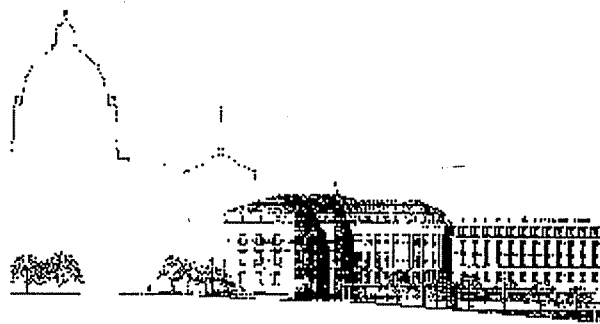


State of Minnesota

**Board
of
Continuing Legal Education**



**ANNUAL REPORT
CALENDAR YEAR 2010**

MINNESOTA BOARD OF CONTINUING LEGAL EDUCATION ANNUAL REPORT: 2010

The Minnesota Board of Continuing Legal Education (Board) is appointed by the Minnesota Supreme Court to oversee and administer Minnesota-licensed lawyers' compliance 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 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 2010, 7,290 Minnesota "category 2" lawyers were required to report CLE compliance.

Lawyers must report course attendance by August 31 following the close of the final year of the 3-year reporting period. Lawyers may report attendance by using the Board's Online Attorney and Sponsor Integrated System (OASIS) or by filing an Affidavit of CLE Compliance. Effective July 1, 2010, the Rules require lawyers who file an Affidavit of CLE Compliance to pay a \$10 processing fee. Lawyers who submit course work through OASIS pay no processing fee.

If a lawyer is not able to meet the reporting deadline, the lawyer may request a short extension. Lawyers who file after the reporting deadline must also submit a late filing fee of \$75.00. A lawyer who does not practice law in Minnesota may 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 2010, the office sent warning letters to 555 Category 2 lawyers advising that they must report their attendance, request an extension of time in which to report, or request CLE restricted status. This is a significant decrease from the 649 warning letters which were sent in October 2009. It appears that the OASIS reporting system is assisting lawyers to be timely in reporting their CLE attendance.

The CLE Board office sends a Notice of Non-Compliance to any lawyer who does not respond to a warning letter. The lawyer has 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. In January 2010, the licenses of 159 Category 3 lawyers were placed on involuntary status for failure to comply with CLE requirements. In November of 2010, a total of 249 Notices of Non-Compliance were sent to category 1 lawyers for failure to comply, compared to 261 Notices of Non-Compliance sent in 2009.

II. COURSE REVIEW

CLE staff members review each course accreditation application to verify faculty qualifications and to determine whether the course content meets the CLE Rule 5 standards for approval. Staff reviewed a record 11,583 course applications during 2010, a slight increase over 2009.

Table 1 below shows that in recent years the number of course applications has continued to increase steadily, although the slight increase in 2010 suggests that the number of applications has leveled off. The 2010 application numbers are the highest ever reviewed, but represent only a 0.5% increase over the number of courses reviewed in 2009. The number of courses that were denied credit decreased substantially in 2010, 176 compared to 344 in 2009. In the past, courses were often denied because staff had not received adequate information from the sponsors or because sponsors did not respond to Board inquiries. The staff now uses email to communicate with course sponsors, which has given us the ability to communicate more rapidly and efficiently with course sponsors as they plan programs, leading to fewer denials.

Table 1: Course Review Summary

	2004	2005	2006	2007	2008	2009	2010
Approved Courses	7,225	7,663	8,649	9,192	10,949	11,174	11,407
Disapproved Courses	147	89	119	201	300	344	176
Total Courses Reviewed	7,372	7,752	8,768	9,393	11,249	11,518	11,583

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 2010, 1,808 courses had at least one segment qualifying for ethics credit and 397 had at least one segment qualifying for elimination of bias credit. The number of elimination of bias courses declined in 2010, compared to 2009, when a total of 2,289 elimination of bias courses were approved. The number of ethics courses declined only slightly, from 404 to 397. In addition to ethics and eliminations 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 2010, 110 lawyers claimed a total of 520.5 credits for providing more than 5,525.25¹ hours of pro bono services, an increase in hours of 164.75% compared to 2009.

