

# Minnesota Supreme Court Legal Services Advisory Committee FY23 Annual Report

Submitted January 2024



The Legal Services Advisory Committee shall work to ensure its grant-making procedures promote statewide access to legal services for low-income Minnesotans and lead to effective use of funding by grantees.

## Letter from the Chair

I am pleased to present the annual report of the Legal Services Advisory Committee (LSAC) for activities between July 1, 2022 and June 30, 2023 (FY23). LSAC funding supports legal services to low-income Minnesotans in every county in the state. This report details the distribution and impact of \$20,933,600 in grant funds managed by LSAC in FY23. LSAC grantee programs track case closings by calendar year and the most recent data available shows LSAC grantee programs closed 44,726 cases in 2022.

It is not enough to have rights; one must also have the assistance necessary to enforce those rights. The impact of LSAC-funded legal services work for low-income Minnesotans is very significant. Person by person, family by family, LSAC's funding of civil legal aid programs in Minnesota has supported the enforcement of basic rights, including access to: critical income supports; decent, safe, and sanitary housing; public school environments that meet students' needs; orders of protection where there is justifiable fear of domestic violence; child support; and more.

One hallmark of the last year has been an increase in our efforts to learn from the wisdom of the leaders and staff who work in civil legal aid. LSAC held two listening sessions in or near this time period: one in December 2021 and one in December 2022. Representatives from 22 grantee programs attended one or both sessions. In these sessions, we asked the programs:

- (1) What successes can we celebrate?
- (2) What tensions are impeding our work?
- (3) How can LSAC best support our system in moving from strength to even greater strength?

LSAC members received valuable input from these listening sessions. We can put a spotlight on two of the tangible results.

One is that grantees explained that they needed support for statewide training opportunities. In response to that, LSAC has funding set aside for leadership development investments in FY24, which will include bringing in national experts from Management and Information Exchange (MIE) for a supervisor training in Spring 2024.

Another is that grantees explained that they need technical assistance to help analyze available data to better serve eligible client populations. In response to that, LSAC contracted with Rachel Perry from Strategic Data Analytics (SDA) to provide this assistance. All interested grantees are working with SDA in reviewing case data, looking

for gaps in service compared to eligible client populations, and improving the tracking of outcome measures to understand the impact of the legal services.

In the next year LSAC intends to do more active listening to work together with the grantee legal services programs to continue to strengthen our ability to meet the legal needs of low-income Minnesotans.

