

MINNESOTA BOARD OF CONTINUING LEGAL EDUCATION 2018 ANNUAL REPORT

Including

MINNESOTA LAWYER REGISTRATION OFFICE



MINNESOTA BOARD OF CONTINUING LEGAL EDUCATION AND MINNESOTA LAWYER REGISTRATION OFFICE ANNUAL REPORT: 2018

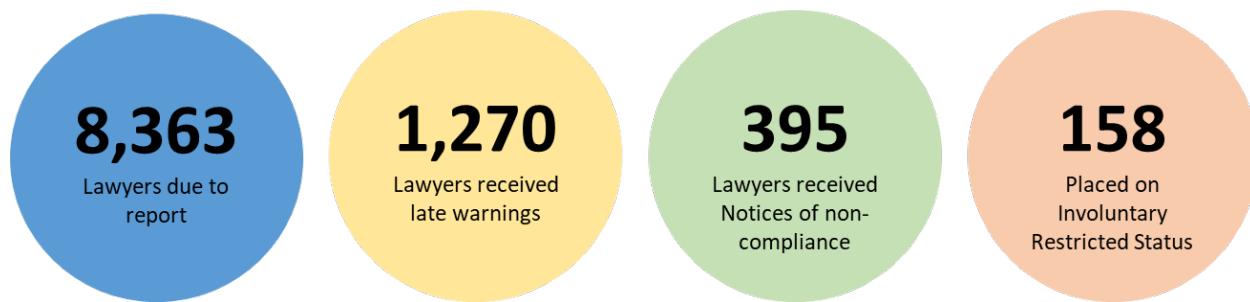
The Minnesota Board of Continuing Legal Education (Board) administers Minnesota lawyers' compliance with their continuing legal education (CLE) requirements. The Board accredits CLE courses in compliance with the CLE Rules and removes from active status those lawyers who fail to comply with their CLE requirements.

The CLE Board oversees the Lawyer Registration Office (LRO). LRO maintains the official database of Minnesota-licensed lawyers, processes annual registration statements for all Minnesota-licensed lawyers, and issues certificates of good standing.

All Minnesota lawyers listed in the public LRO database are designated as either "Authorized" or "Not Authorized" to practice law, depending upon their lawyer registration payment status, CLE compliance status, and disciplinary status.

I. LAWYER CLE COMPLIANCE

To maintain an active license, each Minnesota lawyer must 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. Each lawyer is assigned to reporting categories "1," "2," or "3," based on the year the lawyer was admitted to the Bar.



8,363 Category 1 Minnesota-licensed lawyers were due to report CLE compliance on or before August 31, 2018 for the July 1, 2015 to June 30, 2018 reporting period.

