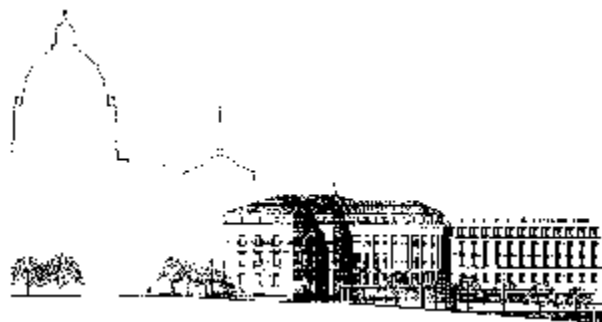


State of Minnesota

**Lawyer
Registration
Office**



**ANNUAL REPORT
CALENDAR YEAR 2013**

**MINNESOTA SUPREME COURT
LAWYER REGISTRATION OFFICE
ANNUAL REPORT: 2013**

On May 1, 2013, at the request of the Chief Justice, the functions and responsibilities of the Lawyer Registration Office (LRO) were transferred from the Clerk of Appellate Courts to the Director of the Minnesota Board of Law Examiners (BLE), Board of Continuing Legal Education (CLE), and Board of Legal Certification (BLC). At the same time, LRO moved from the Minnesota Judicial Center to 180 E 5th Street, Suite 950, St. Paul, MN 55101, the office shared by the three Boards.

LRO maintains the database of Minnesota-licensed attorneys, including the names, addresses, license status information, and professional liability insurance information. LRO staff also coordinates the issuance of annual registration notices to all lawyers, processes annual registration payments, and responds to inquiries from lawyers, courts, and the public about lawyer licenses and lawyer registration matters. All Minnesota lawyers are listed in the LRO database and are designated to be either “Authorized” or “Not authorized” to practice law, depending upon their lawyer registration payment status, CLE compliance status, and disciplinary status.

I. IMPROVEMENTS SINCE RELOCATION

The transition of the Lawyer Registration Office to the office of the Boards has been successful. Customer service has been improved through closer management and oversight of the day-to-day processes. Being located in the same office as CLE has been helpful to both LRO staff and CLE staff as they are able to communicate immediately when issues arise that impact both LRO and CLE statuses.

One particularly important improvement in the LRO function is the ability to devote increased staff support during peak filing periods. This permits the office to answer the phones every work day and abide by a policy of returning all calls on a 24-hour basis.

The staff has rewritten and expanded the LRO manual to include policies, procedures, and checklists covering virtually all office functions. In the past year, we have rewritten and clarified all notices and letters to lawyers, and have included diagrams and screen shots to encourage online filing. We have devoted significant time and energy to encouraging lawyers to use the Minnesota Attorney Registration System (MARS), an online reporting and payment system, and have been successful. While the percentage of Minnesota attorneys who pay their Lawyer Registration fees online is still quite low, plans are in place to suggest rule amendments that encourage lawyers to pay online.

A May 2013 internal auditor's report identified 10 finance and accounting issues that were not being handled in compliance with Judicial Branch policy. We have addressed and resolved all of the issues and reported those resolutions to the Judicial Finance Department.

One of the most critical concerns identified in the audit was that receipts were sometimes not being deposited on a timely basis. We have now adopted a policy and practice of same-day deposits. In order to avoid holding checks indefinitely in the office, we now return incomplete or erroneous statements on the day received. Increases in staffing and improved processes have also resulted in large deposits being made on the day of receipt rather than the following business day.

II. LICENSED ATTORNEYS

In 2013, the Lawyer Registration Office processed 27,669 annual registration statements. Of that total, 15,564 payments were received in check or cash and 12,105 were processed online using a credit or debit card. Lawyers who do not pay by the deadline are administratively placed on suspended status. The lawyer may be reinstated by paying the delinquent fees and a \$75.00 late fee. At the end of 2013, there were 98 new lawyers in suspended status who had not been in suspended status at the end of 2012.

During the 2013 calendar year, there were a total of 28,695 licensed lawyers¹ in Minnesota; as of December 31, 2013, a total of 3,797 lawyers were on inactive status.²

III. FISCAL SUMMARY

A. REVENUE

The Lawyer Registration Office is funded primarily by late fees assessed to lawyers who do not pay their annual registration fees on time. In calendar year 2013, the Lawyer Registration Office received \$217,856 in late fee-generated revenue. LRO is responsible for collecting the annual registration fees and allocating the fees among the following Court entities in accordance with Supreme Court rules: the Board of Law Examiners, Board of Continuing Legal Education, Lawyers Professional Responsibility Board, Client Security Fund (CSF), and the Legal Services Advisory Committee (LSAC). **Chart 1** lists the six categories of annual registration fees.

¹ The number of licensed lawyers does not include lawyers who are suspended for nonpayment of registration fees. Lawyers suspended for nonpayment are referred to as "noncompliant" and are not considered licensed.

² "Inactive" status means the lawyer is in good standing, but not authorized to practice law. This group of lawyers is considered to be licensed.

Chart 1: Registration Fees

Active Status	\$ 254.00
Active Status - Income Less Than \$25,000	\$ 226.00
Active Status - Lawyers on Fulltime Military Duty ³	\$ 0
Active Status - Lawyers Admitted Fewer than Three Years	\$ 120.00
Active Status - Lawyers Admitted Fewer than Three Years - Income Less Than \$25,000	\$ 106.00
Inactive Status - MN Resident or Out-of-State	\$ 211.00
Inactive Status - MN Resident or Out-of-State - Income Less Than \$25,000	\$ 183.00
Inactive Status – Retired	\$ 0
Inactive Status - Permanent Disability	\$ 0

Chart 2 shows how each registration fee is allocated.

Chart 2: Fee Allocations

	\$ 106.00	\$ 120.00	\$ 103.00	\$ 131.00	\$ 183.00	\$ 211.00	\$ 226.00	\$ 254.00
BLE	\$ 23.00	\$ 23.00	\$ 23.00	\$ 23.00	\$ 23.00	\$ 23.00	\$ 23.00	\$ 23.00
CLE	\$ 6.00	\$ 6.00	\$ 5.00	\$ 5.00	\$ 6.00	\$ 6.00	\$ 6.00	\$ 6.00
OLPR	\$ 26.00	\$ 26.00	\$ 24.00	\$ 24.00	\$ 83.00	\$ 83.00	\$ 122.00	\$ 122.00
CSF	\$ 12.00	\$ 12.00	\$ -	\$ -	\$ 12.00	\$ 12.00	\$ 12.00	\$ 12.00
LSAC1⁴	\$ 23.00	\$ 37.00	\$ 35.00	\$ 63.00	\$ 43.00	\$ 71.00	\$ 47.00	\$ 75.00
LSAC2⁵	\$ 16.00	\$ 16.00	\$ 16.00	\$ 16.00	\$ 16.00	\$ 16.00	\$ 16.00	\$ 16.00

B. EXPENSES

The Lawyer Registration Office shares personnel, resources, and facilities with the Board of Law Examiners, Board of Continuing Legal Education, and Board of Legal Certification, and contributes 9% to all-office overhead expenses. Beginning in July 2013, the salary allocation for staff was as follows: Director: 13%; Assistant Director and Counsel: 12%; LRO/CLE Administrator: 20%; Director's Assistant: 13%; LRO Staff Assistant: 90%; Staff Assistant: 50%; Part-Time Staff Assistant: 10%; 6 Staff Assistants: 5%; and Part-Time Attorney: 1%. Because 2013 was the first year that the office was co-located with the Boards, salary allocations are expected to change in the next year.

³ Per *Minnesota Statute 325.56*, active duty military are exempt from paying attorney fees.

⁴ LSAC1: Payments allocated to Legal Services Advisory Committee for civil legal services and grant program purposes.

⁵ LSAC2: Payments allocated to Legal Services Advisory Committee for a lawyers assistance program.

Additional costs are anticipated in the coming year because the Lawyer Registration software, the Minnesota Attorney Registration System (MARS), is in need of updating. Updates are required because of the age of MARS, and because of a need to improve record keeping and customer service as well as reduce personnel costs. The hardware on which MARS resides also needs to be replaced in the coming year.

As communications between LRO and Minnesota lawyers improves, and as more lawyers pay their Lawyer Registration fees online, we anticipate a reduction in revenue generated by lawyer late fees. Additional sources of revenue to off-set these decreases will be explored in 2014.

IV. CONCLUSION


In the past year, the Lawyer Registration Office was successfully incorporated into the office of the Boards of Law Examiners, Continuing Legal Education, and Legal Certification. The concerns raised by the internal audit have been resolved. Customer service has improved significantly.

The challenges for the coming year include enhancing the technology platform on which the Lawyer Registration information system resides, and identifying and putting into place stable and dependable funding sources that will support the Lawyer Registration Office in coming years.

The Lawyer Registration function touches every licensed Minnesota lawyer and is the only source of public information that accurately identifies those lawyers who are authorized to practice law in Minnesota. There is no other definitive source that lawyers, judges, and the public can rely on for this important information.

Respectfully submitted,

MINNESOTA SUPREME COURT LAWYER REGISTRATION OFFICE



Margaret Fuller Corneille
Director

Dated: _____

June 12, 2014