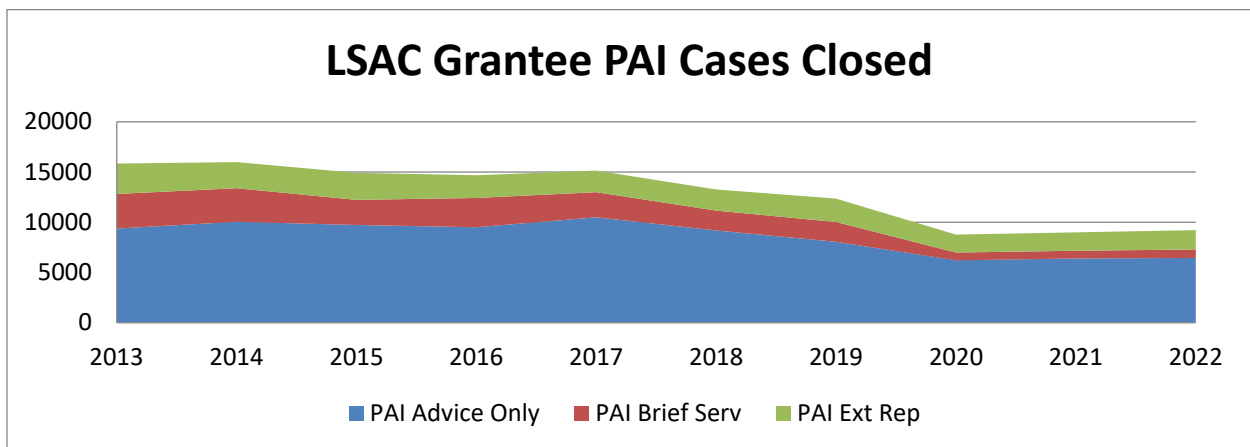
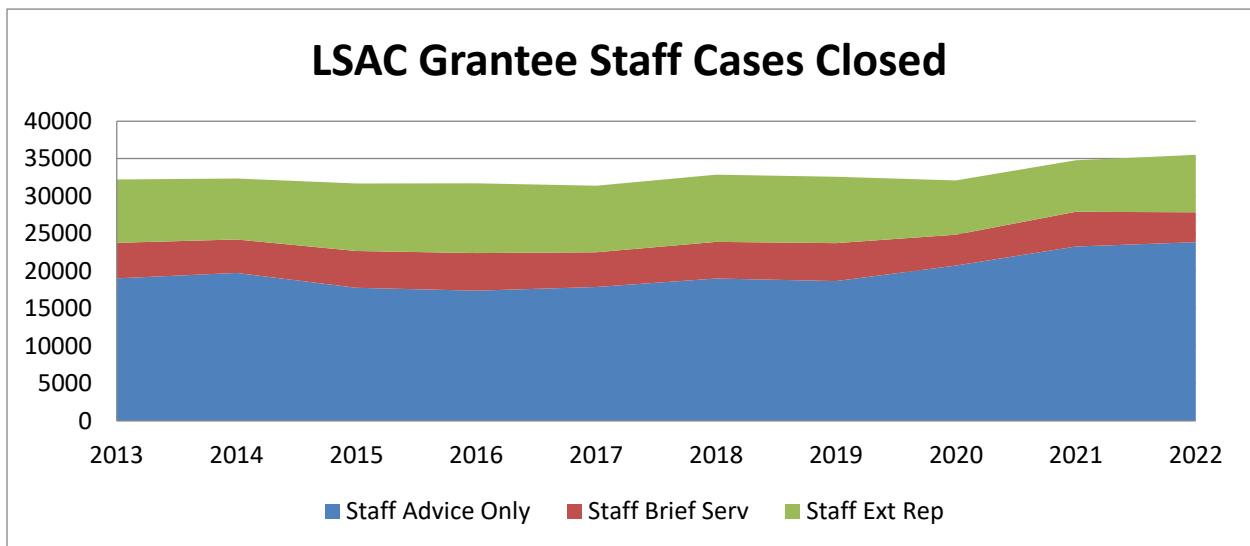
Warmly,  
Randi Ilyse Roth  
Chair



## Clients Served

LSAC focuses its grant making on programs that benefit low-income Minnesotans facing critical legal needs. LSAC guidelines provide that grants can be used to serve clients at or below 200% of the federal poverty guidelines, defined as less than \$55,500 per year for a family of four.<sup>1</sup> According to recent Census data, there are more than 1.2 million Minnesotans who meet these income guidelines.<sup>2</sup>

The following charts detail the number of cases closed by civil legal aid staff and private attorney involvement (PAI) programs over the past decade. Staff case totals have risen in recent years, with most of the growth in advice only cases. PAI cases (both pro bono and judicare) have been trending down for years, with a slight increase in 2022 but not yet returning to pre-pandemic levels.



<sup>1</sup> 2022 Poverty Guidelines, U.S. Dept. of Health and Human Services.

<sup>2</sup> 2022 American Community Survey 1-Year Estimate for Minnesotans at or below 200% of Poverty.

## LSAC Grantee Calendar Year 2022 Case Data Summary

Total Cases Closed: **44,726**

- 35,508 cases (79%) closed by staff attorneys
- 9,218 cases (21%) closed by private attorney involvement (PAI) through pro bono or judicare

Total People in Households Benefitting from Service: **102,232**

Client Demographics Reported:

- Gender – **68%** Female, **32%** Male
- Age – **4%** Under 18, **79%** 18-59, **17%** Over 60
- Race – **49%** White, **27%** Black, **11%** Hispanic, **4%** Asian, **4%** Native American, **5%** Other

Case Types: **30%** Housing, **29%** Family, **8%** Immigration, **6%** Consumer, **5%** Income/Health Benefits, **22%** Other (includes employment, education, estate planning, expungement, tax, etc.)