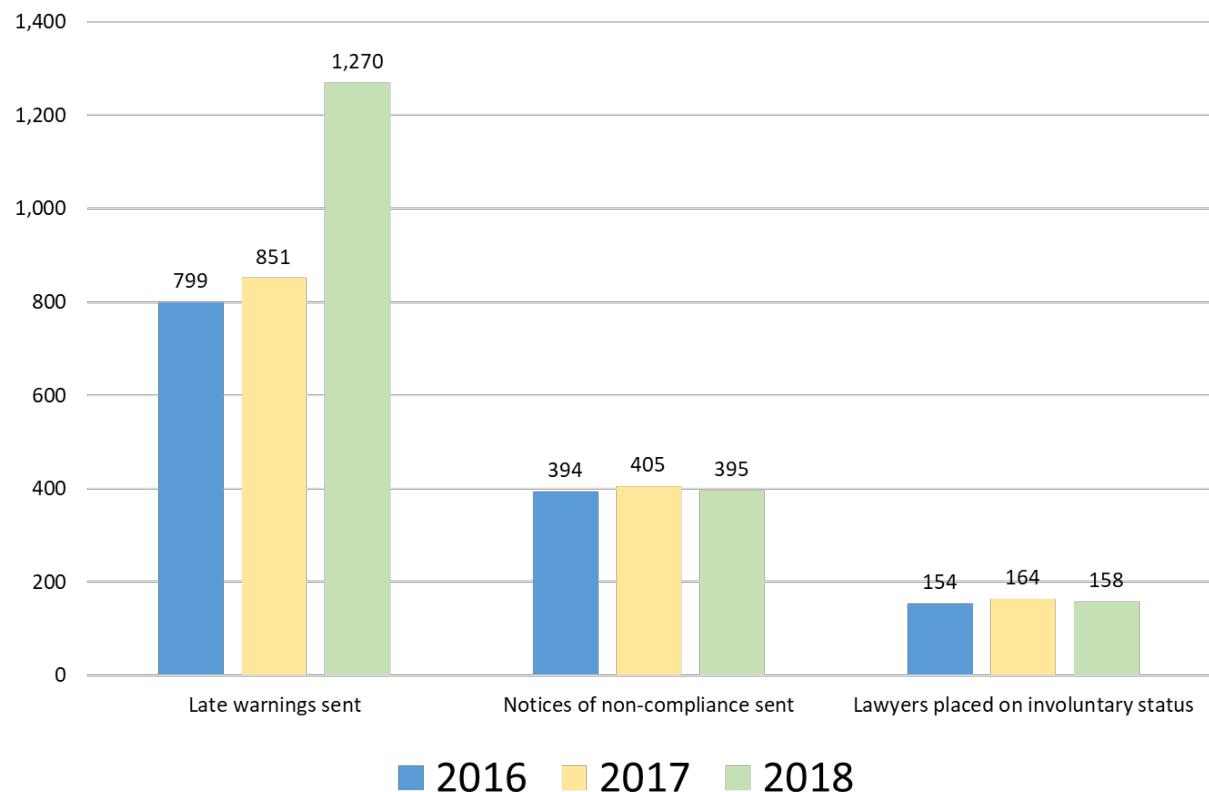
If a lawyer fails to complete and report CLE in a timely manner, a warning letter is sent followed by a notice of non-compliance.

In September 2018, the Board office sent 1,270 warning letters to Category 1 lawyers, compared to the 851 sent in 2017. In October 2018, the Board sent 395 notices of non-compliance, compared to 405 in 2017.

A lawyer has 30 days following receipt of the notice of non-compliance to take one of these actions: 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 these actions, the Board will request that the Court place the lawyer's license on involuntary restricted status.

By the end of 2018, 158 Category 1 lawyers remained out of compliance, compared to 164 in 2017. Those lawyers' names were sent to the Court in late December, along with a request that the Court place their licenses on involuntary restricted status for failure to comply with CLE requirements for the 2015-2018 reporting period.

The chart below shows the three-year comparison for warning letters, notices of non-compliance, and the Board's request to the Court to place the lawyer on involuntary restricted status based on non-compliance.



