Minnesota Supreme Court
Legal Services Advisory Committee

FY17 Annual Report
Submitted January 2018

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 Minnesota Supreme Court's Legal Services Advisory Committee (LSAC) for activities between July 1, 2016 and June 30, 2017 (FY17). LSAC funding supports legal services to low-income Minnesotans in every county in the state, with more than 46,000 cases closed by LSAC grantees in 2016. This report details the distribution and impact of $16,111,759 in funding administered by LSAC in FY17.

In addition to grant making, LSAC has endeavored to advance its vital planning role. Last year, we started a focused effort to think not only about the services provided by individual programs, but also about how the larger "ecosystem" of legal services delivery works. This analysis has continued and evolved as we have focused on communication among programs, how potential clients interact with the system, and how the legal services delivery system impacts and is impacted by community and economic development.

As detailed in this report, we have engaged professional resources to guide us and community members as we endeavor to understand how these structures and interactions improve or hinder the core work in which we are engaged. We have finalized the report and recommendations crafted by stakeholders working with consultants to analyze current client screening and intake across all LSAC grantees. Implementation is underway for improvements in referral systems, coordinated online and telephone intake systems.

We have used Bank of America settlement funding to create community economic redevelopment and foreclosure prevention legal assistance across the state. We have recently provided funding for an evaluation project for the Bank of America grantees and more detail will be provided on that effort in the FY18 annual report.

Internal to the committee, we have worked to decrease administrative burden on staff, grantees, and volunteer committee members by increasing standardization and introducing a cohort scoring system for grant review. This enables reviewers to gain better in-depth understanding of programs and proposals with similar or reduced time commitment, and using full-committee deliberation to support consistency across cohorts.

As I begin my seventh year as a member of the committee, I continue to be inspired by the dedication, passion, and ability of the grantees, staff, and volunteers across the state who work to ensure access to justice, and I thank the court for the opportunity to present this report.

