

STATE OF MINNESOTA
IN THE SUPREME COURT

OFFICE OF
APPELLATE COURTS
FILED

MAR 6 1987

WAYNE TSCHIMPERLE
CLERK

RE: Increase in Lawyer License Fee

PETITION

C5-84-2139

C2-84-2163

C9-81-1206

3-19-87 Hearing

WHEREAS the Board of Law Examiners currently receives seven dollars per lawyer from the annual lawyer license fee;

That the per lawyer fee allocated to the Board of Law Examiners has not changed since 1962;

That background investigations of applicants, staff salaries, rent and inflation have increased consistently;

That a declining applicant pool indicates that increased application fees and ordinary cost-saving measures are inadequate to cover rising expenses;

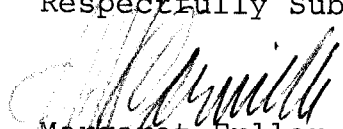
That the admission process is the first step in maintaining the competence and professionalism of the bar;

THEREFORE the Board of Law Examiners requests an increase of eight dollars per lawyer (from \$7 to \$15) in its allocation from the annual lawyer license fee.

Dated:

March 6, 1987

Respectfully Submitted,


Margaret Fuller Corneille
Director
Board of Law Examiners

STATE OF MINNESOTA
IN THE SUPREME COURT

Memorandum in Support
of Petition for
Increase in
Lawyer License Fee

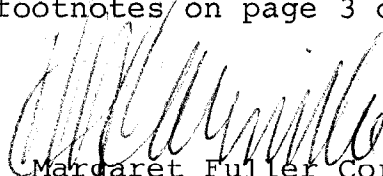
The Board of Law Examiners requests an increase in the lawyer license fee in the amount of \$8.00, to cover expenses in the next five years. The funds are needed to handle investigative costs for bar applicants, grading expenses, and staff salaries.

The Board of Law Examiners portion of the license fee has not been increased since 1962 (see Chart 1), when the licensing fee was first imposed. Although the license fee has increased nine times, none of that increase has been allocated for Board of Law Examiners purposes.

The Board of Law Examiners also receives funds from lawyer application fees. These have been increased six times (Chart 2). To increase these fees further would be disproportionate to fees of other states. Raising of fees was sufficient when the number of applicants was increasing. For the past three years, however, there has been a leveling off of law school graduates. The Board of Law Examiners can no longer rely on an increasing number of applicants to offset ordinary increases in the cost of administering its office.

The Board of Law Examiners has functioned with a comfortable reserve of funds until this year. The reserve will be gone by FY 8. The reserve is necessary in order to have a consistent cash flow, and to cover unforeseen problems, such as an examination being compromised, an unusual number of complex background investigations, or a need for alternative testing sites.

Chart 3 shows past, current and projected administrative costs. Chart 4 shows the financial effect of the proposed changes. Assumptions are indicated in footnotes on page 3 of Chart 4.



Margaret Fuller Corneille
Director, Board of Law Examiners

Dated March 5, 1987

BOARD OF LAW EXAMINERS
HISTORY OF REGISTRATION FEES

<u>YEARS</u>	<u>BLE SHARE</u>	<u>LPRB SHARE</u>	<u>CLE SHARE</u>	<u>TOTAL</u>
1962- 1970	7			7
1971- 1974	7	18		25
1975- 1977	7 7	18 5	5 5	30 resident 12 non-resident
1978- 1982	7 7	33 8	5 5	45 resident 20 non-resident
7/1982- 10/1984	7	54 11	5 5	66 resident 23 non-resident
10/1984- Present	7 7	70 15	5 5	82 resident 27 non-resident
% Change	0	389 300	0	1,171 resident 225 non-resident
ADMITTEE FEE:				
(8/83- Present)	16			

BOARD OF LAW EXAMINERS

APPLICATION FEES

<u>YEAR</u>	<u>EXAM FEE</u>	<u>LATE FEE</u>	<u>REPEATER</u>	<u>ATTORNEY- OTHER STATE</u>
est. 1953	\$ 25			
1959	\$ 50			
1972	\$ 50	10 day - \$15 next 80 - \$25	\$ 50	\$150 (XI)
7/1/76	\$ 75	10 day only - \$25		\$200 (VIII)
1978		Petition to Supreme Court - \$100		
7/24/79	\$125			\$325 (VIII or IX)
12/29/80	\$150	10 day - \$ 25	\$100	\$400
2/14/86	\$200	\$150	\$200	\$500 (IV and Rule 105)