II. CLE COURSE REVIEW

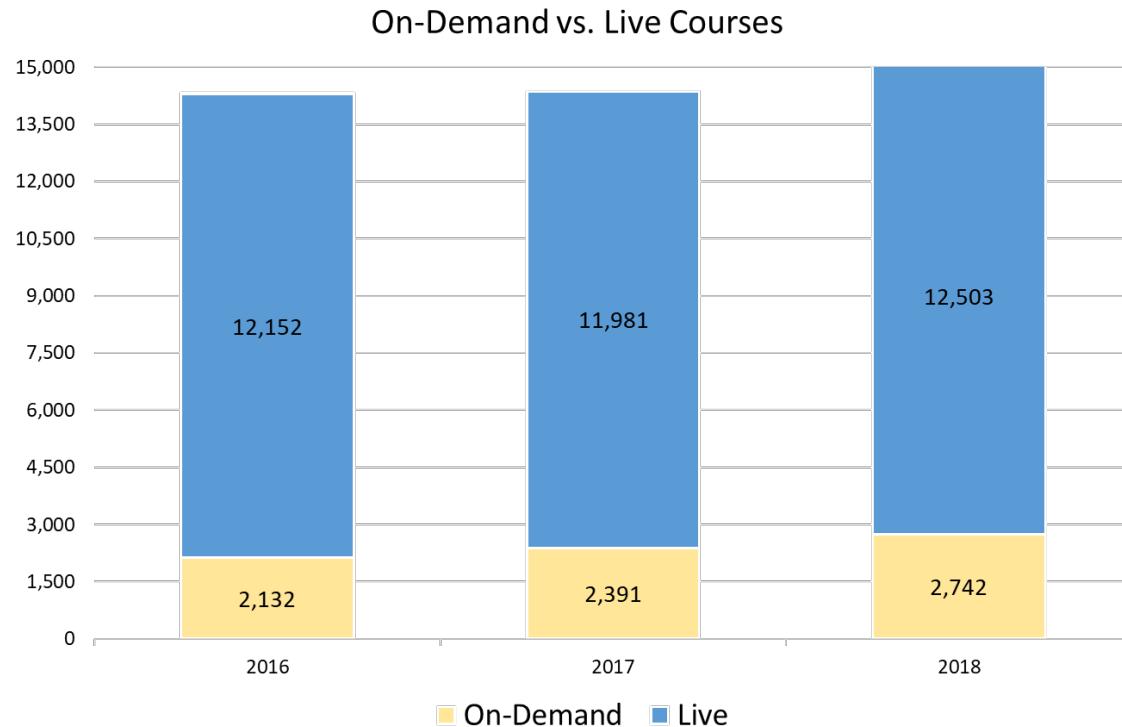
CLE staff members review each submitted course accreditation application to verify that the course meets the standards for course approval, has legal content, and the faculty meet the Rule requirements. If additional information is requested and the sponsor does not provide, the application is administratively closed.

Staff reviewed 14,565 course applications during 2018, compared to 14,238 reviewed in 2017, a 2.3% increase. Of the courses reviewed, only 27 were denied credit. One hundred and twenty were administratively closed.

Courses in the special categories of Elimination of Bias and Ethics are reviewed closely to ensure compliance with Rule requirements. Of the courses for which credit was applied in 2018, 3,645 courses had at least one segment qualifying for Ethics credit, an increase from 3,514 in 2017, and 577 courses had at least one segment qualifying for Elimination of Bias credit, compared to 570 in 2017.

