



Minnesota Supreme Court Legal Services Advisory Committee

FY19 Annual Report
Submitted December 2019

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

Justice Blackmun famously said that the key to success is to “be on the corner when the bus comes by.” I am grateful that I was “on the corner” when the Court, in 2012, decided to merge the work of the Legal Services Planning Committee with the funding role of the Legal Services Advisory Committee (LSAC). Being appointed as a member of this unified committee has led to some of the most challenging, interesting, and rewarding efforts in my career. Therefore, I am honored but a little saddened to present the final annual report of my tenure as LSAC chair. I would like to recap how LSAC has stepped up to the challenge issued by the Court and taken responsibility for not only funding, but improving, access to justice in the state when the system is viewed as an organic whole.

When I joined LSAC, one of my goals was to apply lessons learned as an attorney at the Mayo Clinic to bring value to the civil legal services system. Having gone through an era of significant change in healthcare, observing how Mayo Clinic

“We must not be content only to see things as they are. We must have the vision, faith and hope to see what things can and must become.”
Sister Generose Gervais

was able to redesign its processes in response to financial pressures, I saw first-hand how improved processes could support lower costs without compromising quality of service. Wanting to gauge interest in business methodologies and “process improvement”, I helped arrange a half-day session with Mayo Clinic process experts to introduce a select group of grantee staff to the benefits of the approaches my employer has developed over the years. We hoped to demonstrate that there is a place for these techniques in legal services. On September 12, 2014, the result of this work, the “Mayo Report” was released. Among the recommendations were creation of a central repository for client data, single point of entry for clients online, and single telephone point of entry for clients.

Shortly thereafter, the Court set the vision for coordinated infrastructure including centralized intake in line with the report. LSAC began planning in earnest to create a new and innovative approach, pushing grantees to work together in a new and more process-oriented way. The goal: to maximize funds going to direct client assistance from the grants we are able to distribute.

In turn, LSAC provided training to all grantees, with private firm pro bono support, engaged a national process expert and legal services veteran to create a full, detailed analysis of intake and recommend enhancements released in 2016. In 2017, LSAC engaged an evaluation expert to create values-based measures for grantees receiving community building and foreclosure prevention funds from the Bank of America settlement. This past October, three federal grants

nationwide were made for process improvement in legal aid and two of these grants included Minnesota programs. LSAC's investment in support for process improvement and evaluation has brought additional funding to Minnesota grantees.

In my time as Chair, LSAC has directed the creation of a single online intake point via LawHelpMN.org for those seeking assistance via internet, has provided funding so that all grantees will be on the same case management system by end of 2020 (a critical step to unified intake) and has begun the process of moving toward centralized phone intake to be completed by the end of 2022.

"I look through a half-opened door into the future, full of interest, intriguing beyond my power to describe."
Dr. Will Mayo

Because of the support of the Court and the energy and vision of staff, especially the Grant Program Manager, the hard work and dedication of our committee and the grantees so dedicated to the legal needs of the underserved, Minnesota's civil legal aid system is now known nationally as a

process improvement leader. I would like to thank you for privilege of playing a small part in all of this, and while I am disappointed that I have to get off this bus before it reaches its final destination, I sincerely look forward to following its progress.

