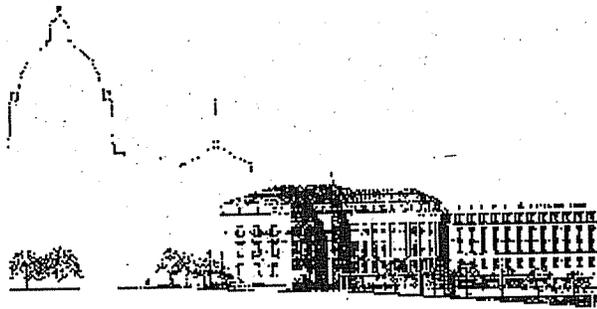


State of Minnesota

Board
of
Continuing Legal Education



**ANNUAL REPORT
CALENDAR YEAR 2005**

MINNESOTA BOARD OF CONTINUING LEGAL EDUCATION ANNUAL REPORT: 2005

The Minnesota Board of Continuing Legal Education (Board) administers the process by which Minnesota attorneys report compliance with their continuing legal education (CLE) obligation. The Board reviews and accredits CLE courses, and ensures that those attorneys who fail to meet CLE compliance requirements are removed from the roll of attorneys authorized to practice law in Minnesota. Under the Rules of the Minnesota State Board of Continuing Legal Education (Rules), Minnesota attorneys with "active" licenses are required to attend and report at least 45 hours of accredited CLE courses every three years. This report of the Board recaps the activities of the Board for calendar year 2005.

I. ATTORNEY COMPLIANCE

In 2005, 6,582 Minnesota attorneys (one-third of all active attorneys) were required to report CLE compliance. These actions were taken with respect to those 6,582 attorneys:

- 5,927 attorneys met CLE compliance requirements;
- 289 attorneys were granted time extensions in order to complete their requirements while continuing in compliance pending completion;
- 204 attorneys were transferred to *voluntary* restricted status in lieu of completing CLE requirements; and
- 162 attorneys were placed on *involuntary* restricted status by order of the Minnesota Supreme Court for failing to complete CLE requirements.

Excluding the 289 attorneys whose compliance report is pending, slightly more than 96% of all Minnesota attorneys complied with CLE requirements for the year. Although this is a 1% drop from the 2004 compliance rate of 97%, it is a slight increase over prior years' compliance rates which have averaged around 95%.

Attorneys who continue to be out of compliance after the reporting deadline receive a notice of non-compliance advising them that they have thirty (30) days in which to come into compliance by (1) completing their course work, (2) requesting an extension of time to report, (3) requesting to be placed on voluntary restricted status, or (4) requesting a hearing before the Board. In calendar year 2005, 162 attorneys were placed on involuntary restricted status for failure to comply. None asked for a hearing or otherwise challenged the proposed action.

II. COURSE REVIEW

CLE staff members review each course accreditation application to verify faculty qualifications and to determine whether the course content meets the standards for approval set out in Rule 5 of the Rules.

In 2005, the staff made 7,752 dispositions of course accreditation requests. Table 1 shows course accreditation dispositions, and compares those dispositions to prior years:

Table 1: Course Review Summary

	1999	2000	2001	2002	2003	2004	2005
Approved Courses	4,948	4,876	5,856	6,102	6,341	7,225	7,663
Disapproved Courses	299	137	104	146	127	147	89
Total Courses Reviewed	5,247	5,013	5,960	6,248	6,468	7,372	7,752

The number of courses reviewed in 2005 is the highest number in any year and represents a 5% increase over the number of accreditation decisions made in 2004. Although the number of outright denials of courses is few, many courses in the "approved" category were approved for fewer hours than originally requested. Courses in the special requirement categories of "elimination of bias" and "ethics" are reviewed closely because course applications in these two areas frequently are not in compliance with rule requirements.

In 2003, the Rules were amended to permit CLE credit for courses in a newly defined area called "professional development." The rule defined a professional development course as:

A course or session within a course designed to enhance the development and performance of lawyers by addressing issues such as career satisfaction and renewal, stress management, mental or emotional health, substance abuse, and gambling addiction. Professional development courses do not include individual or group therapy sessions.

A course is approved as professional development if the subject matter is applicable to lawyers and the program is designed to "enhance the development and performance of lawyers." Since the 2003 rule adoption, 246 courses have been approved for professional development credit. A full report on professional

development and its impact on CLE in Minnesota will be submitted to the Supreme Court in February 2007.

