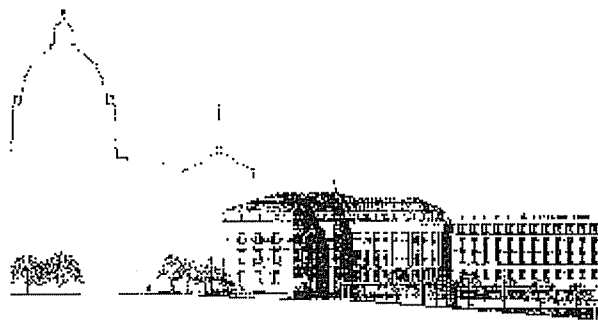


State of Minnesota

Board
of
Continuing Legal Education



**ANNUAL REPORT
CALENDAR YEAR 2008**

MINNESOTA BOARD OF CONTINUING LEGAL EDUCATION ANNUAL REPORT: 2008

The Minnesota Board of Continuing Legal Education (Board) administers the process by which Minnesota lawyers are required to comply with their continuing legal education (CLE) obligations. The Board reviews and accredits CLE courses in accordance with the course approval requirements set forth in the Rules of the Minnesota State Board of Continuing Legal Education (CLE Rules). The Board ensures that those lawyers who fail to comply with CLE requirements are removed from the list of lawyers on CLE active status who are authorized to practice law in Minnesota.

I. LAWYER COMPLIANCE

Under the Rules, in order to maintain an “active” license, all Minnesota lawyers are required to attend and report at least 45 hours of accredited CLE courses every three years, including three credit hours of Ethics and Professional Responsibility and two credit hours of Elimination of Bias. Active lawyers are assigned to one of three reporting categories, based on the year the lawyer was admitted to the Bar. In 2008, 6,313 Minnesota “category 3” lawyers were required to report their CLE compliance.

The reporting period for a lawyer due to report in 2008 was July 1, 2005 through June 30, 2008. Lawyers have 60 days after the reporting period ends to submit their Affidavit of CLE Compliance or to report their record of course attendance using the Board’s Online Attorney and Sponsor Integrated System (OASIS). If a lawyer is not able to meet that deadline, the lawyer may request an extension. A lawyer who does not practice law in Minnesota may also request that his or her license be transferred to restricted status. The office of the CLE Board sends warning letters to any lawyer who fails to report his CLE attendance by the reporting deadline. In 2008, the office sent warning letters to 714 category 3 lawyers advising that they must report their attendance, request an extension of time in which to report, or request restricted status.

If a lawyer does not respond to the warning letter, the office sends the lawyer a Notice of Non-Compliance which gives the lawyer 30 days to 1) complete his or her coursework; 2) request an extension; 3) request to be placed on voluntary restricted status; or 4) request a hearing before the Board. If the lawyer does not take one of those four actions, the Board will request that the Court place the lawyer’s license on involuntary restricted status. Lawyers who are on involuntary restricted status are not in good standing and may not practice law until they satisfy their CLE deficiencies, and request that the Court issue an order returning their license to active status.

Notices of Non-Compliance are generally sent in the calendar year following the reporting year. The attorneys due to report in 2008, will be sent Notices of Non-Compliance in 2009. In 2008, 240 of the 6,994 category 2 lawyers due to report in 2007, received notices of non-compliance and 137 lawyers were eventually placed on involuntary restricted status by Order of the Minnesota Supreme Court. Only 2% of all Minnesota lawyers due to report in 2007 were placed on involuntary status in 2008 for failure to comply with their 2007 reporting requirements, the same rate as 2005, 2006, and 2007.

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. Staff reviewed 11,249 course applications 2008. Table 1 below shows that in recent years the number of course applications continues to increase steadily. The 2008 application numbers are the highest ever reviewed and represent a 16% increase over the number of courses reviewed in 2007.

Table 1: Course Review Summary

	2002	2003	2004	2005	2006	2007	2008
Approved Courses	6,102	6,341	7,225	7,663	8,649	9,192	10,949
Disapproved Courses	146	127	147	89	119	201	300
Total Courses Reviewed	6,248	6,468	7,372	7,752	8,768	9,393	11, 249

Courses in the special categories of "elimination of bias" and "ethics" are reviewed closely to ensure compliance with rule requirements. In addition to ethics and elimination of bias, there are 3 other types of CLE credit: standard, law office management, and professional development. Each course is reviewed on a segment by segment basis to determine whether or not it meets one or more of the 5 CLE credit types. In 2008, 1,983 courses had at least one qualifying segment that was approved as ethics credit and 352 courses contained at least one segment qualifying for elimination of bias credit.