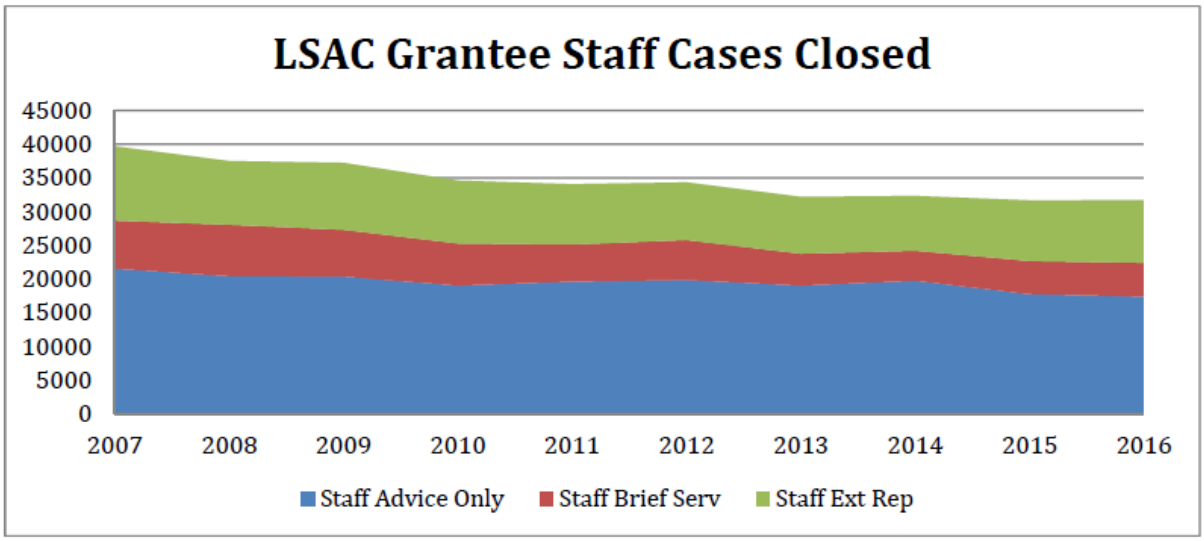
Sincerely,

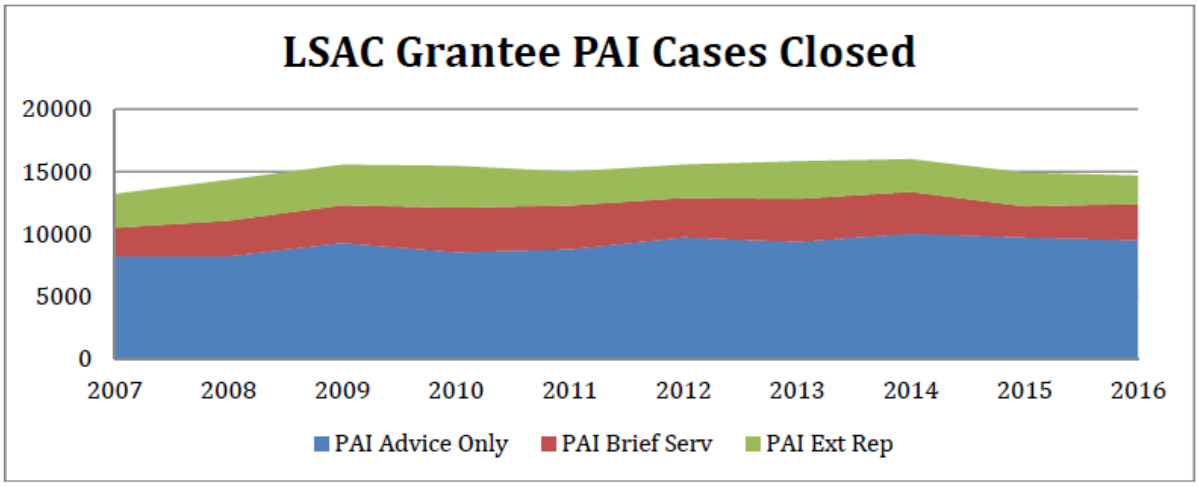
Christopher L. Wendt
Chair

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 $48,600 per year for a family of four.[1] According to the most recent Census data available, there are more than 1.3 million Minnesotans (25% 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 decline in staff cases was the result of steep reductions in available funding during the economic downtown. In recent years the overall number of staff cases has stabilized, with important increases in extended representation cases. With growth in pro bono across the state, almost one-third of all the civil legal aid cases in Minnesota are now provided through representation from the private bar.





[1] 2016 Poverty Guidelines, U.S. Dept. of Health and Human Services
[2] 2016 American Community Survey 1-Year Estimate.

LSAC Grantee Calendar Year 2016 Case Data Summary

Total Cases Closed: **46,382**

- 31,698 cases (68%) closed by staff attorneys
- 14,684 cases (32%) closed by private attorney involvement (PAI) through pro bono or Judicare

Total People in Households Benefitting from Service: **113,963**

Client Demographics:

Gender – **66%** Female, **34%** Male

Age – **4%** Under 18, **80%** 18-59, **16%** Over 60

Race – **47%** White, **27%** Black, **12%** Hispanic, **4%** Native American, **4%** Asian, **6%** Other

Case Types:

25% Family, **25%** Housing, **12%** Immigration, **11%** Consumer, **11%** Income/Health Benefits,

16% Other (includes employment, education, estate planning, expungement, tax, juvenile, etc.)

Dollar Benefits Achieved for Clients: **$28,586,682**

- $18,304,521 in existing income or benefits protected for clients
- $10,282,161 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 – **3,266**
Clients less likely to be harassed by creditors – **2,388**
Clients in a better position to keep or find a job – **2,536**
Clients in a better position to keep or find housing – **3,780**
Client has improved housing conditions – **1,545**
Client is physically safer (including OFP or safety plan) – **3,687**
Client has improved quality of life – **6,898**

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

Clients with access to legal advice – **26,875**
Clients with access to brief services – **7,934**
Individuals who received automated court form assistance through lawhelpmn.org – **3,630**
Individuals who were assisted with live chats to navigate lawhelpmn.org – **1,125**
Site visits to access legal information through lawhelpmn.org – **341,372**

