

September 13, 2024

Submitted electronically to the Commission on Indiana's Legal Future

Re: Comments in Support of the Commission on Indiana's Legal Future's Interim Recommendations

Dear Commission on Indiana's Legal Future,

On behalf of IAALS, the Institute for the Advancement of the American Legal System, we commend the Commission on Indiana's Legal Future (the Commission) for its recommendations to address Indiana's attorney shortage, legal aid gaps, and broader lack of affordable legal help.

IAALS is a national, independent research center at the University of Denver that innovates and advances solutions that make our civil justice system more just. Since 2019, IAALS has had an Unlocking Legal Regulation initiative and Allied Legal Professionals (ALP) project through which it has worked with leaders in states across the country to rethink how we deliver and regulate legal services. IAALS also recently launched the Above the Line Network in partnership with The Chicago Bar Foundation—a project focused on bringing leaders in the US and Canada together to transform the delivery of legal services to the underserved middle class.

IAALS would like to thank the Indiana Supreme Court for empowering the Commission with this critical assignment, and the Commission for its hard work in tackling this task. IAALS supports the Commission's recommendations focused on launching a regulatory sandbox program, creating legal practice startup subsidies, funding non-profit model startup costs, and encouraging the establishment of a statewide legal incubator program. We offer the following recommendations and encouragement based on what we and other leaders have learned from other regulatory and innovation initiatives, including initiatives focused on serving people who are above the income eligibility line for legal aid.

Launching a Regulatory Sandbox Program

We support the Commission’s recommendation to launch a regulatory sandbox in Indiana. Since 2019, IAALS has been at the forefront of efforts to rethink how we regulate the delivery of legal services and how we can create a consumer-centered regulatory system to ensure a more robust ecosystem for high-quality legal services—one that is competitive, broadly accessible, and better meets the needs of the people. From the outset of our work in this space, IAALS has believed that a risk-based, data-driven regulatory model, such as the Utah sandbox, is the best approach for achieving the regulatory objective of decreasing the gap in legal services through the introduction of new business models, technologies, and providers. We know from the [activity reports](#) shared out by the Utah Office for Legal Services Innovation, from the [research](#) conducted by the Deborah L. Rhode Center on the Legal Profession at Stanford, and from our own interim evaluation of the Utah sandbox (interim evaluation report forthcoming later this year) that the Utah sandbox is meeting its stated regulatory objective—consumers have access to a well-developed, high-quality, innovative, affordable, and competitive market for legal services—while also more than adequately protecting consumers from harm. We recommend that the Commission continue to pursue a regulatory sandbox model in Indiana.

Fund Non-profit Model Startup Costs & Legal Practice Startup Subsidy

We support the Commission’s recommendations to fund non-profit model startup costs and implement an associated allied legal professional program and to create legal practice startup subsidies in Indiana as a potential solution. As the Commission points out, the costs associated with launching a non-profit or for-profit law firm can be a barrier to entry. The legal incubator community has seen this firsthand. With respect to the allied legal professional program associated with the non-profit law firm proposal, given the success of similar allied legal professional programs in seven other states, we recommend that Indiana adopt a program based on these established models. Rather than creating a nonprofit law firm with a special waiver for first-generation allied legal professionals, a more sustainable approach would be to establish a permanent program with a comprehensive education and licensing process, similar to those that have been successfully implemented in other states. Additionally, to ensure that the program serves a wider range of Hoosiers, we suggest removing the income eligibility requirement, as studies indicate that the need for legal services extends well beyond low-income individuals. To aid in this endeavor, we recommend that the Commission utilize IAALS’ 2023 report, [Allied Legal Professionals: A National Framework for Program Growth](#). It contains 18 high-level recommendations on the structure

of ALP programs and is meant to serve as a guide for states considering, implementing, or refining an ALP program. These recommendations are the product of a [Landscape Report](#) that IAALS released in 2022, along with a two-day convening where a diverse group of experts in this area discussed best practices and lessons learned from existing ALP programs.

Encourage the Establishment of a Statewide Incubator Program

We support the Commission’s recommendation to encourage the establishment of a statewide incubator program. Through our Above the Line Network project, we have identified legal incubators as promising models for addressing the gap in legal services for people who make too much money to qualify for legal aid but not enough to pay market rates for attorneys. As the Commission noted in its report, numerous legal incubator programs continue to exist today and serve as a critical resource for lawyers who are seeking to launch innovative practices targeting this underserved group.

Ongoing Work on Pathways to Admission and Education

IAALS supports the Commission’s inclusion of pathways to admission and education in its work. We agree it is critical to this overall assessment and set of recommendations, and we have research on defining minimum competencies and direct work with states considering and implementing those changes on the ground.

Conclusion

IAALS applauds and thanks the Commission on Indiana’s Legal Future for putting forth numerous innovative proposals, including the proposals we have commented on above. Similar to the eager and hard-working committee volunteers, we also ask the Commission “how can I help”? We look forward to watching each proposal develop and to serving as a resource, sharing our research to support evidence-based recommendations, and providing insights and expertise from our work with others across the country.

Sincerely,

Jessica Bednarz

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