Dollar Benefits Achieved for Clients: **\$19,100,975**

- \$6,594,372 in existing income or benefits protected for clients
- \$12,506,602 in new income or benefits established for clients

Benefits Achieved through Extended Representation:

- Clients better able to pay for daily necessities – **2,803**
- Clients less likely to be harassed by creditors – **2,147**
- Clients in a better position to keep or find a job – **2,295**
- Clients in a better position to keep or find housing – **5,270**
- Client has improved housing conditions – **2,436**
- Client is physically safer (including OFP or safety plan) – **3,076**
- Client has improved quality of life – **8,009**

Benefits Achieved through Access to Legal Information, Advice, or Brief Service:

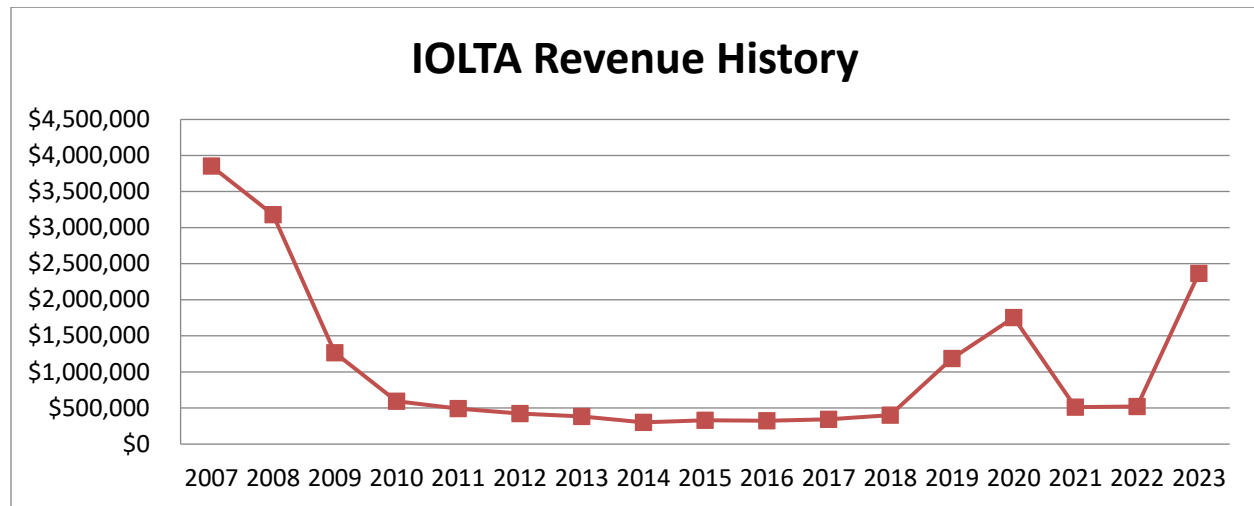
- Clients with access to legal advice – **30,294**
- Clients with access to brief services – **4,816**
- Individuals who received automated court form assistance through LawHelpMN.org – **1,749**
- Individuals who were assisted with live chats to navigate LawHelpMN.org – **1,396**
- Unique visitors to access legal information through LawHelpMN.org – **424,872**

## LSAC Funding Sources

LSAC is responsible for the management and distribution of grant funding from three primary<sup>3</sup> sources: Interest on Lawyer Trust Accounts (IOLTA) revenue, an appropriation from the Minnesota legislature, and a portion of the lawyer registration fee. The committee has also received smaller amounts from donations or settlement awards.

### FY23 IOLTA Revenue – \$2,364,887

In 1983, Minnesota was the first state in the country to create a mandatory IOLTA program by court rule. As an interest rate dependent funding source, IOLTA revenue has fluctuated dramatically over time. The Lawyer Trust Account Board<sup>4</sup> recognized that the cyclical nature of the IOLTA revenue made it difficult to provide stable funding to civil legal services programs and adopted a reserve policy to save money in the higher interest years to offset cuts in the lower interest years. That reserve was used to supplement grants from 2009-2015, but the low interest rate environment lasted so long that the reserve was depleted. Rates increased and revenue went above \$1,000,000 for the first time in a decade in FY19. In FY20 LSAC used the increase in IOLTA funds to pay for all grantees to upgrade to the same case management system. In FY21 the funds dropped dramatically again because of the interest rate cut in response to the pandemic. The Federal Reserve increasing rates in late 2022, resulting in the large increase for FY23 revenue. LSAC is monitoring these funds closely to decide how much of the increase to use for grants and how much to use for rebuilding the reserve.