BUDGET PROJECTIONS
BOARD OF LAW EXAMINERS

<u>ITEM</u>	<u>FY 6</u>	<u>FY 7</u>	<u>FY 8</u>
Salaries	155.0	177.5	190.5
Workers Comp.			
Rent	25.0	30.2	31.2
Repairs	10.0	2.8	5.0
Insurance	1.3	0	0
Printing	10.2	10.8	11.0
Professional Services	95.9	111.2	115.0
EDP	2.0	2.0	3.0
Purchased Services	4.4	5.2	6.2
Communications	5.2	11.4	13.3
Travel			
Instate	6.0	7.0	7.5
Out-of-State	3.0	3.0	3.5
Supplies	4.2	3.1	4.5
Equipment, Furniture	2.2	-	3.0
	<hr/>	<hr/>	<hr/>
SUB TOTAL	324.4	367.2	396.7
Attorney Registration Services	11.0	13.0	13.5
Accounting Services	1.0	1.0	1.5
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS NEEDED	336.4	381.2	411.7

BOARD OF LAW EXAMINERS
FY 88 BUDGET

	<u>FY 86</u>	<u>FY 87</u>	<u>FY 88</u>	<u>FY 89</u>	<u>FY 90</u>	<u>FY 91</u>
*NUMBER OF ATTORNEYS:	14,324	14,994	15,659	16,324	16,989	17,654
<u>At current \$7 Atty. Reg. Allocation</u>						
Balance In	86,514	130,475	98,234	39,980	(46,221)	(163,005)
Fees at \$7	123,916	104,958	109,613	114,268	118,923	123,578
**Bar Fees & Misc.	<u>238,845</u>	<u>244,001</u>	<u>243,829</u>	<u>244,162</u>	<u>244,494</u>	<u>244,827</u>
TOTAL RECEIPTS	449,275	479,434	451,676	398,410	317,196	205,400
***Expenses	(318,800)	(381,200)	(411,696)	(444,631)	(480,202)	(518,618)
Balance Out	130,475	98,234	39,980	(46,221)	(163,005)	(313,218)
Bal. Out Percentage	40%	25%	9%	-	-	-
<u>At \$12 Allocation (\$5 increase)</u>						
Balance In	86,514	130,475	98,234	118,275	113,694	81,854
Fees at \$12			187,908	195,888	203,868	211,848
**Bar Fees & Misc.			<u>243,829</u>	<u>244,162</u>	<u>244,494</u>	<u>244,827</u>
TOTAL RECEIPTS			529,971	558,325	562,056	538,529
***Expenses			(411,696)	(444,631)	(480,202)	(518,618)
Balance Out			118,275	113,694	81,854	19,911
Bal. Out Percentage			28.7%	25.5%	17.4%	3.8%

BOARD OF LAW EXAMINERS
PROPOSED BUDGET

	<u>FY 87</u>	<u>FY 88</u>	<u>FY 89</u>	<u>FY 90</u>	<u>FY 91</u>	<u>FY 92</u>
*NUMBER OF ATTORNEYS:		15,659	16,324	16,989	17,654	18,319
At \$13 Allocation <u>(\$6 increase)</u>						
Balance In		98,234	113,934	125,677	110,826	
Fees at \$13		203,567	212,212	220,857	229,502	
**Bar Fees & Misc.		<u>243,829</u>	<u>244,162</u>	<u>244,494</u>	<u>244,827</u>	
TOTAL RECEIPTS		545,630	570,308	591,028	585,155	
***Expenses		(411,696)	(444,631)	(480,202)	(518,618)	
Balance Out		113,934	125,677	110,826	66,537	
Bal. Out Percentage		32%	28%	23%	12%	
At \$14 Allocation <u>(\$7 increase)</u>						
Balance In		98,234	149,593	177,660	179,798	153,163
Fees at \$14		219,226	228,536	237,846	247,156	256,466
**Bar Fees & Misc.		<u>243,829</u>	<u>244,162</u>	<u>244,494</u>	<u>244,827</u>	<u>245,159</u>
TOTAL RECEIPTS		561,289	622,291	660,000	671,781	654,788
***Expenses		(411,696)	(444,631)	(480,202)	(518,618)	(560,107)
Balance Out		149,593	177,660	179,798	153,163	94,681
Bal. Out Percentage		36%	39%	37%	29%	16%