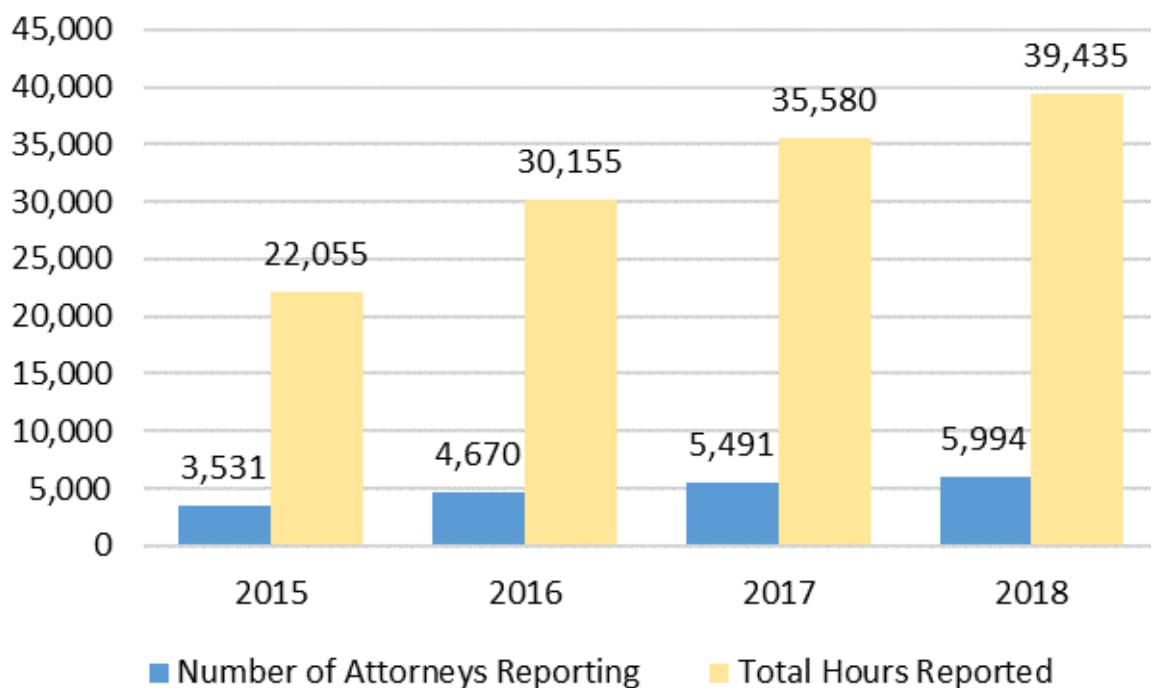
III. ON-DEMAND CREDITS

In 2014, the Court amended the Rules to permit lawyers to claim up to 15 credits for on-demand viewing within the 45 credit hour CLE reporting period. In 2018, 2,742 courses were offered on-demand compared to 12,503 live. Lawyers reported attendance at 1,930 of the 2,742 courses available on-demand.



The number of lawyers reporting attendance at on-demand courses has steadily increased. The chart below shows the number of attorneys reporting credit at on-demand courses and the total number of credit hours reported by year. The number of lawyers increased from 5,491 to 5,994 between 2017 and 2018, an increase of 9.16%. The number of credits reported increased from 35,580.25 in 2017 to 39,434.5 in 2018, an increase of 10.83%. The percentage of credits claimed in 2018 is 78.8% higher than in 2015, the first full year of on-demand in Minnesota.

On-Demand Attendance - 4 Year History



The Board office also reviewed the number of credits claimed per credit type. The Board office has seen a steady increase in the number of on-demand credits reported for specialty credit types.

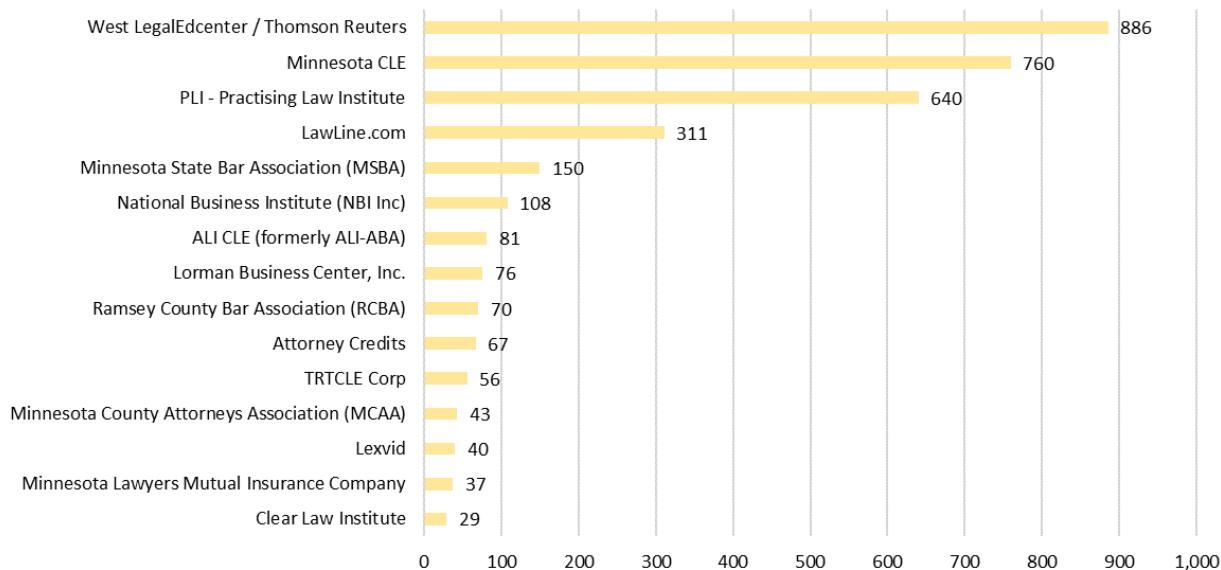
Year	Standard	Ethics	Bias	TOTAL
2015	14,460	4,278	3,317	22,055
2016	19,909	5,959	4,287	30,155
2017	23,513	6,445	5,623	35,580
2018	26,353	7,177	5,904	39,435