<sup>3</sup> The Court has also tasked LSAC with the management of the Lawyer Assistance Program (LAP) portion of the lawyer registration fee. LSAC reports separately to the Court every June on the LAP budget and the contract with Lawyers Concerned for Lawyers. The LAP funding is not included in this document.

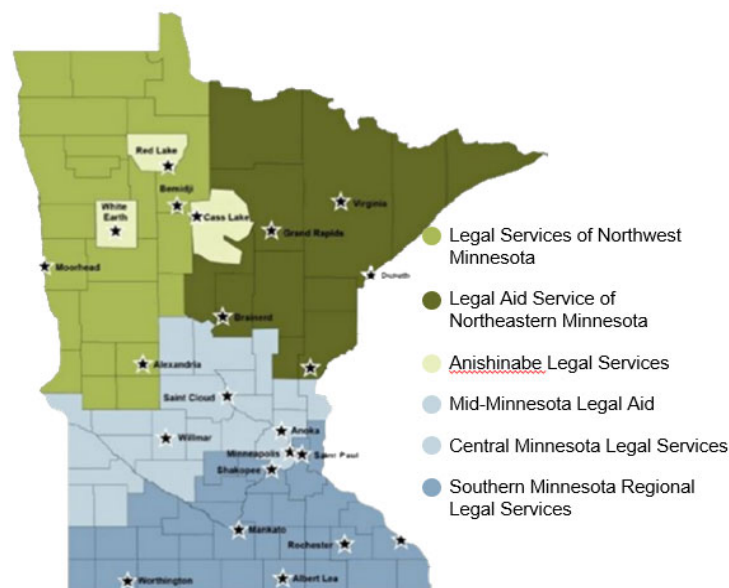
<sup>4</sup> The Lawyer Trust Account Board (LTAB) managed IOLTA funding from 1983 through 2010, when the Court consolidated LTAB and LSAC to improve grant making efficiency and strategic planning across programs.

**FY23 Legislative Allocation – \$18,198,000**

The Minnesota Judicial Branch has administered legislative funding for civil legal aid since 1982. Minnesota Statutes 480.24 through 480.244 directs the process for allocating the appropriation. In compliance with the statute, LSAC distributes 85% of the appropriation based on a per poverty population formula to organizations that were eligible to receive federal legal services corporation funding on July 1, 1982. The remaining 15% of the appropriation is added to other LSAC funding sources and awarded through a competitive grant process.

Legislative rider language dedicates a portion of the total appropriation to family law services through the same per poverty population formula controlling the 85% funds. The table below shows the organizations that received per poverty population funding with their FY23 formulaic awards and the map shows the corresponding service areas and office locations.

Organization Name	FY23 Formulaic Award
Anishinabe Legal Services	\$187,587
Central Minnesota Legal Services	\$593,347
Legal Aid Service of Northeast Minnesota	\$1,646,250
Legal Services of Northwest Minnesota	\$1,352,060
Mid-Minnesota Legal Aid	\$5,656,825
Southern Minnesota Regional Legal Services	\$6,032,231
	<b>Total: \$15,468,300</b>



After these 85% awards were calculated, LSAC added the remaining \$2,729,700 in legislative funds to the available IOLTA and lawyer registration fee revenue to create the total funds available for discretionary grants. The recipients of the discretionary grant awards are detailed in the next section (LSAC Grant Making).

### **FY23 Lawyer Registration Fee Revenue – \$2,111,165**

The Minnesota Supreme Court has dedicated a portion of the lawyer registration fee to civil legal services since 1997. In 2009, the Court increased the fee to offset a portion of the IOLTA decline, which generated an additional \$600,000 per year. That increase was made permanent by court order in 2011. Under current court rule, \$75 from the full lawyer registration fee is allocated to LSAC to support civil legal services.