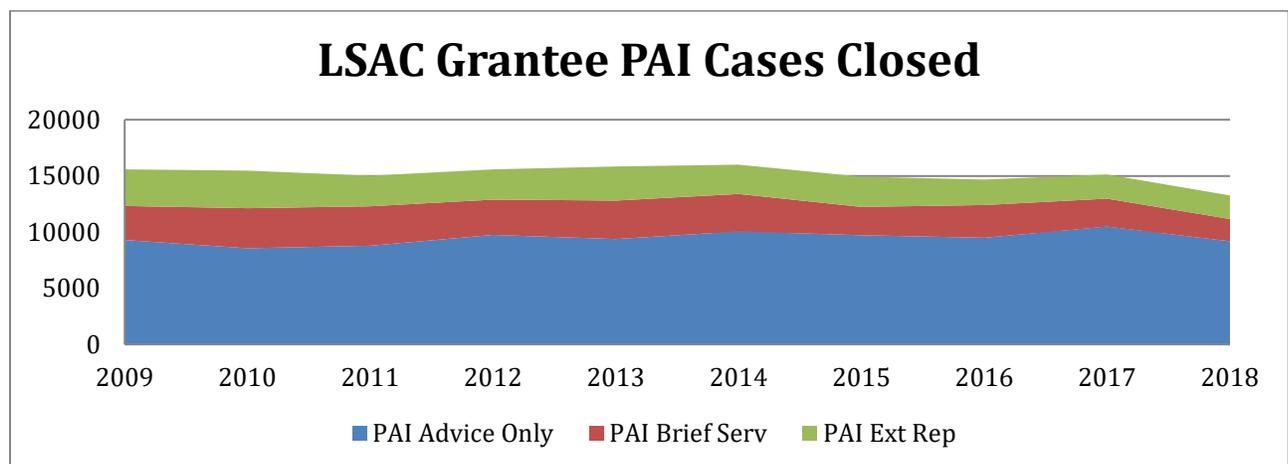
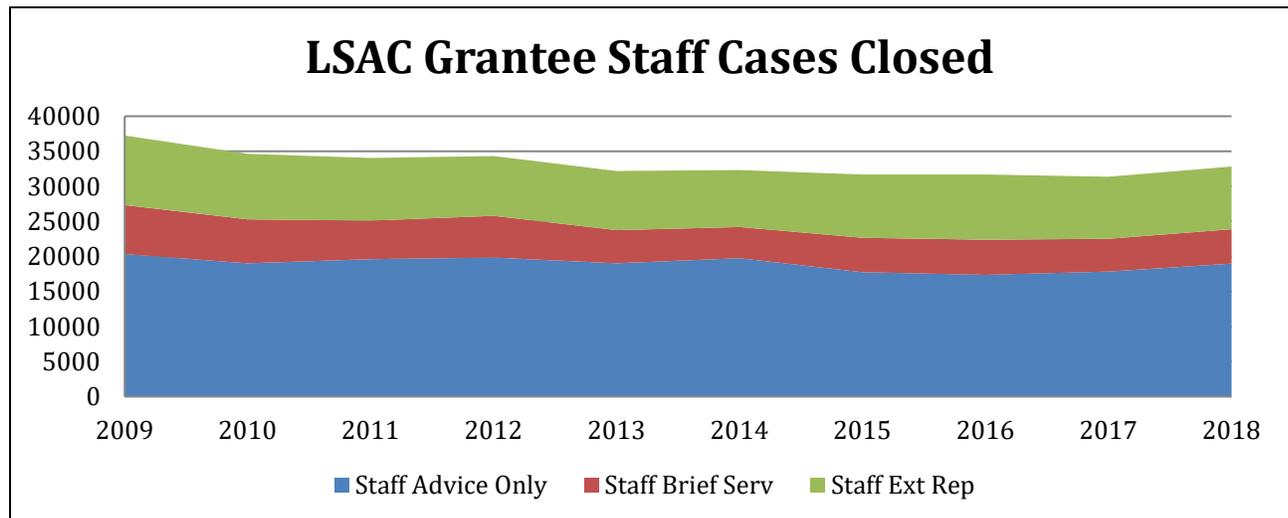
Sincerely,
Christopher L. Wendt
Chair



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 \$52,200 per year for a family of four.¹ According to recent Census data, there are more than 1.27 million Minnesotans (almost a quarter of the state’s population) living at or below 200% of poverty.²

The following charts detail the number of cases closed by civil legal aid staff and private attorney involvement (PAI) programs over the past decade. The number of staff cases has started to increase after years of reductions caused by steep funding cuts during the economic downturn. Conversely, after years of growth pro bono cases have been trending down for several years. The overall level of private attorney involvement in Minnesota remains high compared to other states, with almost one-third of services to civil legal aid clients statewide coming from the private bar.



¹ 2018 Poverty Guidelines, U.S. Dept. of Health and Human Services

² 2017 American Community Survey 1-Year Estimate.