The chart below provides the top 15 sponsors by number of attorneys reporting. The chart also indicates the number of those attorneys with Minnesota addresses, and the number of courses reported.

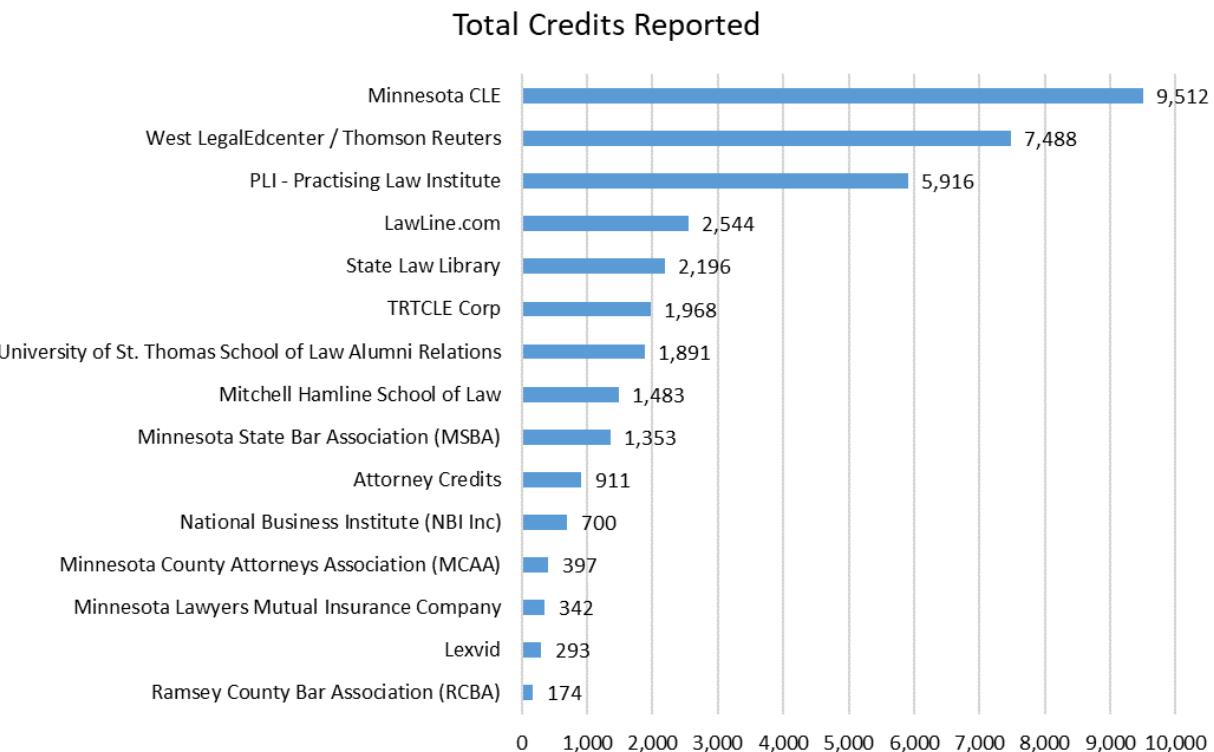
Name	Attorneys Reporting	Attorneys with MN Addresses	MN Percentage	Courses Reported
Minnesota CLE	1,578	1,333	84.50%	760
West LegalEdcenter / Thomson Reuters	1,066	861	80.75%	886
PLI - Practising Law Institute	896	684	76.25%	640
State Law Library	770	659	85.50%	11
Minnesota State Bar Association (MSBA)	412	330	80%	150
Mitchell Hamline School of Law	409	359	87.75%	27
University of St. Thomas School of Law Alumni Relations	379	329	86.00%	19
LawLine.com	292	208	86.75%	311
Minnesota Lawyers Mutual Insurance Company	219	208	95%	37
TRTCLE Corp	199	168	84.50%	56
Minnesota County Attorneys Association (MCAA)	134	132	98.50%	43
Attorney Credits	110	87	61.75%	67
National Business Institute (NBI Inc)	92	68	74%	108
Volunteer Lawyers Network (VLN)	83	79	95.25%	10
Legal Services Coalition	75	64	85.25%	10