LSAC Funding Sources

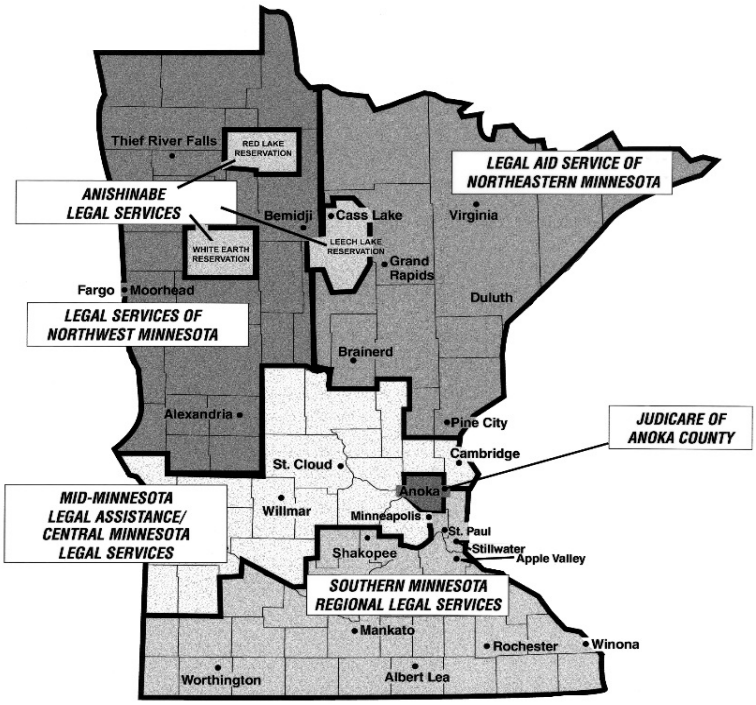
LSAC is responsible for the management and distribution of grant funding from three primary[3] sources: an appropriation from the Minnesota legislature, the Interest on Lawyer Trust Account (IOLTA) revenue and a portion of the lawyer registration fee. In addition, the committee also receives funding from donations and court settlement awards.

FY17 Legislative Allocation – $13,145,000

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 FY17 formulaic awards and the map shows the corresponding service areas.

Anishinabe Legal Services: $147,247
Judicare of Anoka County: $455,278
Legal Aid Service of Northeast Minnesota: $1,225,708
Legal Services of Northwest
Mid-Minnesota Legal Aid: $4,153,100
Southern Minnesota Regional Legal Services: $4,352,462
TOTAL $11,304,800

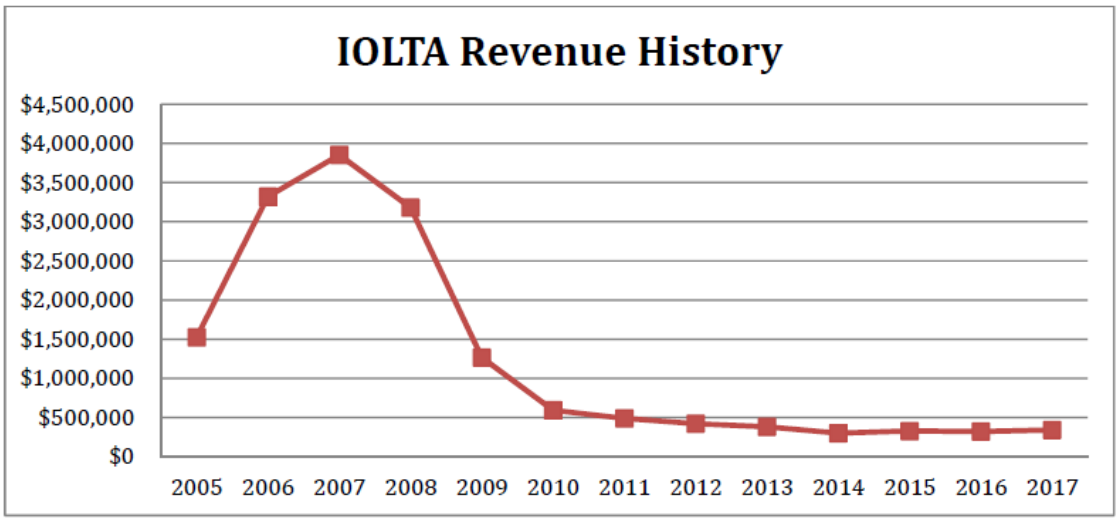


After these awards are calculated, LSAC added the remaining $1,840,200 from the 15% funds to the additional grant funding sources detailed below. The total amount of the discretionary grant awards are detailed in the next section (LSAC Grant Making).