LSAC Grantee Calendar Year 2018 Case Data Summary

Total Cases Closed: 46,099

- 32,844 cases (71%) closed by staff attorneys
- 13,255 cases (29%) closed by private attorney involvement (PAI) through pro bono or Judicare

Total People in Households Benefitting from Service: 104,001

Client Demographics:

Gender – **60%** Female, **33%** Male, **7%** Not Reported

Age – **6%** Under 18, **69%** 18-59, **14%** Over 60, **11%** Not Reported

Race – **43%** White, **25%** Black, **16%** Hispanic, **4%** Native American, **5%** Asian, **3%** Other, **4%** Not Reported

Case Types:

27% Family, **25%** Housing, **12%** Immigration, **9%** Consumer, **11%** Income/Health Benefits, **16%** Other (includes employment, education, estate planning, expungement, tax, etc.)

Dollar Benefits Achieved for Clients: \$22,859,769

- \$11,539,556 in existing income or benefits protected for clients
- \$11,320,212 in new income or benefits established for clients

Major Non-Dollar Benefits Achieved for Clients:

Major Benefit Was Achievement of Legal Objective through Extended Representation

Clients better able to pay for daily necessities – **2,687**

Clients less likely to be harassed by creditors – **1,893**

Clients in a better position to keep or find a job – **2,015**

Clients in a better position to keep or find housing – **3,379**

Client has improved housing conditions – **1,397**

Client is physically safer (including OFP or safety plan) – **3,522**

Client has improved quality of life – **6,281**

Major Benefit Was Access to Legal Information, Advice, or Brief Service

Clients with access to legal advice – **28,182**

Clients with access to brief services – **6,861**

Individuals who received automated court form assistance through lawhelpmn.org – **2,381**

Individuals who were assisted with live chats to navigate lawhelpmn.org – **1,400**

Site visits to access legal information through LawHelpMN.org – **447,721**

LSAC Funding Sources

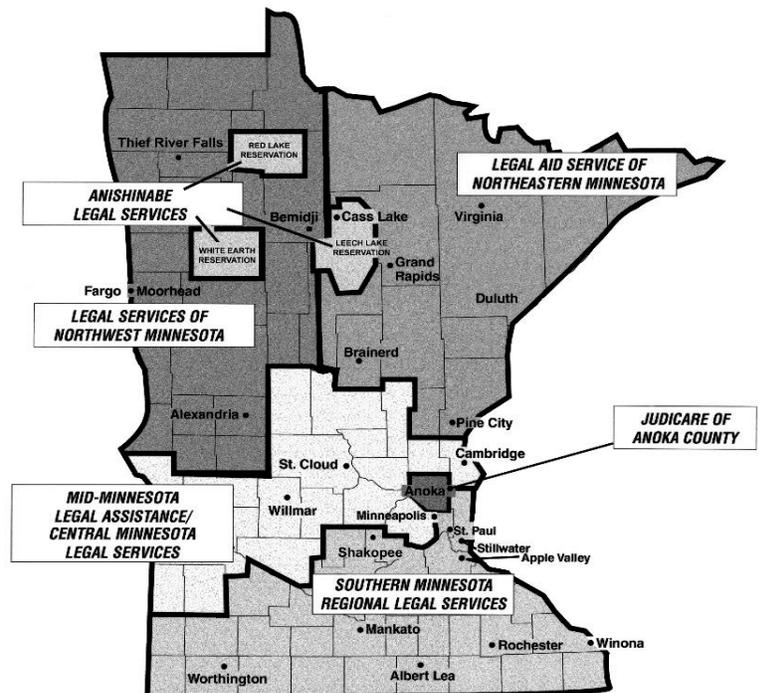
LSAC is responsible for the management and distribution of grant funding from three primary³ sources: an appropriation from the Minnesota legislature, the Interest on Lawyer Trust Accounts (IOLTA) revenue and a portion of the lawyer registration fee. In addition, the committee also receives funding from donations and court settlement awards.

FY19 Legislative Allocation – \$13,720,000

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 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 FY18 formulaic awards and the map shows the corresponding service areas.