The chart below provides a breakdown of the top 15 on-demand providers by the total number of courses for which at least one attorney reported credit.

Number of Courses Reported



The chart below provides a similar breakdown based on the number of attorneys reporting credit.



IV. CLE EMERITUS LAWYER PROGRAM

The Emeritus Lawyer program permits retired Minnesota lawyers to represent pro bono clients who have been referred by an approved legal services provider. An Emeritus lawyer is one who has elected retired status under the Lawyer Registration Rules and who complies with the specific CLE requirements outlined in Rule 14 of the CLE Rules, which requires that Emeritus lawyers attend three hours of CLE related to the area or areas of pro bono law in which they intend to practice. Between January 1, 2018 and December 31, 2018, 10 lawyers sought and received Emeritus status, and two lawyers renewed their status. As of December 31, 2018, 30 retired lawyers were participating in the Emeritus Lawyer program. Additional information is available on the Board's website.

V. SUPERVISORY AUTHORITY OF THE CLE BOARD OVER THE LAWYER REGISTRATION OFFICE

The CLE Board has had supervisory authority over the Lawyer Registration Office since August 1, 2014. During 2018, the Lawyer Registration Office's budget remained separate from the budget of the CLE office.

VI. LAWYER REPORTING OBLIGATIONS

During the 2018 calendar year, there were 29,599 active licensed lawyers in Minnesota, compared to 29,395 in 2017. In 2018, 3,879 lawyers were on inactive status, compared to 3,938 lawyers in 2017.¹



In 2018, the Lawyer Registration Office processed 29,978 annual registration statements, compared to 28,718 processed in 2017, an increase of 4.39%. There were 23,863 payments processed online by credit card, debit card, or ACH payment, compared to 24,620 online payments in 2017. Approximately 80% of all payments were made online in 2018, compared to 76% in 2017.

VII. FUNDING

CLE

Board revenues are generated from Lawyer Registration fees and fees derived from CLE late filing fees, CLE lawyer reinstatement fees, affidavit filing fees, and course applications. In calendar year 2018, these fees generated revenue totaling \$386,685. **Table 2** shows the fees received in 2018 compared to those received in the past three calendar years.

The Board's revenue increased by \$44,758 in 2018, primarily from an increase in late fees, non-compliance fees, and course accreditation fees. The Board receives a \$35 application fee for each course submitted by paper, and receives a \$20 application fee for each course submitted online. Revenue from paper affidavit fees continued to decrease slightly in 2018 as the majority of lawyers move to online reporting of CLE hours.

¹ "Inactive" status means the lawyer is in good standing, but not authorized to practice law. This group of lawyers is considered to be licensed.

Table 2: CLE Receipts for Calendar Years 2016-2018

Fee	2016	2017	2018
Lawyer Registration fees	\$30,964	\$30,342	\$29,936
Late affidavit/non-compliance filing fees	\$84,025	\$85,230	\$116,385
Reinstatement fees	\$25,000	\$22,085	\$23,290
Course accreditation fees	\$225,913	\$202,676	\$215,134
Paper affidavit fees	\$3,350	\$2,930	\$1,940
Total	\$369,252	\$341,927	\$386,685

The Board has adequate revenue from existing funding sources to fund its operations.

