Seeking Justice For All
Budget Request FY20-21
Civil Legal Services Network

House Judiciary Finance and Civil Law Division
February 26, 2019

Drew Schaffer | Mid-Minnesota Legal Aid
Anne Hoefgen | Legal Services of Northwest Minnesota
Minnesota Civil Legal Services Funding

Three Sources of State-Administered Funding

• General Fund Appropriation
  – $13.72 million [Annual]
  – Legislature appropriates
  – 85% for regional programs / 15% for grants for all CLS providers [MN 480.24]

• IOLTA [Interest on Lawyers Trust Account]
  – $400,778 [Available for 2018]

• Attorney Registration Fees
  – $2.01M [Available for 2018]

All are distributed through the Minnesota Supreme Court’s Legal Services Advisory Committee (LSAC).
Minnesota Civil Legal Services Funding

2018 Civil Legal Services Funding
All Sources - $39,551,657

- State Appropriation: 36%
- Attorney Registration Fee: 5%
- Bank of America Settlement: 3%
- Legal Services Corporation: 12%
- Other Government: 19%
- Private Donation: 9%
- Foundations/United Way: 13%
- Other: 3%
- Private Donation: 9%
Minnesota Civil Legal Services Request

Total Requested Increase $4,214,000

- FY2020: $1,646,000
- FY2021: $2,568,000

Impact on Investment in Civil Legal Aid

- FY2020: $13.72 million → $15.366 million
- FY2021: $13.72 million → $16.288 million
Minnesota Civil Legal Services Request

Basis of Requested Increase

• Need for salary improvement
  • CLS has the lowest salaries in the public sector, which has recently led to an annual turnover rate as high as 30%.
  • CLS has an average starting salary of $48,673, or 12% lower than the Public Defender, which is also comparatively lower than other public sector employers.
  • The CLS compensation deficit gets worse moving up the salary schedule:
    • Year 5: CLS is 15.3% lower than the PD.
    • Year 10: CLS is 22.05% lower than the PD.
    • Year 15: CLS is 28.75% lower than the PD.
Minnesota Civil Legal Services Request

Proposed Investment of Requested Increase to Address the CLS Compensation Deficit

• In FY2020, CLS will invest a minimum of $964,000 in salary improvement.

• In FY2021, CLS will invest a minimum of $1,504,800 in salary improvement.
Minnesota Civil Legal Services Request

Basis of Requested Increase

• CLS has experienced unavoidable increases in health care costs in recent years.
• Just from 2018 to 2019, CLS programs experienced increased health care costs ranging from 8% to 22%.
• The average increase in health care costs among CLS programs from 2018 to 2019 was 14%.
Basis of Requested Increase

• Here are additional specific examples of the burden of increasing health care costs in CLS:
  • From 2016 to 2019, Legal Aid Service of Northeastern Minnesota has experienced a 33% increase in its health care costs.
  • From 2015 to 2019, Mid-Minnesota Legal Aid has experienced a 35.73% increase in health care costs.
Minnesota Civil Legal Services Request

Proposed Investment of Requested Increase to Offset Unavoidable Increases in Health Care Costs

• In FY2020, CLS will invest a minimum of $435,100 to offset costs increases for health insurance and other benefits.

• In FY2021, CLS will invest a minimum of $678,000 to offset costs increases for health insurance and other benefits.
Minnesota Civil Legal Services Request

Basis of Requested Increase

• Many Minnesotans do not have meaningful access to justice.
  • Due to lack of resources, CLS is only able to serve 2 of 5 (40%) eligible people seeking service.
  • In Minnesota, there is one private attorney for every 324 potential paying clients, compared to one legal aid attorney for every 6,058 low-income individuals.
Minnesota Civil Legal Services Request

Basis of Requested Increase

• Historical legislative funding of CLS:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$13,300,000</td>
<td>$11,960,000</td>
<td>$11,016,000</td>
<td>$12,266,000</td>
<td>$13,145,000</td>
<td>$13,720,000</td>
</tr>
</tbody>
</table>

• Investment in CLS through legislative appropriation is flat from FY2008 through FY2019, having increased in actual dollars only by 3.158% in a direct comparison between FY2008 and FY2019.
Minnesota Civil Legal Services Request

Basis of Requested Increase

• Historical legislative funding of CLS:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Funding</td>
<td>$13,300,000</td>
<td>$11,960,000</td>
<td>$11,016,000</td>
<td>$12,266,000</td>
<td>$13,145,000</td>
<td>$13,720,000</td>
</tr>
</tbody>
</table>

• A “real dollar” or inflation-adjusted comparison of past to current legislative appropriation levels is informative.

• The $13,300,000 funding level in FY2008 equates to $15,549,108-$16,112,081 in 2019, using a cumulative rate of inflation of 16.9% and U.S. Consumer Price Index Data.
Minnesota Civil Legal Services Request

Basis of Requested Increase

• Historical legislative funding of CLS:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>$13,300,000</td>
<td>$11,960,000</td>
<td>$11,016,000</td>
<td>$12,266,000</td>
<td>$13,145,000</td>
<td>$13,720,000</td>
<td></td>
</tr>
</tbody>
</table>

• The Civil Legal Services funding request for FY2020-21 is measured.
  • If the request is fully funded, it will bring the FY2020 CLS funding level to $15,366,000 and the FY2021 CLS funding level to $16,288,000.
  • In essence, the request will help CLS “catch up” to the funding levels realized 12 years ago.
Minnesota Civil Legal Services Request

Seeking Justice For All

It would take $63,179,485 over and above the CLS funding request for FY20-21 to meet 100% of the current demand for civil legal aid in Minnesota.
Here are examples of the potential impact of additional investments over and above the current CLS request on meeting current demand:

- An additional $2 million per year would help CLS meet $1/20^{th}$ of the need we do not presently have resources to meet.
- An additional $10,529,914 per year over the pending CLS funding request would help CLS meet 50% of overall current demand for civil legal aid in Minnesota.
Legal Aid: A Solid Economic Investment for Minnesota

Civil legal aid creates a significant economic benefit for Minnesota

More Minnesotans are Safe, Protected, Housed, Secure, Independent, Productive
In 2014, 48,444 families and individuals were helped by a coalition of 22 Legal Aid programs.

Secured $133 Million in Benefits for Minnesota

- Brought $3.8 Million in new federal benefits to MN
- Brought $5.6 Million in non-governmental income to clients
- Protected $4.4 Million in federal benefits for Minnesotans

Volunteer Attorneys Make a Difference

- Protected $13 Million of non-governmental income for clients
- Provided $71 Million of staff attorney legal services to low-income Minnesotans

Minnesota avoided major costs
Minneapolis avoided $11.9 Million in costs associated with domestic violence, homelessness, & other important casework.

Leveraging State Dollars for Impact

- 36% State Funding
- 64% Foundations & Private Funding; Federal & Local Government Funding

For every $1.00 invested in civil legal aid

$3.94 in economic benefits are returned to individuals and community

16,000+ cases closed by pro-bono attorneys in 2014.
Nearly $22 Million in donated legal time for low-income clients.

Anishinae Legal Services
Central Minnesota Legal Services
Judicare of Anoka County
Legal Aid Service of Northeastern Minnesota
Legal Services of Northwest Minnesota
Mid-Minnesota Legal Aid
Southern Minnesota Regional Legal Services

www.mnlegalservices.org