BOARD OF LAW EXAMINERS
FY 88 BUDGET

	<u>FY 88</u>	<u>FY 89</u>	<u>FY 90</u>	<u>FY 91</u>	<u>FY 92</u>	<u>FY 93</u>
*NUMBER OF ATTORNEYS:	14,994	15,659	16,324	16,989	17,654	18,984
<u>At \$15 Allocation (\$8 increase)</u>						
Balance In	98,234	165,252	209,643	228,770	219,789	179,626
Fees at \$15	224,910	234,885	244,860	254,835	264,810	284,760
**Bar Fees & Misc.	<u>253,804</u>	<u>254,137</u>	<u>254,469</u>	<u>254,802</u>	<u>255,134</u>	<u>245,492</u>
TOTAL RECEIPTS	576,948	654,274	708,972	738,407	739,733	709,878
***Expenses	(411,696)	(444,631)	(480,202)	(518,618)	(560,107)	(604,916)
Balance Out	165,252	209,643	228,770	219,789	179,626	104,962
Bal. Out Percentage	40%	47%	47%	42%	32%	17%

FOOTNOTES:

- * Attorneys are expected to increase by 665 net per year (this assumes 753 will pass bar exam, plus 60 foreign attorneys, less 120 attorneys who retire or die).
- ** Exam fees are anticipated to remain level, as no increase in number of applicants is expected.
- *** Expenses are assumed to increase by 8% per year from 1987 through 1991.



STATE OF MINNESOTA
 BOARD OF LAW EXAMINERS
 BOARD OF CONTINUING LEGAL EDUCATION
 BOARD OF LEGAL CERTIFICATION

OFFICE OF
 APPELLATE COURTS
 FILED

MAR 09 1987

200 So. Robert Street, Suite 310
 St. Paul, Minnesota 55107 • Telephone (612) 297-1800

WAYNE TSCHIMPERLE
 CLERK

Margaret Fuller Corneille, Esq., Director

March 9, 1987

TO: Wayne Tschimperle, Clerk, Minnesota Supreme Court

Attached is an amended page to replace the last page of the
 "Memorandum in Support of Petition for Increase in Lawyer
 License Fee" filed by the Board of Law Examiners on
 March 6, 1987.

Please reference file numbers:

C5-84,2139, C2-84-2163, and C9-1206

Margaret Fuller Corneille
 Director

MFC/ki/kji

LAW EXAMINERS

- Gerald S. Ruler, *President*
- Mary P. Walbran, *Secretary*
- Carl Baer
- Joseph R. Cade
- Hon. Isabel Gomez-Edwards
- John D. Kelly
- Richard H. Kyle
- Frank B. Wilderson, Jr., Ph.D.

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- Stephen C. Aldrich
- N.L. Gault, Jr., M.D.
- James H. Geraghty
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- James W. Krause
- Hon. Jonathon G. Lebedoff
- Mary Ann McCoy
- Jean E. Paulson
- Carol T. Rieger
- Gwenyth Jones Spitz
- David L. Stowman

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- Howard Guthmann
- Clarence E. Hagglund
- Neil W. Hamilton
- Heidi M. Hoad
- Timothy A. Olcott
- Clarence Peterson
- Larry G. Rapoport
- Jean S. Tews



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- Jean S. Tews

March 18, 1987

Mr. Wayne Tschimperle
 Clerk of the Appellate Courts
 230 State Capitol Building
 St. Paul, Minnesota 55155

OFFICE OF
 APPELLATE COURTS
 FILED

MAR 18 1987

Re: C5-84-2139
 C2-84-2163
 C9-81-1206

WAYNE TSCHIMPERLE
 CLERK

Dear Mr. Tschimperle:

Attached please find Supplemental Chart 1 which I am requesting to be appended to the Petition filed by the Board of Law Examiners requesting an increase in the Attorney Registration Fee.

Also enclosed please find copies of the revised Rule 2 reflecting proposed changes in this Rule.

Thank you for your consideration.

Sincerely,

Margaret Fuller Corneille
 Director

MFC:laj
 Enc.