III. MINNESOTA STATE BAR ASSOCIATION'S REQUEST FOR AMENDMENT TO RULE 6 OF THE BOARD'S RULES

In June 2007, the Minnesota State Bar Association (MSBA) filed a Petition with the Court to amend the Board's Rules to allow limited CLE credit for pro bono participation. The Board filed a response with the Court taking a neutral position on the merits, but suggesting that the language proposed by the MSBA might be difficult to effectively administer. On January 31, 2008, the Court issued an Order, effective July 1, 2008, allowing Minnesota lawyers to claim 1 standard CLE credit for every 6 hours of pro bono work performed for "approved legal service providers," up to a total of 6 CLE credits per 3-year reporting period. Initially, the Order limited approved legal services providers to organizations funded by Legal Services Corporation and the Minnesota Children's Law Center. In April 2008, the Court sought comment on the Rule to determine if the scope should be expanded. On June 30, 2008, the Court adopted an amended Rule, effective on July 1, 2008, which expands the definition of "approved legal services provider" to organizations funded by the Legal Services Corporation, the Minnesota Legal Services Advisory Committee, or the Minnesota Lawyer Trust Account Board (LTAB) or designated by LTAB to qualify as an approved legal services provider. As of December 31, 2008, the Board had received 6 Affidavits of Pro Bono Representation qualifying for credit under the Rule, seeking on average 2 credits for the pro bono work provided. Four affidavits stated that the type of representation was in family law, 1 was in immigration, and 1 was juvenile law.

IV. FUNDING

Board revenues are generated entirely from Lawyer Registration fees, lawyer late filing fees, lawyer reinstatement fees, and course application fees. In calendar year 2008, the Board received \$507,042 in fee-generated revenue. Table 2 presents a breakdown of the fees received in 2008 compared to the past four calendar years.

Table 2: CLE Receipts for Calendar Years 2005-2008

Fee	2005	2006	2007	2008
Lawyer Registration fees	\$192,932	\$186,899	\$208,929	\$166,352
Late affidavit filing fees	\$33,150	\$42,250	\$34,375	\$46,150
Reinstatement fees	\$11,700	\$12,875	\$19,100	\$13,875
Course accreditation fees	\$196,921	\$215,220	\$247,905	\$280,665
Total	\$434,703	\$457,244	\$510,309	\$507,042

Total revenue in 2008 decreased slightly compared to 2007 due to a decrease in the lawyer registration fee. In 2007, the Board petitioned the Court for a decrease in CLE's allocation from the Lawyer Registration fee from \$8 to \$6 per lawyer. The Court granted the Board's Petition effective January 1, 2008. Although the amount the Board received from Lawyer Registration fees decreased by \$42,577 in 2008 compared to 2007, the amount the Board received from accreditation fees increased by \$32,760 in the same period. The Board receives a \$35 application fee for each course that is more than 60 minutes in length and that is not a video replay. The late filing fees also increased approximately 25% in 2008. This resulted in a decrease of less than 1% of the overall revenue received in 2008 compared to 2007. The Board expects to receive adequate revenue from its existing funding sources in the foreseeable future.

V. CLE INFORMATION SYSTEM

The CLE office continues to enhance its web-based information system that enables lawyers to report CLE compliance online. The first phase of the system, Online Attorney and Sponsor Integrated System (OASIS), was completed in December 2004. The system has been well received among members of the Minnesota bar and has reduced the number of paper affidavits filed by lawyers. At the end of 2008, 15,373 lawyers, 63% of all Minnesota lawyers, have set up their accounts on OASIS.

Using OASIS, Minnesota-licensed lawyers are able to access their CLE records at any time, enter the courses they have attended, determine the type and number of CLE credits they have completed during the reporting period, and calculate the type and number of courses they have yet to complete. OASIS also gives lawyers the ability to locate future courses that they might want to attend. As a result, lawyers are better able to plan their CLE attendance in advance of the deadline and CLE office staff is better able to serve lawyers and course sponsors in need of assistance or information.

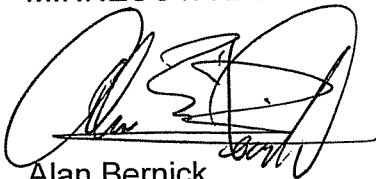
The sponsor reporting portion of OASIS (Phase II) is near completion and will be rolled out in FY09. This segment of the project is designed to permit course sponsors to submit application forms and supporting materials online. Sponsors will be able to enter all course application information directly into OASIS, attach documentation, pay fees, and later review application status and accreditation decisions. Initially, the online payment capability within Phase II will permit payment of course accreditation fees only. The next phase of the project will give lawyers the capability to pay late filing fees and course application fees online. OASIS will reduce the staff time now devoted to manually entering and accounting for course and fee payments, thereby saving costs and increasing office efficiency.

VI. CONCLUSION

The Board continues to operate with an adequate fund balance generated by the course accreditation fees and by Lawyer Registration fees. As the number of course approval requests increases, the Board looks forward to completing the next phase of the OASIS system so that sponsors may submit applications and pay fees electronically. This phase will also permit the Board staff to receive and make course approval decisions electronically.

Respectfully submitted,

MINNESOTA BOARD OF CONTINUING LEGAL EDUCATION



Alan Bernick
Chair



Margaret Fuller Corneille
Director

Date: 4-17-09