LRO

The Lawyer Registration Office is responsible for collecting lawyers' annual registration fees that are allocated among the various Court Boards and other entities in accordance with Supreme Court rules. The Boards and entities to which the funds it collects are allocated include the Lawyer Registration Office, Board of Law Examiners, Board of Continuing Legal Education, Lawyers Professional Responsibility Board, Client Security Fund (CSF), and the Legal Services Advisory Committee (LSAC).

LRO is funded by an allocation from the Lawyer Registration Fee, late fees, and requests for certificates of good standing and duplicate licenses. **Table 3** shows the Lawyer Registration revenue for the past three years.

Table 3: LRO Receipts for Calendar Years 2016-2018

Fee	2016	2017	2018
Lawyer Registration fees	\$116,356	\$87,783	\$58,985
Late fees	\$152,102	\$263,393	\$243,450
Paper filing fees	\$74,520	\$60,716	\$51,791
Misc.	\$60,402	\$79,966	\$136,674
Total	\$403,380	\$491,858	\$490,900

In July 2017, the Rules were amended so that instead of immediate suspension, a lawyer who fails to pay the annual registration fee would instead be assessed a late fee and the suspension would be delayed for 30 days. Once suspended, the lawyer is required to pay a reinstatement fee. Although the Board received fewer late fees in 2018 than 2017, the numbers are still up from 2016. In addition, the Board continues to see an increase in reinstatement fees, which are reflected under Misc. payments.

In 2018, LRO collected approximately \$7.3 million in total revenue from Minnesota lawyers. **Table 4** shows the allocations of statement fees.

Table 4: Fee Allocations

	\$ 114 ²	\$ 177 ³	\$ 205 ⁴	\$ 220 ⁵	\$ 248 ⁶
BLE	\$ 29	\$ 29	\$ 29	\$ 29	\$ 29
CLE	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1
OLPR	\$ 26	\$ 83	\$ 83	\$ 122	\$ 122
CSF	\$ 6	\$ 6	\$ 6	\$ 6	\$ 6
LSAC1⁷	\$ 37	\$ 43	\$ 71	\$ 47	\$ 75
LSAC2⁸	\$ 13	\$ 13	\$ 13	\$ 13	\$ 13
LRO	\$ 2	\$ 2	\$ 2	\$ 2	\$ 2

VIII. OASIS

In 2018, the CLE and LRO office began a significant project combining the Online Attorney and Sponsor Integrated System (OASIS – CLE's online portal) and the Minnesota Attorney Registration System (MARS – LRO's online portal) into a new version of OASIS. The new portal is anticipated to launch in 2019 and will permit lawyers to report CLE credits and pay their annual registration statements in a single location. As the CLE and LRO staff overlaps functions, it creates efficiencies in allowing lawyers to contact a single staff member regardless of their question.

The OASIS system will continue to allow lawyers to update their address information, print receipts of past payments, apply for course accreditation for courses taken, and request additional status changes.

The Board looks forward to providing additional information on the new system as it develops.

² Active, admitted less than three years.

³ General Inactive, less than \$25,000.

⁴ General Inactive.

⁵ Active, admitted three years or more, income less than \$25,000

⁶ Active, admitted three years or more.

⁷ LSAC1: Payments allocated to Legal Services Advisory Committee for civil legal services and grant program purposes.

⁸ LSAC2: Payments allocated to Legal Services Advisory Committee for a lawyers assistance program.