IV. FUNDING

Board revenues are generated from Lawyer Registration fees, lawyer late filing fees, lawyer reinstatement fees, affidavit filing fees and course application fees. In calendar year 2010, the Board received \$509,239 in fee-generated revenue. Table 2 presents a breakdown of the fees received in 2010 compared to the past three calendar years.

¹ Although credit is limited to 6 CLE credits for 36 hours of pro bono service, many lawyers reported in excess of 100 hours when submitting their Affidavits of Pro Bono Representation.

Table 2: CLE Receipts for Calendar Years 2007-2010

Fee	2007	2008 ²	2009	2010
Lawyer Registration fees	\$208,929	\$166,352	\$162,728	\$164,016
Late affidavit/non-compliance filing fees	\$34,375	\$46,150	\$44,750	\$53,100
Reinstatement fees	\$19,100	\$13,875	\$16,725	\$24,875
Course accreditation fees	\$247,905	\$280,665	\$279,710	\$262,508
Paper affidavit fees				\$4,740
Total	\$510,309	\$507,042	\$503,913	\$509,239

Total revenue in 2010 increased slightly compared to 2009. This increase was mainly due to increases in late affidavit filing fees, reinstatement fees, and the new paper affidavit fees. Effective February 1, 2010, late affidavit filing fees increased from \$50 to \$75; non-compliance fees increased from \$100 to \$200; and reinstatement fees for lawyers transferring from involuntary restricted status increased from \$125 to \$250.³ Effective July 1, 2010, paper affidavits must be accompanied by a \$10 paper filing fee to reflect the additional work that is required. Lawyers may submit attendance through OASIS without paying any fee.

The revenue received from course accreditation fees decreased by \$17,202 in 2010, a 6% decrease compared to 2009. The Board receives a \$35 application fee for each course that is more than 60 minutes in length and is not a video replay. The Board does not know at this time whether this decline in course application revenue is an anomaly or a trend. Overall, total 2010 revenue increased by 1% compared to 2009. 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

² 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.

³ The fee for transfer from voluntary restricted status to active status remained \$125.

filed by lawyers. 20,545 lawyers, 85% of all Minnesota lawyers, have 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) went live March 2010. By the end of the year, more than 200 sponsors have set up online accounts. Through OASIS, sponsors are able to submit course application information electronically, attach documentation, pay fees, and later review their application status and the office's accreditation decisions.

In 2010, the Board completed a comprehensive design document as the first step toward the development of a new internal system which will enhance the functionality of CLE office systems, increase staff efficiency, and further reduce reliance on temporary staffing.

The Board's next technological advance will be to give lawyers the ability to pay late filing fees and course application fees online. This will further reduce staff time required to manually enter courses and fee payments, thereby saving costs and increasing office efficiency.

VI. RULE CHANGES

Effective February 1, 2010, the Court amended the CLE Rules, reordering the definitions in Rule 2 to be alphabetical and increasing late fees, notice of noncompliance fees, and fees for transfer from involuntary status. These changes more accurately reflect the amount of work required by staff. The Rule amendments also included the addition of a \$10 filing fee for paper affidavits which was designed to encourage online filing, thereby reducing staff time needed to manually enter attorneys' course hours; changing the filing deadline to August 31st; adding a provision for active duty military status; and placing lawyers on retired status onto voluntary restricted status.


VII. CONCLUSION

The Board continues to operate with adequate funds, all of which are generated by course accreditation fees or obtained from a modest allocation from the Lawyer Registration fee. CLE compliance among attorneys continues at a very high rate. The pro bono rule adopted in 2008 was used by 121 lawyers who reported providing pro bono services to indigent clients. Course approval requests continue to be a significant source of revenue, although the number of applications appears to have leveled off.


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



Hon. Kathleen Sanberg
Chair



Margaret Fuller Corneille
Director

9-15-11
Date: