



Minnesota Supreme Court Legal Services Advisory Committee

FY20 Annual Report
Submitted November 2020

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

After five years of service as a member of the Legal Services Advisory Committee (LSAC) of the Minnesota Supreme Court, I am now privileged to begin service as the committee's chair. I am pleased to present LSAC's annual report for activities between July 1, 2019 and June 30, 2020. LSAC funding supports legal services to low-income Minnesotans in every county in the state, with almost 45,000 cases closed by LSAC grantees in 2019. This report details the distribution and impact of \$18,582,000 in FY20 LSAC managed grants, including the Bank of America funding I describe below.

Reflections on Legal Services in this Time

We find ourselves in what many are calling a "horrific opportunity moment." Our summer was locked down by COVID; the pandemic is still raging; and our community is still working hard to forge meaningful responses to the racial reckoning awakened by the killing of George Floyd. We are all searching for the best ways to build equity and opportunity in our communities.

As a practical matter, the pandemic combined with racial inequities and many other issues have resulted in many of our neighbors living in poverty and many in deep poverty. What can we do to truly help our communities become places where all can thrive?

Civil legal aid is a key part of the solution. On an average day, legal aid offices across the state are taking cases and matching pro bono volunteers to provide services including:

- resolving hazardous conditions in housing;
- assisting in dealing with domestic violence;
- advising about and resolving immigration concerns;
- enforcing rights re: employment-related concerns such as wage theft, discrimination, and harassment;
- appealing public benefits denials; and
- seeking expungement of very old criminal convictions that impede job searches.

Civil legal aid is critical to helping individuals and families achieve stability and economic mobility, and is critical to our community's health, healing, and future.

Reflections on Work Funded by Bank of America

In addition to the primary sources of funding described in this report, LSAC additionally received one-time supplementary funding of almost \$5 million through a settlement between Bank of America and the Department of Justice. The funds were largely restricted to grants supporting work at the intersection of community economic development and legal aid. LSAC made grants from this fund totaling \$1,000,000 per year for five years; the grants went to seven grantee organizations across the state (project details on page 7 of this report). The last Bank of America grants runs through June 30, 2021 so we are currently in the last year of this funding. The committee also used a small portion of the Bank of America settlement for an evaluation effort focused on this work. The evaluation was funded for two reasons: first, to give the

programs the opportunity to learn about their own effectiveness, and to course-correct if necessary; and, second, to tell the story of legal aid's proven effectiveness in a new way. The evaluation showed the tremendous impact of legal aid work and illustrated how the positive impacts reverberate throughout each of the communities. The following graphic illustrates the community benefits documented from service to just one criminal expungement client:



The full report is available at www.LegalAidDelivers.org.

Conclusion

This moment asks a tremendous amount of all of us. All of the members of LSAC understand the importance of legal aid's work in this time. The dedication, passion, and ability of the grantees, staff, and volunteers at legal aid organizations across the state give us assurance of legal aid's ability to make a substantial positive difference.

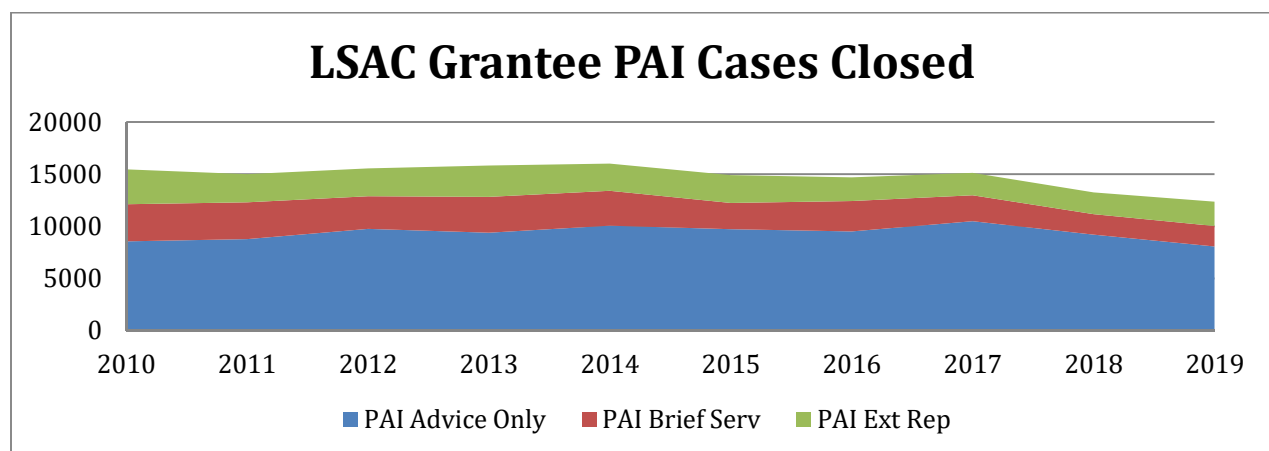
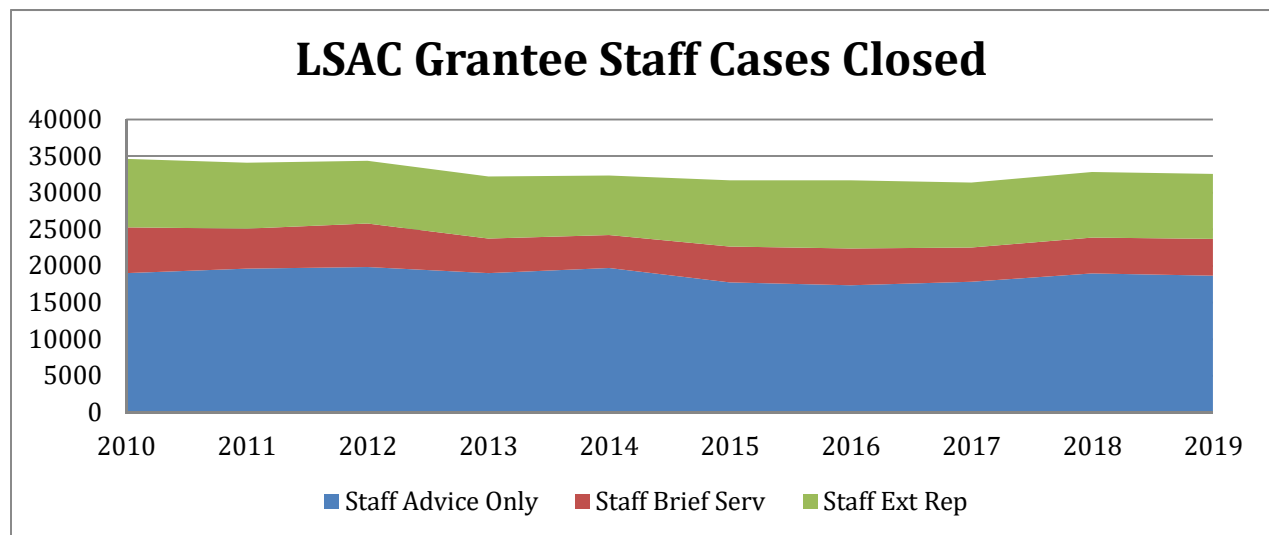
Warmly,
Randi Ilyse Roth
Chair



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 \$52,400 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. The number of staff cases started to increase after years of reductions caused by steep funding cuts during the economic downturn and then remained steady last year. Conversely, after years of growth pro bono cases have been trending down for several years. Private attorney involvement remains very important to the overall civil legal aid delivery system, with more than one-quarter of legal representation of low-income clients statewide coming from the private bar.



¹ 2020 Poverty Guidelines, U.S. Dept. of Health and Human Services

² 2019 American Community Survey 1-Year Estimate for Minnesotans at or below 200% of Poverty.

LSAC Grantee Calendar Year 2019 Case Data Summary

Total Cases Closed: 44,920

- 32,567 cases (72%) closed by staff attorneys
- 12,353 cases (28%) closed by private attorney involvement (PAI) through pro bono or Judicare

Total People in Households Benefitting from Service: 112,433

Client Demographics:

Gender – **62%** Female, **33%** Male, **5%** Not Reported, **0%** Other

Age – **5%** Under 18, **55%** 18-59, **11%** Over 60, **7%** Not Reported, **15%** with disabilities; **7%** Limited English Proficiency

Race – **40%** White, **27%** Black, **17%** Hispanic, **4%** Native American, **5%** Asian, **3%** Other, **4%** Not Reported

Case Types:

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

Dollar Benefits Achieved for Clients: \$20,418,114

- \$11,191,848 in existing income or benefits protected for clients
- \$9,226,266 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 – **2,255**

Clients less likely to be harassed by creditors – **1,641**

Clients in a better position to keep or find a job – **1,856**

Clients in a better position to keep or find housing – **3,854**

Client has improved housing conditions – **1,522**

Client is physically safer (including OFP or safety plan) – **3,416**

Client has improved quality of life – **5,431**

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

Clients with access to legal advice – **26,708**

Clients with access to brief services – **7,024**

Individuals who received automated court form assistance through lawhelpmn.org – **2,432**

Individuals who were assisted with live chats to navigate lawhelpmn.org – **1,070**

Unique visitors to access legal information through LawHelpMN.org – **525,182**

LSAC Funding Sources

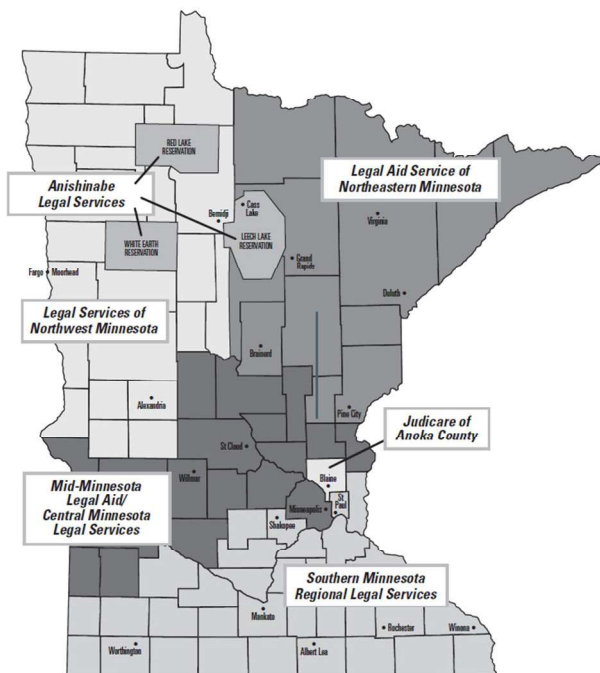
LSAC is responsible for the management and distribution of grant funding from three primary³ sources: an appropriation from the Minnesota legislature, the Interest on Lawyer Trust Accounts (IOLTA) revenue and a portion of the lawyer registration fee. In addition, the committee has also received funding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

FY20 Legislative Allocation – \$14,720,000

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 FY20 formulaic awards and the map shows the corresponding service areas and office locations.

Anishinabe Legal Services: \$161,026
Judicare of Anoka County: \$493,780
Legal Aid Service of Northeast Minnesota: \$1,339,509
Legal Services of Northwest Minnesota: \$1,059,771
Mid-Minnesota Legal Aid: \$4,577,012
Southern Minnesota Regional Legal Services: \$4,880,902
TOTAL \$12,512,000

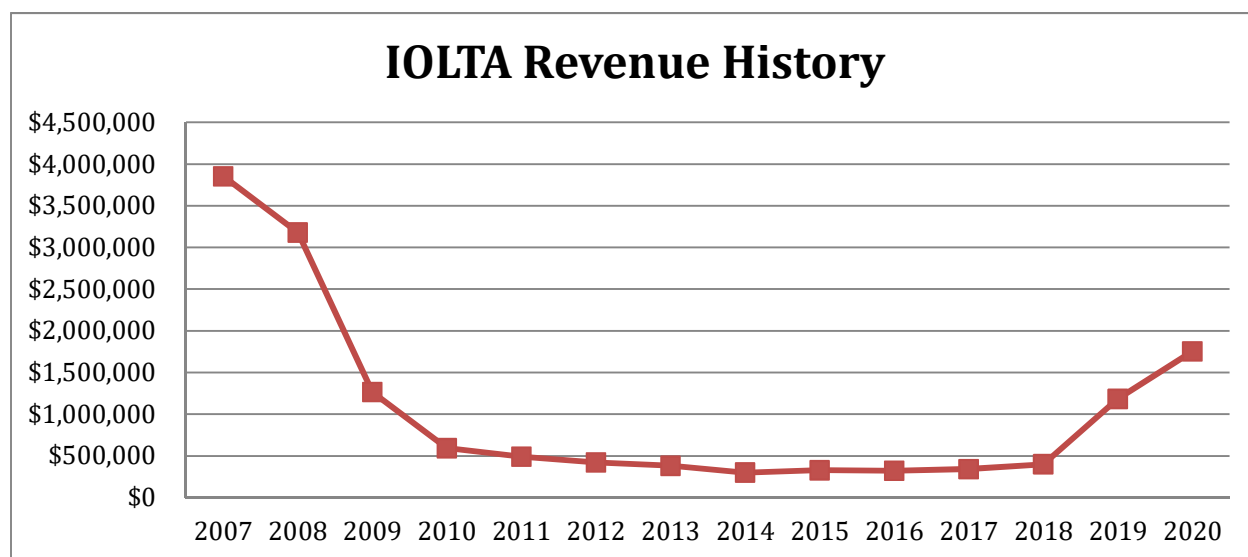


After these awards are calculated, LSAC added the remaining \$2,208,000 from the 15% funds to the additional grant funding sources detailed below. The total amount of the discretionary grant awards are detailed in the next section (LSAC Grant Making).

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.

FY20 IOLTA Revenue – \$1,753,388

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 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. The funds will be monitored closely to decide when would be the right timing to start building a reserve again.



FY20 Lawyer Registration Fee Revenue – \$2,090,023

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 project 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 FY20 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 FY20 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.
- **Housing Justice Center:** This grant is focused on stabilizing and revitalizing low-income communities in the Twin Cities through legal advocacy for affordable housing.
- **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.
- **Mid-Minnesota Legal Aid:** Funding for the Minnesota Asset Building Coalition project focused on 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.

FY20 Minnesota Legal Aid Foundation Fund - \$160,915

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 \$160,915 was received in January 2020 and 100% of the funding was added to the other discretionary funding sources to supplement the FY20 grant awards.

LSAC Discretionary Grant Making

LSAC made \$6,070,000 in FY20 discretionary grants, including the Bank of America awards detailed above. FY20 was the first year of the two-year grant awards decisions made in June 2019. The committee received grant applications from 25 eligible organizations requesting \$7,055,955 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 FY20-21 grant cycle LSAC continued its practice of 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 FY20 awards were as follows:

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
JustUs Health	\$23,000
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
Southern Minnesota Regional Legal Services	\$885,000
Standpoint	\$25,000
The Advocates for Human Rights	\$150,000
Tubman	\$108,000
Volunteer Attorney Program	\$30,000
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 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 FY20 Grant Decisions

Timothy Auge (St. Cloud), Client Member
Michael Blackmon Jr. (Minneapolis), Attorney Member
Peter Knapp (St. Paul), Attorney Member
Laurence McDonough (Minneapolis), Attorney Member
Deborah Peterson (White Bear Lake), Public Member
Randi Roth (St. Paul), Attorney Member
Summra Shariff (Minneapolis), Attorney Member
Maria Thu Salas (Mounds View), Public Member
Laura Tripicano (St. Cloud), Attorney Member
Tamara Ward (Minneapolis), Client Member
Christopher Wendt (Rochester), Attorney Member

Joining LSAC After FY20

Tresor Banglia (Plymouth), Client Member
Ashton Boon (Rochester), Attorney Member
Deepinder Mayell (Minneapolis), Attorney Member
Sally Silk (Minneapolis), Attorney Member

LSAC Staff

Bridget Gernander, Grants Manager
Susan Beaudet, Program Assistant