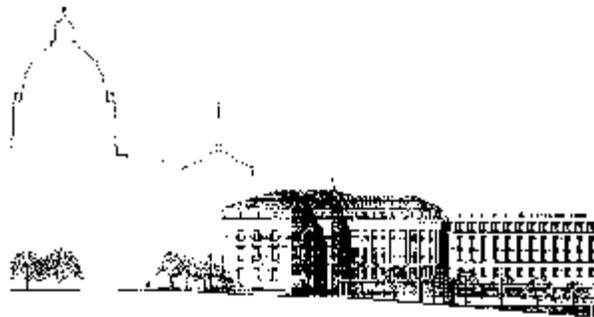


State of Minnesota

**Board
of
Continuing Legal Education**



**ANNUAL REPORT
CALENDAR YEAR 2012**

MINNESOTA BOARD OF CONTINUING LEGAL EDUCATION ANNUAL REPORT: 2012

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 Board 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 2012, 7,774 Minnesota Category 1 lawyers were required to report CLE compliance. Reporting may be done by using the Online Attorney Sponsor Information System (OASIS) or by filing a paper Affidavit of CLE Compliance. Ninety percent (90%) of Category 1 lawyers have set up their OASIS account so that they may file online. Paper filing fees were instituted in 2010 as a way of encouraging attorneys to report their CLE credits online. In 2012, 615 paper filing fees were received, compared to 814 in 2011, a substantial decrease.

The office of the CLE Board sends a warning letter and then a Notice of Non-Compliance to lawyers who fail to complete and report CLE in a timely manner. In October 2012, the Board office sent 646 warning letters to Category 1 lawyers. In November 2012, a total of 435 lawyers continued to be out of compliance, resulting in the Board office sending Notices of Non-Compliance. A lawyer has 30 days following receipt of the Notice of Non-Compliance 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. By the end of 2012 there were still 165 Category 1 lawyers who were out of compliance. Those names were forwarded to the Court in late December, along with a request to place their licenses on involuntary status for failure to comply with CLE requirements for the 2009-2012 reporting period.

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 14,997 course applications during 2012, a 32% increase from the number reviewed in 2011.

Table 1 below shows that in recent years the number of course applications has continued to increase steadily. The courses that were denied credit increased in 2012 to 175 compared to 129 in 2011. The primary reasons for denial in 2012 were that the submitted course did not contain legal content or did not have a live moderator present during the session.

The sponsor application portion of the Online Attorney Sponsor Information System (OASIS) allows sponsors to submit course approval requests, attach documentation, make payments, view their pending applications, and view the credit determination made by staff by using their online account.

Table 1: Course Review Summary

	2006	2007	2008	2009	2010	2011	2012
Approved Courses	8,649	9,192	10,949	11,174	11,407	11,165	14,822
Disapproved Courses	119	201	300	344	176	129	175
Total Courses Reviewed	8,768	9,393	11,249	11,518	11,583	11,394	14,997

Courses in the special categories of “elimination of bias” and “ethics” are reviewed closely to ensure compliance with Rule requirements. Of the courses held in 2012, 2,188 courses had at least one segment qualifying for ethics credit, a slight decrease from 2,314 in 2011. The number of elimination of bias courses also decreased slightly in 2012 to 460 compared to 2011, when a total of 486 elimination of bias courses were approved. 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 maximum 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, or the Minnesota Legal Services Advisory Committee (LSAC), or designated by LSAC to qualify as an approved legal services provider.

During the 2012 calendar year, 145 lawyers claimed 663.25 credits, providing more than 9,274 hours of pro bono service. Although the number of lawyers decreased slightly from 2011 when 147 lawyers claimed credit and the number of credits reported remained virtually the same (674.25 in 2011), the number of hours reported increased substantially (7,563.3 hours in 2011). Most lawyers are doing far in excess of the 36 hours required to obtain the maximum of 6 credits.

LSAC has designated a total of 15 organizations as approved legal service providers. No new organizations were approved in 2012. In 2012, 24 lawyers claimed credit for providing representation through 9 designated programs, compared to 2011 when 25 lawyers claimed credit through 6 designated programs.

