

Minnesota Supreme Court Legal Services Advisory Committee FY22 Annual Report

Submitted December 2022



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 Legal Services Advisory Committee's (LSAC's) annual report for activities between July 1, 2021 and June 30, 2022 (FY22). LSAC funding supports legal services to low-income Minnesotans in every county in the state. This report details the distribution and impact of \$19,694,300 in grant funds managed by LSAC in FY22. Remarkably, despite COVID, LSAC grantee programs closed almost 44,000 cases in calendar year 2021.

In addition to making recommendations to the Court about grant funding, the Minnesota Supreme Court has also charged LSAC with supporting "coordinated infrastructure" across the civil legal aid programs. This means that the Court asked LSAC to support our eight general civil legal aid organizations as they move from standalone, program-specific intake and case management systems to participation in and fidelity to a coordinated statewide approach. This change is a huge lift for everyone involved. The processes that the programs have relied on for decades had become baked into their culture. And we're all familiar with some variation on Peter Drucker's comment that, "Culture eats strategy for breakfast."

The task of converting to coordinated infrastructure was daunting, but we have achieved significant milestones and success. We can finally say that this "no wrong door" approach is available statewide. I'm pleased to be able to share with you these successes:

- Case Management. All LSAC grantees are on the same case management system.
- Coordinated Database. All programs use a coordinated database of available services used in both LawHelpMN.org and the statewide toll-free number 1-877-MY-MN-LAW.
- Client Data Transfer Between Programs. Participating grantees transfer prospective clients using shared database tools so people don't have to hang up and call another program just to tell their story all over again.
- Client-Centered Scheduling Tool. Programs are in the final stages of implementing a scheduling system that allows clients who submit an online application to choose call back times convenient for their schedule, which has reduced the number of clients who cannot be reached via call back.

Conclusion

Before legal services embraced coordinated infrastructure, the burden was on the client to navigate multiple programs. The programs' hard work to build and invest themselves in coordinated infrastructure has shifted that responsibility away from the client to the legal services programs. Now our centralized civil legal intake systems have the job of connecting clients with the best available services. This new system will also result in the first comprehensive data set showing the number of clients who are turned away for lack of available services and why, which will help civil legal aid better advocate for necessary funding both at the legislature and in the philanthropic community. We are truly moving from stand-alone civil legal aid programs to a coordinated system that shares information and works to continually improve the client experience in accessing legal representation.

Warmly,

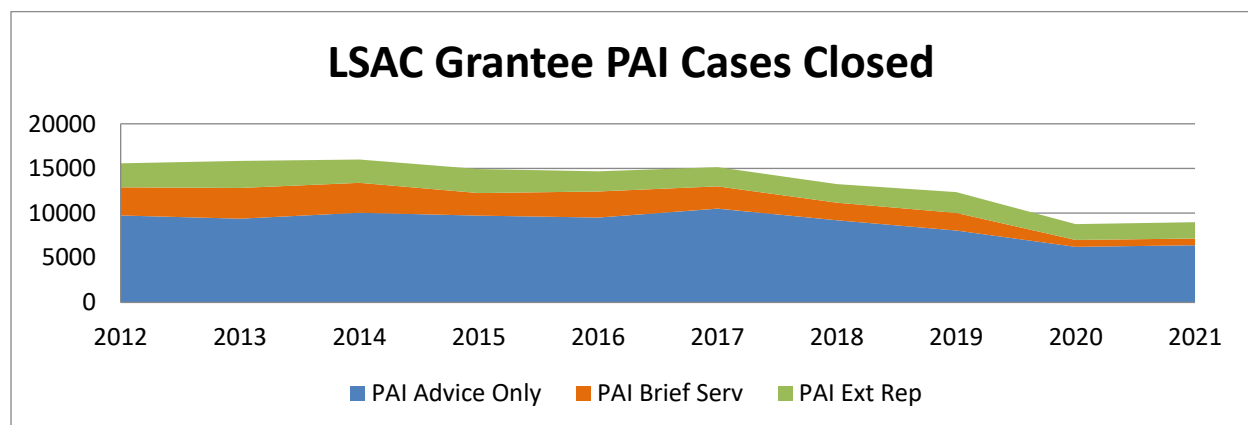
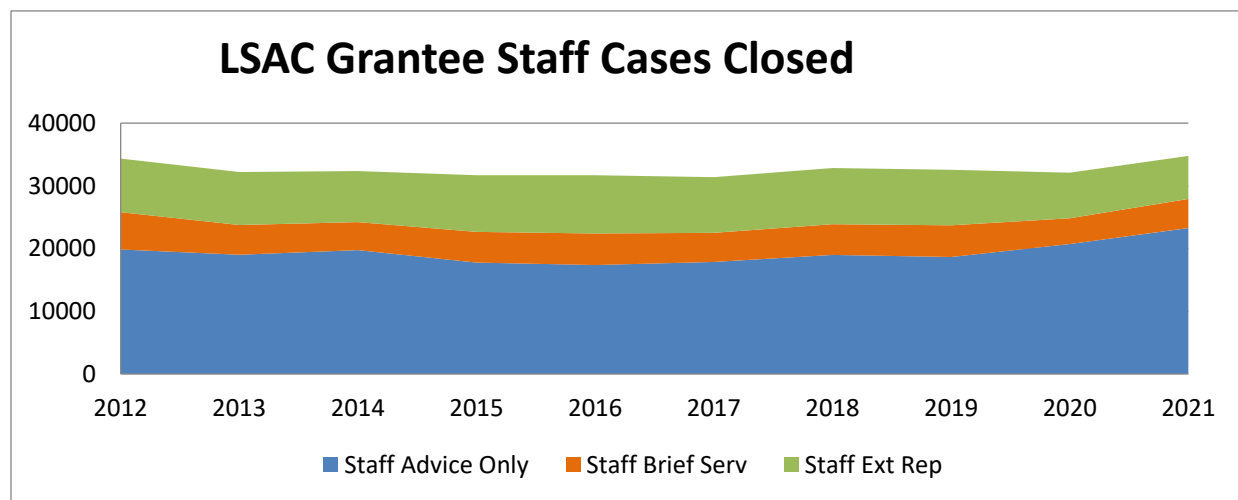
Randi Ilyse Roth
Chair