Anishinabe Legal Services: \$145,371
Judicare of Anoka County: \$500,365
Legal Aid Service of Northeast Minnesota: \$1,261,884
Legal Services of Northwest Minnesota: \$964,367
Mid-Minnesota Legal Aid: \$4,253,109
Southern Minnesota Regional Legal Services: \$4,536,904
TOTAL \$11,662,000

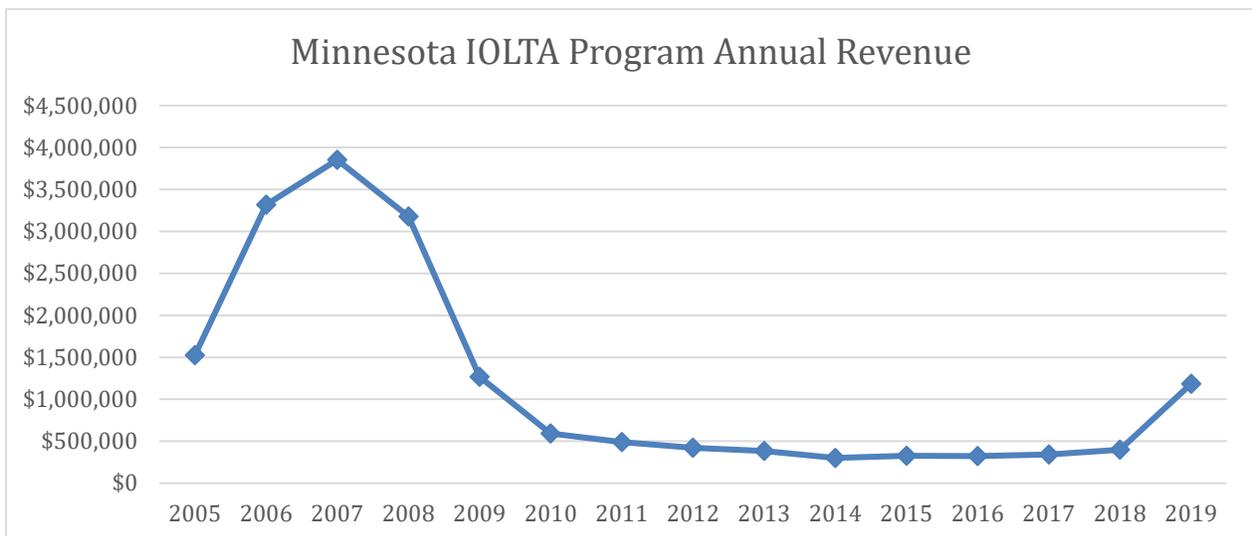


After these awards are calculated, LSAC added the remaining \$2,058,000 from the 15% funds to the additional grant funding sources detailed below. The total amount of the discretionary grant awards are detailed in the next section (LSAC Grant Making).

³ 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.

FY19 IOLTA Revenue – \$1,184,496

In 1983, Minnesota was the first state 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 Board⁴ 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 finally increased in FY19 and revenue from IOLTA more than doubled, going above the \$1,000,000 mark for the first time in a decade. LSAC is monitoring revenue closely and will determine how to invest the increase and when to start building the reserve again.



FY19 Lawyer Registration Fee Revenue – \$2,094,939

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 lawyer registration fee funding is used for all of the administrative costs needed to manage the civil legal services and alternative dispute resolution grants. At this time, LSAC manages the entirety of its grant funding sources with an administrative overhead of less than 3%. 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 strategic planning, research and evaluation.

⁴ 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.

Bank of America Settlement Revenue Spent in FY19 Grants - \$1,000,000

As a result of a 2014 settlement between the federal Department of Justice and Bank of America, every state IOLTA program received funding to make grants for “foreclosure prevention legal assistance” and “community economic redevelopment legal assistance.” The Minnesota IOLTA Program received \$442,000 in 2015 and \$4,549,000 in 2016.