Table 2 shows a breakdown of the agencies through which the pro bono representation was provided. The three organizations with the highest number of lawyers reporting pro bono hours were the Volunteer Lawyer Network (31 lawyers), Southern Minnesota Regional Legal Services (18 lawyers), and the Children’s Law Center (14 lawyers). The number of credits reported in 2012 remained consistent with 2011. However, the number of pro bono hours reported in 2012 increased by nearly 2,000 hours, which is a great testament of lawyers’ involvement in the community.

Table 3 shows the number of years of practice experience that lawyers participating in pro bono programs have. Most of the lawyers who reported credit during 2012 have 5 to 15 years of practice experience.

Table 4 shows a breakdown of the type of representation provided in 2012. The highest number of representation hours reported were in the areas of family Law (2,682 hours), immigration (1,398 hours), guardian ad litem (1,262 hours), and juvenile (1,035 hours).

Table 2: Pro Bono Participation: By Legal Services Provided

Agency	2010			2011			2012		
	Lawyers Claiming	Credits Reported	Hours Reported	Lawyers Claiming	Credits Reported	Hours Reported	Lawyers Claiming	Credits Reported	Hours Reported
Cancer Care Line	0	0	0	0	0	0	1	3	18
Central Minnesota Legal Services (CMLS)	5	29.75	435.8	5	27.75	690.9	1	6	48
Children's Law Center	22	108.75	855.75	17	91.5	784.35	14	65.75	1,273
Dorsey & Whitney Low Income Pro Bono Program	0	0	0	0	0	0	1	6	38
East River Legal Services	0	0	0	1	1	6.5	0	0	0
Faegre & Benson Low Income Pro Bono Program	2	12	525.3	2	12	117.5	1	6	193
Federal Bar Association, Minnesota Chapter, Pro Se Project	0	0	0	15	73.5	1,224.2	9	45.25	946
Fredrikson & Byron Low Income Program	0	0	0	1	1	6	1	1	6
Hennepin County Unbundled Legal Services Program	1	3.75	23	0	0	0	0	0	0
Immigrant Law Center of Minnesota	11	48.5	314.6	5	23.25	157	11	47.25	326
Innocence Project	0	0	0	0	0	0	2	9	55
Institute for Justice	0	0	0	1	6	37	0	0	0
Iowa Legal Aid	0	0	0	0	0	0	1	6	50
Judicare of Anoka County	3	16	177	6	23.75	318.2	2	12	149
Legal Aid of Arkansas	0	0	0	0	0	0	1	6	36
Legal Assistance of Dakota County	5	22.25	135.3	8	17.75	119.35	7	16	113
Legal Assistance of Olmsted County	0	0	0	3	18	146.7	0	0	0
Legal Assistance of Washington County	0	0	0	0	0	0	2	8.25	51
Legal CORPS	0	0	0	1	6	42.9	1	1.5	10
Legal Services of Northwest MN	2	7.75	311	0	0	0	1	6	45
Leonard Street & Deinard Legal Clinic	0	0	0	4	14.5	246.25	7	39.5	573
Mid-Minnesota Legal Assistance	3	7.5	45	1	6	40	0	0	0
Minnesota Disability Law Center	2	9.25	60	1	6	48	0	0	0
Minnesota Volunteer Attorney Program	5	17.5	137.75	4	19	172.4	7	30	245
MN Council for Veterans Pro Bono Program	0	0	0	0	0	0	1	6	55
MN Judicial Branch Program	0	0	0	2	8	60	3	18	1593
Robis, Kaplan, Miller & Ciresi LLP Guardian ad litem Pro Bono Project	2	12	285	3	18	217.2	0	0	0
Southern Minnesota Regional Legal Services	13	45.25	355.65	18	77.25	759.65	18	87.75	796
The Advocates for Human Rights	5	30	303.5	10	57	794.05	8	45	827
Tubman Family Alliance & Chrysalis, A Center for Women	9	42.75	684.1	6	22	234.6	8	34.75	446
Twin Cities Christian Legal Aid	0	0	0	0	0	0	1	1.5	9
Volunteer Attorney Program	1	6	61	4	17	129	5	23.5	145
Volunteer Lawyers Network	21	101.5	815.5	28	122.5	1175.55	31	132.25	1229
TOTALS	112	520.5	5,525.25	146	668.75	7,527.3	145	663.25	9,275