[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.

FY17 IOLTA Revenue – $342,384

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 Board[4] 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 offset revenue declines from 2009-2015, but the low interest rate environment has lasted so long that the reserve is now gone. Until interest rates rise and the reserve can be rebuilt, LSAC will have to carefully estimate revenue and only make grants in the amount that is received each year.



FY17 Lawyer Registration Fee Revenue – $2,016,501

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 2%. Administrative costs include one full-time staff person and one part-time data entry contractor, 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 FY17 Grants - $592,580

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 portion of the settlement was $442,000 in 2015 and $4,549,000 in 2016.

Because the bulk of the Bank of America funding arrived after the standard LSAC grant cycle, the committee issued a separate Letter of Inquiry (LOI) process and requested full proposals from the strongest applicants. This first round of Bank of America grant projects started in May 2016 and ran through June 2017. These projects include:

- **Farmers Legal Action Group**: This grant will provide legal information and legal assistance to low-income farmers regarding Minnesota's new Cottage Food Law. This will result in additional income from farming operations.
- **Immigrant Law Center of Minnesota**: In partnership with Latino Economic Development Center, HACER and Lindquist & Vennum, this grant will support legal services to immigrant businesses in and around the Austin community.
- **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, this grant will provide 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.
- **Southern Minnesota Regional Legal Services**: With a focus on the Frogtown neighborhood of St. Paul, this grant will focus 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.

FY17 Minnesota Legal Aid Foundation Fund - $159,587

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 $159,587 was received in October 2016 and 100% of the funding was added to the other discretionary funding sources to supplement the FY17 grant awards.

LSAC Grant Making

LSAC made $4,314,379 in FY17 discretionary grants, excluding the Bank of America awards detailed above. The majority of grants were the second year of the awards made during the general FY16-17 cycle. Through that process the committee received grant applications from 27 eligible organizations requesting $5,041,354 in annual funding and granted $4,099,379 in FY17 awards.

In addition to the regular grant cycle, LSAC set aside $215,000 for an additional FY17 grant application process directed at expanding PAI services in the southern region. This additional grant cycle resulted from data showing that the southern region was under resourced for pro bono and Judicare compared to other regions. LSAC's goals for this funding included increasing the number of clients able to access legal services across the southern region through private attorney involvement, increasing the reach of attorneys in regional population centers so that resources are better shared across counties in the region and increasing coordination between the major service providers so that clients have access to available service regardless of which provider they call or which clinic they attend.

The total of both the general grant cycle and the southern region PAI request for proposals is reflected in the table below.

Anishinabe Legal Services	$30,000
Battered Women's Legal Advocacy Project	$22,000
Call for Justice	$20,000
Central Minnesota Legal Services	$160,000
Estate & Elder Law Services at Volunteers of America	$25,000
Farmers Legal Action Group	$90,000
Immigrant Law Center	$260,000
Indian Child Welfare Act Law Center	$68,000
Legal Assistance of Dakota County	$61,195
Legal Assistance of Northeast Minnesota	$235,000
Legal Assistance of Olmsted County	$40,000
Legal Services of Northwest Minnesota	$315,929

LegalCORPS	$10,000
Loan Repayment Assistance Program	$6,000
Mid-Minnesota Legal Aid	$742,000
Minnesota AIDS Project	$17,000
Minnesota Disability Law Center	$172,200
Minnesota Justice Foundation	$110,000
Southern Minnesota Regional Legal Services	$798,000
State Support	$270,900
The Advocates for Human Rights	$55,350
Tubman	$96,000
Volunteer Attorney Program	$273,000
Volunteer Lawyers Network	$436,805