LSAC maintained a separate application for Bank of America grants and has budgeted \$1,000,000 per year through June 30, 2021 for dedicated grant awards. The FY19 Bank of America funded projects include:

- **Cancer Legal Care:** Grant to support legal services to income-eligible clients affected by cancer and in jeopardy of foreclosure due to medical debt and other financial hardship.
- **Farmers Legal Action Group:** General operating grant for legal services to low-income farmers statewide.
- **Immigrant Law Center of Minnesota:** In partnership with Ballard Spahr’s pro bono program, this grant supports legal services to immigrant businesses in southeast Minnesota.
- **LegalCORPS:** Grant to support their Entrepreneurs of Color program providing statewide pro bono legal assistance to small businesses and nonprofits.
- **Mid-Minnesota Legal Aid:** In partnership with the Northside Residents Redevelopment Council and Stinson Leonard Street’s pro bono program, this grant provides a broad range of legal services with the goal of reducing blight, retaining quality, affordable housing, and improving business development in North Minneapolis.
- **Mid-Minnesota Legal Aid:** Funding for one staff attorney to provide mortgage foreclosure prevention legal assistance.
- **Minnesota Asset Building Coalition:** Funding for legislative advocacy to advance initiatives that ensure equitable access to business financing for populations that have historically been underserved by banks and to support the development of new cooperative business models.
- **Southern Minnesota Regional Legal Services:** This grant focuses on revitalization and stabilization of the community through preservation of wealth, preservation of homeownership and preservation of neighborhood vitality. Legal work will include estate planning, tax benefits and foreclosed and vacant properties.

FY19 Minnesota Legal Aid Foundation Fund - \$157,378

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. A donation of \$157,378 was received in January 2019 and 100% of the funding was added to the other discretionary funding sources to supplement the FY19 grant awards.

LSAC Discretionary Grant Making

LSAC made \$5,403,000 in FY19 discretionary grants, including the Bank of America awards detailed above. FY19 was the second year of the two-year grant awards decisions made in June 2017. The committee received grant applications from 29 eligible organizations requesting \$7,022,812 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.

In the FY18-19 grant cycle LSAC updated its review process. After receiving the applications, the committee split into three cohorts that reviewed one-third of the applications. Each cohort interviewed the organizations whose applications they were reviewing and had an opportunity to discuss and calibrate scores after the interviews. The cohort scores were then brought to the full committee for the final grant decisions. The FY19 awards were as follows:

Anishinabe Legal Services	\$60,000
Central Minnesota Legal Services	\$164,400
Conflict Resolution Center	\$40,000
Farmers Legal Action Group	\$75,000
Immigrant Law Center	\$305,000
Indian Child Welfare Act Law Center	\$68,000
Legal Aid Service of Northeast Minnesota	\$235,000
Legal Assistance of Dakota County	\$95,000
Legal Assistance of Olmsted County	\$70,000
Legal Services of Northwest Minnesota	\$331,750
Legal Services State Support	\$303,500
LegalCORPS	\$43,000

Loan Repayment Assistance Program	\$6,000
Mid-Minnesota Legal Aid	\$742,000
Minnesota AIDS Project	\$17,000
Minnesota Disability Law Center	\$182,000
Minnesota Justice Foundation	\$110,000
Southern Minnesota Regional Legal Services	\$803,000
Standpoint	\$22,000
The Advocates for Human Rights	\$55,350
Tubman	\$100,000
Volunteer Attorney Program	\$273,000
Volunteer Lawyers Network	\$400,000

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 volunteer attorneys and paid staff who provide legal services in 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 FY19 Grant Decisions

Timothy Auge (St. Cloud), Client Member
Matthew Boos (Minneapolis), Attorney Member
Patrick J. Burns (St. Paul), Attorney Member
Nancy Kleeman (Minneapolis), Public Member
Peter Knapp (St. Paul), Attorney Member
Laurence McDonough (Minneapolis), Attorney Member
David Moeller (Duluth), Attorney Member
Deborah Peterson (White Bear Lake), Public Member
Randi Roth (St. Paul), Attorney Member
Tamara Ward (Minneapolis), Client Member
Christopher Wendt (Rochester), Attorney Member

Joining LSAC After FY19

Michael Blackmon Jr. (Minneapolis), Attorney Member
Maria Thu Salas (Mounds View), Public Member
Summra Shariff (Minneapolis), Attorney Member
Laura Tripicano (St. Cloud), Attorney Member
Tresor Banglia (Plymouth), Client Member

LSAC Staff

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