Table 3: Pro Bono Participation: Years of Practice and Number of Hours

Years of Practice	2011			2012		
	Lawyers	Credits	Hours	Lawyers	Credits	Hours
0-5	39	187	2,039	37	168.25	1,857
5-15	58	270.75	2,719	46	206.75	3,292
15-25	23	95.5	1,056	36	149.25	1,661
25 or more	27	121.5	1,749	26	139	2,464
TOTAL	147	674.75*	7,563*	145	663.25	9,274*

Table 4: Pro Bono Participation: Practice Areas and Hours Reported

Practice Area	2011			2012		
	Lawyers	Credits	Hours	Lawyers	Credits	Hours
Civil Liberties/Individual Rights	7	30	403.1	2	12	346
Consumer	10	44	754.45	4	23	200
Constitutional Law	1	6	41.75	0	0	0
Contract	0	0	0	1	6	36
Criminal	3	18	607	4	17	204
Employment	3	18	205	2	12	85
Family Law	45	176	1,649.8	48	213	2,682
Guardian ad Litem	0	0	0	2	12	1,262
Health	0	0	0	1	6	39
Housing	9	34.25	239.5	14	63	729
Immigration	19	100.75	1,086.3	23	111	1,398
Intellectual Property	0	0	0	2	2.75	20
Judgment/Creditor	0	0	0	3	10.5	152
Juvenile	14	73.75	585.95	10	48.75	1,035
Litigation	0	0	0	1	6	45
Multiple	18	96.75	1,043.9	10	43.75	378
Non-profit	0	0	0	1	6	38
Real Estate	0	0	0	1	4	26
Social Security Disability	0	0	0	4	24	321
Tax	0	0	0	1	2	13
Wills	6	26	254.4	9	38	297
Unspecified or other	12	51.5	692.15	2	2.5	15
TOTAL	135	675*	7,563.3*	145	663.25	9,276*

* Depending on how the information is rounded, calculations show slightly different amounts for corresponding data sets.

IV. FUNDING

Board revenues are generated from Lawyer Registration fees and fees derived from CLE late filing, CLE lawyer reinstatement, affidavit filing, and course applications. In calendar year 2012, the Board received \$536,948 in fee-generated revenue, which is used to fund the staffing and administration of the Board of Continuing Legal Education. **Table 5** presents a breakdown of the fees received in 2012 compared to the past three calendar years.

Table 5: CLE Receipts for Calendar Years 2009-2012

Fee	2009	2010	2011	2012
Lawyer Registration fees	\$162,728	\$164,016	\$166,688	\$176,137
Late affidavit/non-compliance filing fees	\$44,750	\$53,100	\$79,105	\$70,725
Reinstatement fees	\$16,725	\$24,875	\$24,500	\$25,125
Course accreditation fees	\$279,710	\$262,508	\$244,184	\$258,811
Paper affidavit fees	N/A	\$4,740	\$8,140	\$6,150
Total	\$503,913	\$509,239	\$522,617	\$536,948

Total revenue in 2012 increased by approximately \$14,000, or 3% compared to 2011. The Board receives an allocation of \$5 or \$6 per lawyer.

The revenue received from course accreditation fees increased by approximately \$14,600 in 2012, a 6% increase compared to 2011. 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 expects to receive adequate revenue from its existing funding sources in the foreseeable future.

V. CLE INFORMATION SYSTEM

In 2010, the Board began planning for a comprehensive new computer system, referred to as the Continuing Legal Education Operating System (CLEO), which seeks to integrate fully with the Board's Online Attorney and Sponsor Integrated System (OASIS) in a cost-effective, user friendly manner that will require minimal maintenance. The goal of CLEO is to re-write the existing application and upgrade its current functionality while retaining the information currently stored on the compliance system.

Work was started on the system in 2011 and is scheduled to be completed in 2013.

VI. ON-DEMAND CREDITS

Since 2010, the Board has actively studied the issue of allowing lawyers to satisfy a portion of their CLE requirements through on-demand courses. In 2011, a committee of the Board was formed to study the issue of on-demand CLE delivery systems and make a recommendation to the Board.