LSAC Planning and Support Projects

Coordinated Infrastructure Project – The Minnesota Supreme Court directed LSAC to investigate possibilities for coordinated infrastructure projects across civil legal aid programs statewide, including centralized intake and referral services. To help inform this effort, LSAC contracted with John Tull, a national legal aid consultant, and received business process analysis services pro bono from Ginny Agresti and 3M Company. The full report is available at www.mncourts.gov/lsac under the Additional Resources tab. In summary, the recommendations in the report included:

1) Developing a clear referral policy and support mechanism.
2) Expanding intake hours and services to accommodate more people.
3) Improving marketing about availability of services.
4) Triage and channeling to better serve low-income Minnesotans through online, telephone and high volume advice systems.

The recommendations from the consultant's report were accepted by the Court and LSAC is working on implementation in FY18-19. The projects underway include an improved referral database to be used by all LSAC grantees, a redesigned online intake and referral system and a report on coordinated phone intake and advice across the state. LSAC has formed a working group to advise on implementation of the online projects and research phone hotlines from around the country to make recommendations to the committee by the end of 2018.

Justice for All Grant - LSAC has been coordinating the legal aid coordinated infrastructure project with the Justice for All planning grant received in 2017. The Minnesota Justice for All Strategic Plan includes a recommendation for a unified online triage portal to include resources for people of all income levels facing civil legal needs, not just those who qualify for legal aid services. LSAC will be part of an implementation grant application for this expanded triage and channeling portal in 2018.

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 are working diligently on this mission and are committed to continuous improvement of the civil legal aid system statewide.

Legal Services Advisory Committee 2016-2017:
Mohamed Abdi (Minneapolis), Client Member
Cynthia Barrientos (Burnsville), Client Member
Matthew Boos (Minneapolis), Attorney Member
Patrick J. Burns (St. Paul), Attorney Member
Katherine Hadley (St. Paul), Public Member
Nancy Kleeman (Minneapolis), Public Member
Peter Knapp (St. Paul), Attorney Member
Laurence McDonough (Minneapolis), Attorney Member
David Moeller (Duluth), Attorney Member
Randi Roth (St. Paul), Attorney Member
Christopher Wendt (Rochester), Attorney Member
Bridget Gernander, LSAC Executive Director

OFFICE OF
APPELLATE COURTS

SEP 24 2012

FILED

STATE OF MINNESOTA

IN SUPREME COURT

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ADM10-8038

IN RE MINNESOTA LEGAL SERVICES PLANNING COMMITTEE AND LEGAL SERVICES ADVISORY COMMITTEE

ORDER

The Minnesota Legal Services Planning Committee was established by order of this Court dated June 9, 2005. The committee has worked to advance access to justice in Minnesota, including analyzing statewide data on civil legal services delivery and assisting the Legal Services Planning Committee in the creation of funding priorities. At the same time, the Legal Services Advisory Committee has been formalizing its procedures to improve management of the public grant funds administered by the Minnesota Judicial Branch as part of its access to justice duties. The Court has reviewed the current relationship between these committees and is fully advised in the premises.

IT IS HEREBY ORDERED THAT:

1. The Minnesota Legal Services Planning Committee shall sunset effective October 1, 2012.

2. The Legal Services Advisory Committee shall assume the planning, data collection, and priority setting functions previously conducted by the Minnesota Legal Services Planning Committee.

3. The Legal Services Advisory Committee shall solicit information from civil legal services stakeholders in setting funding priorities.

4. 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. The Legal Services Advisory Committee's areas of focus shall include but are not limited to:

a. Projects to ensure a base level of access to civil legal services in all Minnesota counties.

b. Coordination with Judicial Branch and law library self-represented litigant services to ensure that clients are being directed to the best available resources in the client's geographic area.

c. Use of technology and other approaches to support integrated civil legal services infrastructure for staffed, pro bono, and judicare programs.

5. The Legal Services Advisory Committee shall report to the Court in a written annual report on the work of the committee, including revenue received and grants made to civil legal services programs.

DATED: September 24, 2012

BY THE COURT:

Lorie S. Gildea
Chief Justice