start of FY 2024. The requested decrease represents the amount of rent that will not have to be paid on the rental space in FY 2022.

# 10. Law books and computer-assisted legal research (CALR)

#### Requested Increase: \$25,000

An adjustment of \$15,000 is requested to fund an estimated 5.0 percent increase in the cost of library services, including law book accessions and continuations, and an adjustment of \$10,000 is requested to fund an estimated 4.0 percent increase in the cost of computer-assisted legal research resources.

# **D. PROGRAM INCREASE**

## 11. Upgrade of courthouse security equipment

## **Requested Increase: \$500,000**

The judiciary depends on court security officers and reliable security equipment to keep judicial officers, staff, and the public safe and secure. As part of the nationwide initiative for the U.S. Marshals Service (USMS) to update physical access control systems (PACS) in courthouses (see Court Security chapter, page 7.12 for additional information), the USMS reevaluated security equipment within the PACS in the Howard T. Markey National Courts Building (NCB), which houses both the United States Court of Appeals for the Federal Circuit and the United States Court of Federal Claims. The last time such an assessment and overhaul of security equipment occurred in the NCB was more than 20 years ago. The USMS recommends now a crucial cyclical replacement and installation of improved security equipment in the NCB.

Vast improvements in technology make an upgrade at NCB long overdue. There have been piecemeal upgrades to courtoccupied space over the past few years, but a comprehensive, centralized critical infrastructure is needed. This holistic approach to a facility-wide upgrade is essential to the success of the project in the near term and system maintenance in the longer term.

The USMS, through the judiciary's Court Security appropriation, will address the security equipment upgrade for the areas of the NCB occupied by the United States Court of Federal Claims.

Security upgrades in the spaces within the NCB occupied solely by the Federal Circuit must be paid for by the Federal Circuit. Security upgrades that will be funded by this request include: an upgrade to and integration of PACS; installation and integration of new cameras for improved closed-circuit video system surveillance; installation and integration of an improved duress alarm system; improvements to the intrusion detection system within the building complex; and enhanced entry control devices for chambers and other controlled spaces.

The funds requested by the Federal Circuit will pay to have all the new security elements it purchases integrated into the renovated USMS Command Center equipment. Requested funds will ensure that the Federal Circuit's new security elements function and are maintained within the same unified structure overseen by the USMS. This integration is vital to the security of the entire NCB complex.

In addition, the USMS will make recommendations about how perimeter security at the NCB complex can be improved (including the replacement of wedge barriers at the loading access point and garage entry). These perimeter security measures will also integrate with upgraded systems in the PACS upgrade project.

#### FINANCING THE FISCAL YEAR 2022 REQUEST

12. Utilization of Electronic Public Access Receipts and Judiciary Information Technology Fund

Estimated obligation of available balance from Judiciary Information Technology Fund and Electronic Public Access Receipts: \$602,000

The court anticipates obligating \$52,000 of Electronic Public Access receipts in FY 2022. These funds will be used for various expenditures to improve electronic access to court information and services for the public.

The court also anticipates obligating \$550,000 from the Judiciary Information Technology Fund in FY 2022. This amount reflects all required cyclical replacements (including

the cyclical replacement of the court's network printers used by chambers and staff, and telecommunications devices for staff use); Virtual Desktop Infrastructure (VDI) hardware and software, as a continuation of the VDI project; and contract services related to supporting Microsoft O365 and Customer Relationship Management (CRM) software for use within the Clerk's Office and other departments. It also includes renewal of software licenses such as Office 365 and IT equipment maintenance expenses.

#### APPENDIX

The following is a more complete listing of the Federal Circuit's jurisdiction. It hears appeals from: (A) final decisions of all Federal District Courts in cases arising under 28 U.S.C. § 1338(a) relating to patent laws generally; 35 U.S.C. §§ 145-146 and 154(b) relating to review of decisions of the Patent and Trademark Office, Patent Trial and Appeal Board; 28 U.S.C. § 1346(a)(2) relating to Little Tucker Act claims against the United States; and section 211 of the Economic Stabilization Act of 1970, section 5 of the Emergency Petroleum Allocation Act of 1973, section 506 (c) of the Natural Gas Policy Act of 1978, and section 523 of the Energy Policy and Conservation Act relating to all statutes formerly under the jurisdiction of the Temporary Emergency Court of Appeals;

**(B)** final decisions of the United States Court of International Trade, 28 U.S.C. § 2645(c);

(C) final decisions of the United States Court of Appeals for Veterans Claims, 38 U.S.C. § 7292;

**(D)** final decisions of the United States Court of Federal Claims, 28 U.S.C. § 2522 and 42 U.S.C. §§ 300aa - 12(f);

(E) certain final decisions of the High Court of the Trust Territory of the Pacific Islands, 48 U.S.C. § 1901, note and § 1931, note (1988) (Compact of Free Association; Federated States of Micronesia, Republic of Marshall Islands, TITLE II, Title One, Article VII, § 174(c)); (F) final determinations of the United States International Trade Commission relating to unfair practices in import trade made under 19 U.S.C. § 1337;

(G) findings of the Secretary of Commerce under U.S. note 6 to subchapter X of chapter 98 of the Harmonized Tariff Schedule of the United States relating to importation of educational or scientific instruments and apparatus;
(H) final orders or decisions of the Merit Systems Protection Board and certain arbitrators, 5 U.S.C. § 7703;

(I) final decisions of the General Accounting Office Personnel Appeals Board, 31 U.S.C. § 755;

(J) final decisions of Boards of Contract Appeals, 41 U.S.C. § 7107(a)(1);

(K) final decisions of the Patent and Trademark Office tribunals on, among other things, patent applications, trademark applications and interferences, cancellations, concurrent use proceedings, and oppositions, 35 U.S.C. § 141 and 15 U.S.C. § 1071;

(L) appeals under section 71 of the Plant Variety Protection Act of 1970, 7 U.S.C. § 2461;

(M) certain actions of the Secretary of Veterans Affairs, 38 U.S.C. § 502;

**(N)** decisions of the Bureau of Justice Assistance, 42 U.S.C. § 3796c-2;

**(O)** certain actions of the Board of Directors of the Office of Compliance of the U.S. Congress under 2 U.S.C. § 1407(a); and

**(P)** final decisions of certain agencies pursuant to 28 U.S.C. § 1296.

Pursuant to 28 U.S.C. § 1292(c), the Federal Circuit also has exclusive jurisdiction regarding:

- a. appealable interlocutory orders or decrees in cases where the court would otherwise have jurisdiction over an appeal; and
- b. appeals from judgments in civil actions for patent infringement otherwise appealable to the court and final except for accounting.

Under the provisions of 28 U.S.C. § 1292(d), the court:

- has exclusive jurisdiction of appeals from interlocutory orders granting or denying, in whole or in part, a motion to transfer an action to the Court of Federal Claims; and
- b. may, in its discretion, permit an appeal from an interlocutory order of a judge who certifies that there is a controlling question of law and a substantial ground for difference of opinion thereon, and that an immediate appeal may materially advance the ultimate termination of the litigation.