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.¹ According to recent Census data, there are more than 1.2 million Minnesotans who meet these income guidelines.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. 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 trended down for several years, with a sharper decline in 2020 when the pandemic closed in-person volunteer clinics and similar numbers in 2021.



¹ 2022 Poverty Guidelines, U.S. Dept. of Health and Human Services

² 2021 American Community Survey 1-Year Estimate for Minnesotans at or below 200% of Poverty. This is the most current data available from the Census Bureau at the time of publication of this report.

LSAC Grantee Calendar Year 2021 Case Data Summary

Total Cases Closed: **43,762**

- 34,773 cases (79%) closed by staff attorneys
- 8,989 cases (21%) closed by private attorney involvement (PAI) through pro bono or Judicare

Total People in Households Benefitting from Service: **93,570**

Client Demographics:

- Gender – **66% Female, 33% Male, 1% Other**
- Age – **8% Under 18, 75% 18-59, 17% Over 60**
- Race – **47% White, 25% Black, 14% Hispanic, 5% Asian, 4% Native American, 5% Other**

Case Types: **32% Family, 23% Housing, 10% Immigration, 7% Consumer, 9% Income/Health Benefits, 19% Other** (includes employment, education, estate planning, expungement, tax, etc.)

Dollar Benefits Achieved for Clients: **\$20,280,871**

- \$8,845,604 in existing income or benefits protected for clients
- \$11,435,267 in new income or benefits established for clients

Additional Benefits Achieved for Clients: Major Benefit Was Achievement of Legal Objective through Extended Representation

- Clients better able to pay for daily necessities – **2,241**
- Clients less likely to be harassed by creditors – **1,543**
- Clients in a better position to keep or find a job – **1,719**
- Clients in a better position to keep or find housing – **3,344**
- Client has improved housing conditions – **2,214**
- Client is physically safer (including OFP or safety plan) – **2,593**
- Client has improved quality of life – **4,985**

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

- Clients with access to legal advice – **29,664**
- Clients with access to brief services – **5,405**
- Individuals who received automated court form assistance through LawHelpMN.org – **1,516**
- Individuals who were assisted with live chats to navigate LawHelpMN.org – **1,862**
- Unique visitors to access legal information through LawHelpMN.org – **556,265**

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 has also received funding from donations and court settlement awards to be distributed to eligible grantees.

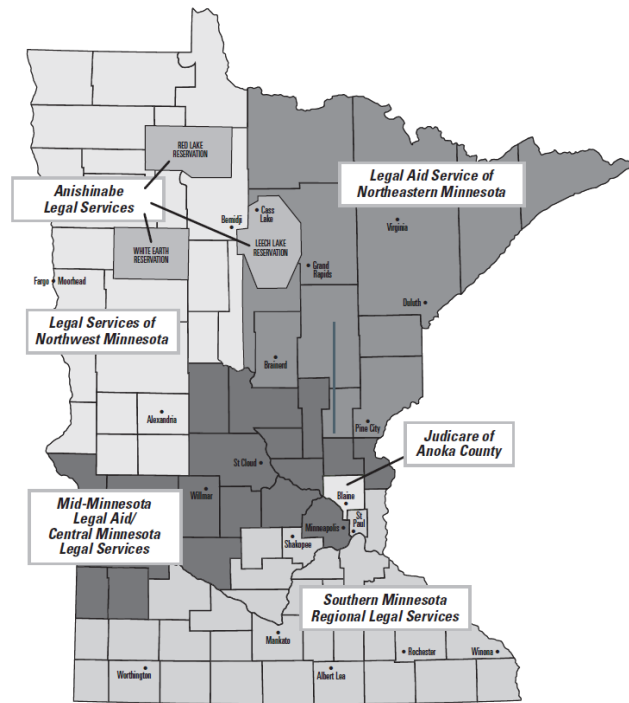
FY22 Legislative Allocation – \$16,928,000

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 FY22 formulaic awards and the map shows the corresponding service areas and office locations.

| Organization Name | FY22 Formulaic Award |
|--|----------------------------|
| Anishinabe Legal Services | \$174,495 |
| Judicare of Anoka County | \$551,939 |
| Legal Aid Service of Northeast Minnesota | \$1,531,362 |
| Legal Services of Northwest Minnesota: | \$1,257,702 |
| Mid-Minnesota Legal Aid | \$5,262,047 |
| Southern Minnesota Regional Legal Services | \$5,611,255 |
| | Total: \$14,388,800 |

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.