III. FUNDING

Board revenues are generated from Attorney Registration fees, late filing fees, attorney reinstatement fees, and course accreditation fees. In calendar year 2005, the Board received \$434,703 in fees. Table 2 presents a breakdown of the fees received in calendar years 2002, 2003, 2004 and 2005.

Table 2: CLE Receipts for Calendar Year 2002-2005

Fee	2002	2003	2004	2005
Attorney Registration fees	\$232,013	\$164,693	\$196,141	\$192,932
Late affidavit filing fees	\$36,700	\$23,675	\$36,000	\$33,150
Reinstatement fees	\$9,325	\$13,600	\$11,075	\$11,700
Course accreditation fees	\$154,980	\$168,560	\$196,625	\$196,921
Total	\$433,018	\$370,528	\$439,841	\$434,703

Total revenue in 2005 decreased compared to 2004 revenues because the Attorney Registration Rules were amended to reduce the CLE Board's allocation. The Board projects that it will receive adequate revenue from its existing funding sources in the foreseeable future.

IV. RULE AMENDMENTS

As referenced in part II above, the Court amended the CLE Rules in 2003 to permit accreditation of courses related to attorneys' professional development. As of December 31, 2005, the Board had approved some or all of seventy-three (73) courses as professional development. Additional information concerning the frequency of attendance at professional development courses and additional detail concerning the types of courses approved will be available in the 2006 report.

V. CLE INFORMATION SYSTEM

The staff continues to work with an outside information system vendor to modify the existing CLE computer system and to launch a web-based application, which

will enable attorneys to report CLE compliance online. The first version of the system, Online Attorney and Sponsor Integrated System (OASIS), was completed in December 2004. Internal and external testing was conducted in January and February 2005 with a "go-live" date of March 15, 2005. The go-live date was 90 days before the CLE completion date of June 30 and five months before the August 30 final filing deadline for category 3 attorneys reporting CLE compliance in 2005. Initially, a sub-group of attorneys was invited to use the system. Because the system was operating as planned, a short time later the entire category 3 cohort of attorneys was invited to use the online system. Of those category 3 attorneys, 47% used OASIS to some degree in reporting compliance. The system has been well received. Many attorneys say they find the system easy to navigate and helpful in tracking their CLE progress and status. One benefit of the system is that it permits attorneys to record and report their CLE credits throughout the three-year cycle.

The sponsor reporting portion (Phase II) is planned for development and rollout in FY07. This segment of the project will be designed to permit course sponsors to submit application forms and at least some portion of the supporting materials online. We also expect to include online payment capability in Phase II.

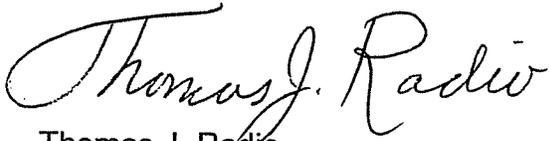
Minnesota-licensed attorneys are able to access their CLE records at any time to determine what type and number of CLE credits they have completed during the reporting period. The implementation of this web-based system has had a favorable impact on office efficiency. With the increase in attorneys and courses, the current staff of 2.75 has struggled to complete the annual reporting cycle in a timely manner. The OASIS system allows attorneys to enter the courses they attend, find out how many hours they have yet to complete, and locate future courses that they might want to attend. As a result, staff members have fewer phone calls to field and more time to better serve the attorneys and sponsors who need assistance or information. Attorneys are better able to plan their CLE attendance in advance of the deadline. This will reduce the number of attorneys who rush to complete their CLE requirements at the end of the reporting cycle and will lower the number of extension requests.

VI. CONCLUSION

CLE compliance by members of the bar in Minnesota continues to be very high. The initial stages of the online CLE affidavit filing have gone well. All attorneys now have the ability to file online. The Board continues to operate with a significant fund balance due to revenues being generated by the course accreditation fees and by Attorney Registration fees. The Board looks forward to completing the next phase of the OASIS system, which will be the online sponsor filing segment of the project.

Respectfully submitted,

MINNESOTA BOARD OF CONTINUING LEGAL EDUCATION



Thomas J. Radio
Chair



Margaret Fuller Corneille
Director

Date: *December 18, 2006*

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