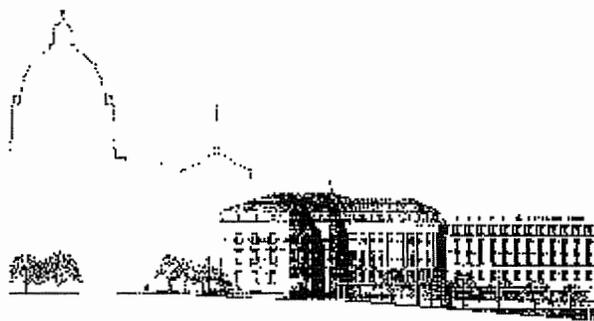


State of Minnesota

Board
of
Continuing Legal Education



**ANNUAL REPORT
CALENDAR YEAR 2009**

MINNESOTA BOARD OF CONTINUING LEGAL EDUCATION ANNUAL REPORT: 2009

The Minnesota Board of Continuing Legal Education (Board) is appointed by the Minnesota Supreme Court for the purpose of overseeing the process by which Minnesota licensed lawyers are required to comply with continuing legal education (CLE) requirements. The CLE office also ensures that lawyers who fail to comply with the CLE requirements are removed from the list of lawyers who are authorized to practice law in Minnesota. The office of 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).

I. LAWYER COMPLIANCE

Under the CLE Rules, in order to maintain an “active” license, each Minnesota lawyer is 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 (“Ethics”) and two credit hours of Elimination of Bias. Each lawyer is assigned to reporting categories, “1”, “2”, or “3”, based on the year the lawyer was admitted to the Bar. In 2009, 6,785 Minnesota “category 1” lawyers were required to report CLE compliance.

Lawyers have 60 days after the 3-year reporting period ends to submit the Affidavit of CLE Compliance or to report course attendance. Lawyers may report by 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 a short extension. A lawyer who does not practice law in Minnesota may also request that the lawyer’s license be transferred to “CLE restricted status”. The office of the CLE Board sends warning letters to any lawyer who fails to report CLE attendance by the reporting deadline. In October 2009, the office sent warning letters to 649 category 1 lawyers advising that they must report their attendance, request an extension of time in which to report, or request CLE restricted status.

If a lawyer does not respond to the warning letter or fails to meet any extensions granted, 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 the CLE deficiencies, and request that the Court issue an order returning the license to active status.

A total of 261 Notices of Non-Compliance were sent in November 2009 to category 1 lawyers. Advances in office technology permitted the staff to send these Non-Compliance letters earlier in the year compared to prior years.

In January of 2009, 248 of the 6,313 category 3 lawyers received notices of non-compliance for failure to comply with the reporting requirements for the 2005-2008 reporting period. The percentage of Minnesota lawyers placed on involuntary status for failure to comply with the reporting requirement in the 2005-2008 reporting period was 2.5%, a slight increase over the 2% rate in 2004-2007.

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 CLE Rule 5. Staff reviewed a record 11,518 course applications during 2009.

Table 1 below shows that in recent years the number of course applications has continued to increase steadily, although the slight increase in 2009 suggests that the number of applications may be leveling off. The 2009 application numbers are the highest ever reviewed, but represent only a 2.3% increase over the number of courses reviewed in 2008.

Table 1: Course Review Summary

	2003	2004	2005	2006	2007	2008	2009
Approved Courses	6,341	7,225	7,663	7,752	9,192	10,949	11,174
Disapproved Courses	127	147	89	119	201	300	344
Total Courses Reviewed	6,468	7,372	7,752	8,768	9,393	11,249	11,518

Courses in the special categories of “elimination of bias” and “ethics” are reviewed closely to ensure compliance with rule requirements. Of the courses reviewed in 2009, 2,289 had at least one segment that qualified for ethics credit and 404 had at least one segment qualifying for elimination of bias credit. In addition to ethics and elimination of bias, there are three 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 it meets one or more of the five CLE credit types.

III. RULE 6D – CREDIT FOR PRO BONO PARTICIPATION

Since July 1, 2008, Minnesota lawyers have the ability to claim one standard CLE credit for every six hours of pro bono work performed for “approved legal service providers,” up to a total of six CLE credits per 3-year reporting period. An approved legal services provider is defined as an organization 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. In 2009, 83 lawyers claimed a total of 347.75 credits for providing more than 2,087 hours of pro bono services.

IV. FUNDING

Board revenues are generated from Lawyer Registration fees, lawyer late filing fees, lawyer reinstatement fees, and course application fees. In calendar year 2009, the Board received \$503,913 in fee-generated revenue. Table 2 presents a breakdown of the fees received in 2009 compared to the past four calendar years.

Table 2: CLE Receipts for Calendar Years 2006-2009

Fee	2006	2007	2008¹	2009
Lawyer Registration fees	\$186,899	\$208,929	\$166,352	\$162,728
Late affidavit filing fees	\$42,250	\$34,375	\$46,150	\$44,750
Reinstatement fees	\$12,875	\$19,100	\$13,875	\$16,725
Course accreditation fees	\$215,220	\$247,905	\$280,665	\$279,710
Total	\$457,244	\$510,309	\$507,042	\$503,913

Total revenue in 2009 decreased slightly compared to 2008. This decrease was mainly due to slight decreases in lawyer registration fees and late affidavit filing fees. Course accreditation fees were consistent with prior years. 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. Late and reinstatement fees as a combined total increased by approximately 2% in 2009. Overall, 2009 revenue decreased

¹ Effective January 1, 2008, the allocation amount received from Lawyer Registration decreased from \$8 to \$6 per attorney. This decrease explains the significant decrease in revenue from Lawyer Registration fees between 2007 and 2008.

less than 1% compared to 2008. 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, called the 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 2009, 18,643 lawyers, 75% of all Minnesota lawyers, had set up 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 members are better able to serve lawyers and course sponsors in need of assistance or information.

The sponsor reporting portion of OASIS (Phase II) was near completion at the end of 2009 and poised for an early 2010 roll out. 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 course sponsors to pay course accreditation fees online. The next phase of the project will give lawyers the capability to pay late filing fees and course application fees online. OASIS reduces staff time required to manually enter courses 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. CLE compliance among attorneys continues at a very high rate. The new pro bono rule was used by 83 lawyers who are providing pro bono services to indigent clients. Course approval requests continue to increase.

The Board looks forward to further system developments that will facilitate on line course applications, electronic CLE reporting and electronic payment of fees, all of which will promote efficiencies in the CLE office.

Respectfully submitted,

MINNESOTA BOARD OF CONTINUING LEGAL EDUCATION

A large, stylized handwritten signature in black ink, appearing to read "Alan Bernick".

Alan Bernick
Chair

A handwritten signature in black ink, appearing to read "Margaret Fuller Corneille".

Margaret Fuller Corneille
Director

Date: 7-29-10