IX. RULE AMENDMENTS

The Court amended the Lawyer Registration Rules, effective July 1, 2018. The changes to the Rules including the following:

- Streamlining the Rules in an easier-to-read format
- Increasing the retirement age from 62 to 68 and eliminating the gainful employment restriction
- Reducing the number of fee categories, including the elimination of separate categories for non-resident
- Revising the fee schedule to be a chart rather than a narrative
- Including in the Rules specific language related to the military exemption
- Formalizing the policy of limiting the number of past due annual registration payments to six years
- Clarifying the limitations on disclosure of demographic information

IX. STAFF

The Continuing Legal Education Board and Lawyer Registration Office share staff with the Board of Law Examiners and the Board of Legal Certification. The allocations of time to CLE and LRO are as follows: Director, Emily Eschweiler, (30%), Managing Attorney, Natasha Karn, (30%), Staff Attorney, AJ Dordel (32%), and IT/Finance Administrator, Kirsten Hedin (34%). The CLE and LRO Administrator, Liz Vanderbeek, handles the day-to-day operations of the department along with a staff of three CLE and LRO Specialists.

X. BOARD MEMBERS

The Board is comprised of 12 Board members and a chairperson. Three members are public members; one member is a district court judge; the Minnesota State Bar Association nominates six lawyer members to the Board; and the other three lawyer members nominate themselves for membership. All are appointed by the Minnesota Supreme Court.

The Minnesota Supreme Court appoints each member to a staggered 3-year term, with no member serving more than two 3-year terms.

In 2018, the Board was comprised of the following members:

- Kevin D. Hofman, Messerli & Kramer, Chair
- Nancy McLean, Hennepin County Attorney's Office – Retired, Former Chair – Retired 6/30/2018
- Jason Adkins, Minnesota Catholic Conference, Appointed 7/1/2018
- Ravindra Chintapalli, Public Member, Retired 6/30/2018
- Craig T. Dokken, Henningson & Snoxell, Ltd., Retired 6/30/2018
- Samuel J Edmunds, Sieben Edmunds PLLC
- John B. Gordon, Lawyer, Retired 6/30/2018
- Moira Grosbard, Public Member
- William C. Kuhlmann, Security Bank & Trust Co.
- Charles E. MacLean, MacLean Law, P.A., Appointed 7/1/2018
- Jenna M. Peterson, Redwood County Attorney's Office
- Brett W. Olander, Walsh & Gaertner, P.A., Retired 6/30/2018
- Cheryl Ryland, Public Member
- Robert M. Schuneman, Law Office of Robert M. Schuneman PLLC, Appointed 7/1/2018
- Constance Tuck, Minnesota Department of Human Services, Retired
- Hon. Edward T. Wahl, Judge of the Fourth Judicial District, Retired 6/30/2018
- Chang Wang, Kingsfield Law Office, Appointed 7/1/2018
- Hon. Chris Wilton, First Judicial District, Appointed 7/1/2018

Justice Margaret Chutich was the 2018 Supreme Court liaison to the Board.

XI. CONCLUSION

The Board continues to operate with adequate funds generated by course accreditation fees and by an allocation from the Lawyer Registration fee. The number of sponsors using OASIS continues to increase. The number and quality of available CLE programs continues to meet the needs of Minnesota lawyers for continuing professional education.

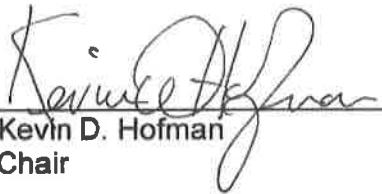
The Board continues to expand and refine its use of technology in the administration of the Continuing Legal Education Rules and the Rules on Lawyer Registration. The expanded use of technology continues to be the most efficient way to administer the two sets of rules, as well as the most effective way to serve Minnesota lawyers and course sponsors.

The Lawyer Registration function touches every licensed Minnesota lawyer and is the official and sole source of public information identifying those lawyers who are authorized to practice law in Minnesota and those who are not authorized. The Lawyer Registration Office database is the definitive source that lawyers, judges, and the public rely upon for this important information. The Lawyer Registration Office is on firm financial ground and

is able to continue to seek greater efficiencies in its operations while increasing customer service to the lawyers and judges of the State of Minnesota.

Respectfully submitted,

MINNESOTA BOARD OF CONTINUING LEGAL EDUCATION



Kevin D. Hofman
Chair



Emily J. Eschweiler
Director

Date 9/26/19