In July 2012, a petition was filed in the Supreme Court by five lawyers requesting the Court modify the CLE Rules to allow for on-demand courses. The Petition filed by these lawyers requested unlimited on-demand credit for each reporting cycle.

The CLE Board was asked to study the issue, review the previously filed petition, and provide a recommendation to the Court. In December 2012, the Board resolved to file a petition in the Supreme Court requesting changes to the Rules to permit a lawyer to claim up to 15 credits using on-demand technology. The petition setting forth the Board's position will be filed with the Minnesota Supreme Court in 2013.

VII. EMERITUS LAWYER PROGRAM

In May 2012, the Continuing Legal Education Board and the Minnesota State Bar Association (MSBA) filed a joint petition in the Supreme Court asking to create an Emeritus lawyer program through which Minnesota lawyers who have filed a Retirement Affidavit with the Lawyer Registration office would be authorized to provide pro bono legal representation to pro bono clients in matters referred to the lawyer by an approved legal services provider.

By Order dated July 12, 2012, the Court solicited written comments on the petition, ordering that no hearing would be scheduled. The comment period ended September 7, 2012 and an Order from the Court is expected in 2013.

VIII. BOARD MEMBERS

The Continuing Legal Education Board is comprised of 12 Board members and a Chairperson. The Minnesota State Bar Association nominates six lawyer members to the Board, three members are of the public, one member is a district court judge, and three lawyer members are nominated by the Supreme Court. The Minnesota Supreme Court appoints all the members to the Board. In 2012, the Board included:

Daniel R. Kelly, Chair, Felhaber, Larson, Fenlon & Vogt, P.A.
LeAnn K. Lundberg, Vice Chair, Public Member
Shari L. Aberle, Dorsey & Whitney, LLP

Hon. Diane R. Alshouse, Judge to the Second Judicial District
Craig T. Dokken, Henningson & Snoxell, Ltd.
Geoffrey Hjerleid, Olmstead County Attorney's Office
Glen M. Jacobsen, Renville County Attorney's Office
Kathleen Kelly, Public Member
Sally L. Macut, Public Member
Nancy McLean, Hennepin County Attorney's Office
Brett W. Olander, Walsh & Gaertner, P.A.
Cameron R. Seybolt, Fredrikson & Byron
Michael Schechter, Schechter Legal Counsel

Justice Helen Meyer served as Supreme Court liaison to the Board until her retirement in August 2012. Justice Wilhelmina Wright is the current Supreme Court liaison to the Board.

In addition to the Board's commitment to quarterly meetings, Board members also sit on committees of the Board, which meet on a regular basis. The standing committees in 2012 included: the Rules Committee, Operations & Finance Committee, Elimination of Bias Committee, and the On-Demand Course Committee.

IX. AFFILIATIONS WITH OUTSIDE GROUPS

Liz Vanderbeek, CLE Administrator, is active in the Continuing Legal Education Regulators Association (CLEreg), a national organization promoting best practices among CLE regulators. Members of the Board's professional staff include Emily Eschweiler, Assistant Director and Counsel; and Kristi Stanislawski, Staff Attorney.

X. CONCLUSION

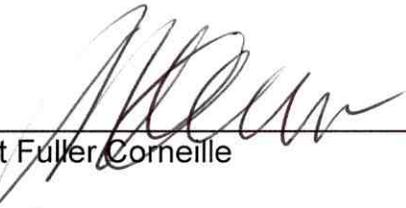
The Board continues to operate with adequate funds generated by course accreditation fees and from a \$5 or \$6 per lawyer allocation from the Lawyer Registration fee. CLE compliance among lawyers continues to be very high. The number of sponsors using OASIS continues to increase. The Board looks forward to increasing its use of technology to administer the Court's Continuing Legal Education Rules in the most efficient and effective manner for the benefit of Minnesota lawyers and the sponsors who provide CLE programming to meet lawyers' continuing professional education requirements.

Respectfully submitted,

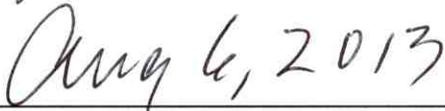
MINNESOTA BOARD OF CONTINUING LEGAL EDUCATION



Daniel R. Kelly
Chair



Margaret Fuller Corneille
Director



Date