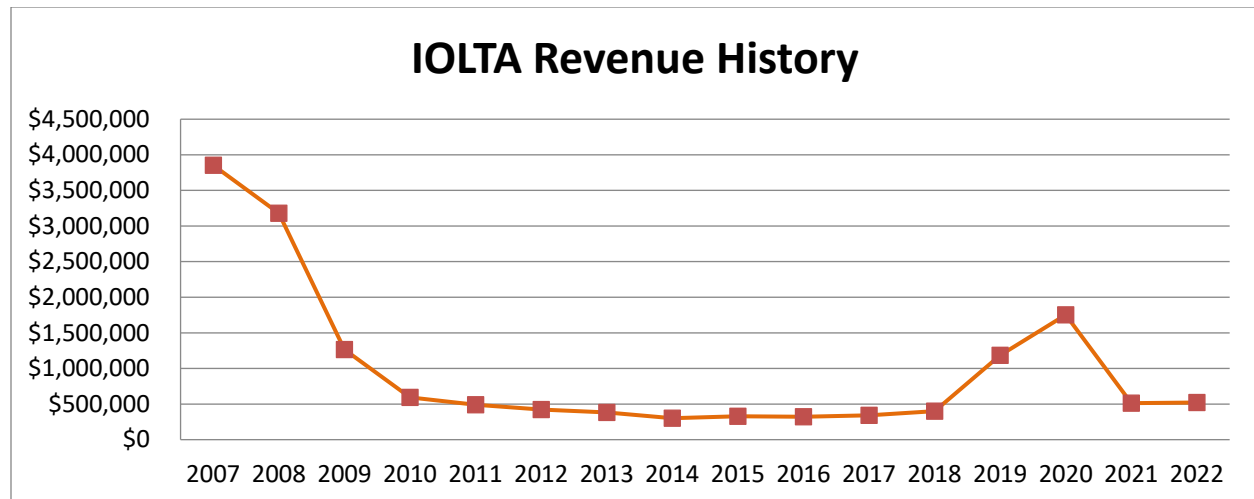


After these awards are calculated, LSAC added the remaining \$2,539,200 from the 15% funds to the additional grant funding sources detailed below. The total amount of the discretionary grant awards is detailed in the next section (LSAC Grant Making).

FY22 IOLTA Revenue – \$520,624

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 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 increased and revenue went above \$1,000,000 for the first time in a decade in 2019-2020. 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 and remained flat in FY22. The Federal Reserve increasing rates in late 2022, the funds will be monitored closely to decide the right timing to start rebuilding the reserve.

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 and strategic planning across programs.



FY22 Lawyer Registration Fee Revenue – \$2,092,073

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 project evaluation and coordinated training opportunities for grantees.

FY22 Minnesota Legal Aid Foundation Fund - \$351,606

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 \$351,606 was received in April 2022 and 100% of the funding was added to the other discretionary funding sources to supplement the grant awards.

LSAC Discretionary Grant Making

LSAC made \$5,305,500 in FY22 discretionary grants, which was the first 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 FY22 discretionary awards were as follows:

| Discretionary Award Recipient | Award Amount |
|--|--------------|
| Anishinabe Legal Services | \$75,000 |
| Central Minnesota Legal Services | \$165,000 |
| Conflict Resolution Center | \$80,000 |
| Farmers' Legal Action Group | \$75,000 |
| Immigrant Law Center | \$305,000 |
| Indian Child Welfare Act Law Center | \$75,000 |
| Legal Aid Service of Northeast Minnesota | \$453,000 |
| Legal Assistance of Dakota County | \$110,000 |
| Legal Assistance of Olmsted County | \$100,000 |
| Legal Services of Northwest Minnesota | \$360,000 |
| Legal Services State Support | \$418,000 |
| LegalCORPS | \$27,000 |
| Loan Repayment Assistance Program | \$24,000 |
| Mid-Minnesota Legal Aid | \$750,000 |
| Minnesota Disability Law Center | \$182,000 |
| Minnesota Justice Foundation | \$110,000 |
| Rainbow Health | \$23,000 |
| Southern Minnesota Regional Legal Services | \$885,000 |
| Standpoint | \$25,000 |
| The Advocates for Human Rights | \$100,000 |
| Tubman | \$108,000 |
| Volunteer Lawyers Network | \$450,000 |

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 FY22 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
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Susan Beaudet, Program Assistant