1 Rule 2. Registration Fee

2 In order to defray the expenses of examinations and
3 investigations for admission to the bar and disciplinary
4 proceedings, over and above the amount paid by applicants for
5 such admission, with exceptions hereinafter enumerated, each
6 attorney admitted to practice law in this state and those
7 members of the judiciary who are required to be admitted to
8 practice as a prerequisite to holding office shall hereafter
9 annually pay to the clerk of the supreme court a registration
10 fee in the sum of ~~Eighty-two-Dollars-(\$82.00)~~ \$92 or in such
11 lesser sum as the court may annually hereafter determine.

12 Such fee, or a portion thereof, shall be paid on or before
13 the first day of January, April, July, or October of each year
14 as requested by the clerk of the supreme court.

15 All sums so received shall be allocated as follows:

16 ~~\$7.00~~ \$15 to the State Board of Law Examiners

17 ~~\$5.00~~ \$7 to the State Board of Continuing Legal Education

18 \$70.00 to the Lawyers Professional Responsibility Board.

19 The following attorneys and judges shall pay an annual
20 registration fee of ~~Twenty-seven-Dollars-(\$27.00)~~ \$37

21 (a) Any attorney or judge whose permanent residence is
22 outside the State of Minnesota and who does not practice law
23 within this state;

24 (b) Any attorney who has not been admitted to practice for
25 more than three years;

26 (c) Any attorney while on duty in the armed forces of the
27 United States;

3/17/87 MFC/CAM

1 The ~~Twenty-seven-Dollars-(\$27.00)~~ \$37 so received shall be
2 allocated as follows:

3 ~~\$7.00~~ \$15 to the State Board of Law Examiners

4 ~~\$5.00~~ \$7 to the State Board of Continuing Legal Education

5 \$15.00 to the Lawyers Professional Responsibility Board.

6 Any attorney who is retired from any gainful employment or
7 permanently disabled, and who files annually with the clerk of
8 the supreme court an affidavit that he is so retired or disabled
9 and not engaged in the practice of law, shall be placed in a
10 fee-exempt category and shall remain in good standing. An
11 attorney claiming retired or permanently disabled status who
12 subsequently resumes active practice of law shall promptly file
13 notice of such change of status with the clerk of the supreme
14 court and pay the annual registration fee.

15 Any judge who is retired from any gainful employment or
16 permanently disabled, who no longer serves on the bench or
17 practices law, and who files annually with the clerk of the
18 supreme court an affidavit that he is so retired or disabled and
19 not engaged in the practice of law, shall be placed in a
20 fee-exempt category and shall remain in good standing. A judge
21 claiming retired or permanently disabled status who subsequently
22 resumes service on the bench or the active practice of law shall
23 promptly file notice of such change of status with the clerk of
24 the supreme court and pay the annual registration fee.

BOARD OF LAW EXAMINERS
 COSTS FUNDED BY:
 \$7.00 ATTORNEY REGISTRATION FEE AND
 BY ADDITIONAL EXAMINEE FEE OF \$135

	<u>FY 88</u>	<u>FY 89</u>	<u>FY 90</u>	<u>FY 91</u>	<u>FY 92</u>	<u>FY 93</u>
BALANCE IN	98,234	161,480	196,779	201,494	172,781	107,566
Current Examinee and Misc. Fees	243,829	244,162	244,494	244,827	245,159	245,492
Current \$7.00 Atty. Reg. Fee	109,613	114,268	118,923	123,578	128,233	132,888
Additional Fees at \$135 Per Examinee	121,500	121,500	121,500	121,500	121,500	121,500
TOTAL INCOME	573,176	641,410	681,696	691,399	667,673	607,446
Expenses	(411,696)	(444,631)	(480,202)	(518,618)	(560,107)	(604,916)
BALANCE OUT	161,480	196,779	201,494	172,781	107,566	2,530
Balance Out Percentage	39%	44%	41%	33%	19%	.4%
Current Cost Per Examinee						
resident	\$200					
foreign	\$500					
Total Cost Per Examinee						
Including Additional \$135 Fee						
resident	\$335					
foreign	\$635					

According to data compiled in 1986 by the Minnesota Board of Law Examiners, an increase in examinee fees to \$335 would place Minnesota third highest in the country. The average fee charged in other jurisdictions is approximately \$185 for law graduates.