The lawyer registration fee is the most stable funding source for the civil legal services grant programs. The civil legal services portion of the fee is used for all of the administrative costs needed to manage the grant program. At this time, LSAC manages the entirety of its grant funding sources with an administrative overhead of less than 2%. Administrative costs include one full-time grant manager and one full-time project assistant, as well as meeting and travel costs. The committee has also set aside a small amount of administrative funding for special projects, including evaluation, data analysis and coordinated training opportunities for grantees.

### **FY23 Minnesota Legal Aid Foundation Fund**

The Minnesota Legal Aid Foundation Fund was established by the Minnesota Legal Services Coalition in 1998 to support legal services to Minnesota residents who are financially unable to afford legal assistance in civil matters. This is a donor-advised fund administered by Minnesota Philanthropy Partners. The Donor Advisory Committee has consistently directed an annual distribution to LSAC from interest earned on the foundation fund. Due to staff turnover no donation was received in FY23 but this process was restarted in FY24, which will be reported in that year's annual report.



## LSAC Discretionary Grant Making

LSAC made \$5,465,300 in FY23 discretionary grants, which was the second year of the two-year grant awards decisions made in June 2021. The committee received grant applications from 26 eligible organizations requesting \$6,406,115 in annual funding.

LSAC strives to be transparent in its priorities, scoring and deliberations. The application is separated into proposals for staff general operating, PAI general operating and project grants for the purpose of reviewing regional equity. Application scoring criteria is detailed in the grant materials and includes an evaluation of organizational capacity, community impact, delivery system impact and collaboration.

The FY23 discretionary awards were as follows:

Discretionary Award Recipient	Award Amount
Anishinabe Legal Services	\$75,000
Cancer Legal Care	\$65,000
Central Minnesota Legal Services	\$165,000
Community Mediation Minnesota	\$86,000
Farmers' Legal Action Group	\$50,000
HOME Line	\$500
Housing Justice Center	\$80,000
Immigrant Law Center	\$403,000
Indian Child Welfare Act Law Center	\$81,000
Legal Aid Service of Northeast Minnesota	\$453,000
Legal Assistance of Dakota County	\$119,000
Legal Assistance of Olmsted County	\$107,500
Legal Services of Northwest Minnesota	\$360,000
Legal Services State Support	\$636,000
LegalCORPS	\$35,000
Loan Repayment Assistance Program	\$25,000
Mid-Minnesota Legal Aid	\$750,000
Minnesota Disability Law Center	\$209,300
Minnesota Justice Foundation	\$120,000
Rainbow Health	\$25,000
Southern Minnesota Regional Legal Services	\$885,000
Standpoint	\$27,000
The Advocates for Human Rights	\$100,000
Tubman	\$124,000
Volunteer Lawyers Network	\$484,000

## In Closing

LSAC has been charged by the Court with ensuring its “grant making procedures promote statewide access to legal services for low-income Minnesotans and lead to effective use of funding by grantees.” Committee members volunteer hundreds of hours every year working diligently towards this mission and are committed to continuous improvement of the civil legal aid system statewide.

We hope this report demonstrates that the commitment and enthusiasm of the civil legal aid staff and volunteers who provide legal services across the state is mirrored and buoyed by the committee, and that the allocation of funds entrusted to us by the Court is a worthy expression of the mission of justice for every Minnesotan.

## Legal Services Advisory Committee for FY23 Grant Decisions

Tresor Banglia (Plymouth), Client Member  
Ashton Boon (Rochester), Attorney Member  
Rev. Florence Conover (St. Paul), Client Member  
James Long (Minneapolis), Attorney Member  
Deepinder Mayell (Minneapolis), Attorney Member  
Deborah Peterson (White Bear Lake), Public Member  
Randi Ilyse Roth (St. Paul), Attorney Member and Chair  
Summra Shariff (Minneapolis), Attorney Member  
Sally Silk (Minneapolis), Attorney Member  
Maria Thu Salas (Mounds View), Public Member  
Laura Tripicano (St. Cloud), Attorney Member

Legal Services Advisory Committee Staff  
Bridget Gernander, Grants Manager  
Susan Beaudet, Program Assistant