

**HB3008**



FISCAL NOTE

No. 1  
 Bill Version: CSHB 388 (HES)  
 (H) Publish Date: 4-6-92

STATE OF ALASKA  
 1992 LEGISLATIVE SESSION

Revision Date: 3-11-92  
 Title: An Act establishing a loan guarantee and interest rate subsidy program for assistive technology.  
 Sponsor: Representative Boyer  
 Requestor: (H) HESS

Department Affected: Education  
 BRU: Vocational Rehabilitation  
 Component: Assistive Technology

COMPONENT SERIAL NO. 

1	2	0	2
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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL						
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REVENUE FUND SOURCE:						
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FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS						
OTHER FUND SOURCE:						
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: \_\_\_\_\_

ANALYSIS: (Attach a separate page if necessary.)

Prepared by: Stan Ridgeway  
 Division: Vocational Rehabilitation

Phone: 465-2814  
 Date: 3-11-92

Approved by Commissioner: *Jerry Covey*  
 Agency: Education

Date: 3-12-92

Distribution (by preparer): Leg. Fin., Legislative Sponsor, Requestor, CMB/DBR, Gov. Legis. Ofc., & Impacted Agency(ies).  
 Rev 10/07/91

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COMMITTEE COPY

*FN & DOE*

March 24, 1992

## HB 388

### ASSISTIVE TECHNOLOGY LOAN GUARANTEE PROGRAM

Step-by-step procedures for an assistive technology loan guarantee and interest subsidy:

1. The consumer (disabled individual or his/her family or employer) approaches DVR for loan guarantee to purchase assistive technology (durable equipment, an adaptive aid, an assistive device, or vehicle) in order to obtain or maintain employment or to live more independently.
2. DVR determines whether the desired assistive technology is appropriate to the disability. They also determine if there is another source of funding, such as Medicaid, Medicare, other federal programs or grants.
3. DVR has the consumer complete a loan application.
4. DVR forwards the application to a cooperating bank (or credit union).
5. The bank completes the credit check and makes a recommendation regarding the consumer's ability to repay the loan.
6. Based on the information provided by the bank, DVR decides whether or not to guarantee 90% of the loan. DVR may also choose to subsidize all or part of the interest to make the payments affordable for the consumer.
7. DVR informs the bank when they will guarantee a loan. The bank makes the loan, if they agree, to the consumer.
8. The state will hold in reserve a percentage of the total amount of guarantees. The actual percentage would be determined based on the risk of the loans and, as the program progresses, the history of defaults. (Note: similar programs in other states have shown very low default rates.)

## CS FOR HOUSE BILL NO. 388 (HES)

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - SECOND SESSION

BY THE HOUSE HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE

Offered: 4/6/92

Referred: Finance

Sponsor(s): REPRESENTATIVE BOYER

## A BILL

## FOR AN ACT ENTITLED

1 "An Act establishing a loan guarantee and interest rate subsidy program for assistive  
2 technology."

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

4 \* Section 1. AS 23.15 is amended by adding a new section to read:

5           Sec. 23.15.125. ASSISTIVE TECHNOLOGY LOAN GUARANTEE AND INTEREST  
6           SUBSIDY PROGRAM. (a) An assistive technology loan guarantee fund is established in the  
7           agency. The fund consists of money appropriated to it.

8           (b) Subject to (c) of this section, the agency may use money in the fund established  
9           under this section to guarantee 90 percent of the principal amount of a loan or to subsidize the  
10           interest rate of a loan guaranteed by the agency for appropriate assistive technology that is best  
11           suited for enabling

12                   (1) a handicapped individual to obtain or maintain employment; or

13                   (2) an individual having a physical or mental disability to live more  
14           independently.

1 (c) The agency may guarantee a loan or subsidize the interest rate of a loan guaranteed  
2 under this section if

3 (1) the loan is made to a handicapped or disabled person, a member of the  
4 person's family, or the employer or prospective employer of a handicapped or disabled person;

5 (2) the term of the loan does not exceed four years if the loan amount is less than  
6 \$10,000 and does not exceed six years if the loan amount is \$10,000 or greater;

7 (3) the loan is originated and serviced by a state or federally chartered financial  
8 institution located in the state;

9 (4) the agency determines that the person requesting the loan guarantee or subsidy  
10 is not able to obtain the needed assistive technology from a less costly source;

11 (5) the agency determines that the person or the family of a child reasonably can  
12 be expected to repay the loan given their expected income or other resources; and

13 (6) for a loan to purchase or modify a vehicle to provide transportation for a  
14 handicapped person, the applicant has been steadily employed for the 90 days immediately  
15 preceding the date of the loan application.

16 (d) In this section, "assistive technology" means durable equipment, adaptive aids, and  
17 assistive devices.

# Alaska State Legislature

REPRESENTATIVE  
MARK BOYER

VICE-CHAIRMAN  
HOUSE FINANCE COMMITTEE



House of Representatives

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March 27, 1992

## HB 388

### ASSISTIVE TECHNOLOGY LOAN GUARANTEE PROGRAM

The Assistive Technology Loan Guarantee Program would be established to assist persons with disabilities, their families, or their employers to purchase durable equipment, adaptive aids, assistive devices, and vehicles, in order to obtain or maintain employment or to live more independently.

The program would allow the Division of Vocational Rehabilitation (DVR) to guarantee 90% of loans from private institutions so that persons with disabilities, their families, or their employers who cannot qualify for other assistance or private loans can obtain necessary adaptive technology. DVR would work with financial institutions to extend the time period during which a loan is paid back, as well as buy down interest rates, to make payments more manageable for consumers. An applicant's permanent fund dividend could be used as collateral.

#### HOW IT WORKS

The person with the disability in need of the assistive technology, or the person's family or employer, must be unable to obtain the needed equipment through DVR, Medicare, Medicaid, or other funding sources such as insurance companies. In making decisions about eligibility, DVR would also determine that the applicant was unable to obtain the equipment or device from a free or less costly source. In addition, the division would review the request to determine that the device or equipment would be appropriate or best-suited to the applicant's disability. The DVR office that does the initial screening would document its determinations.

FAIRBANKS 20B

Assuming the division's determinations indicate the applicant would be an appropriate candidate for this program, a loan application would be completed and signed by the applicant and forwarded to a local cooperating financial institution for review. The financial institution would evaluate the applicant's ability to make loan payments based on income and general credit history and return its recommendation to DVR. The division would then determine whether or not to guarantee 90% of the loan. They would also determine whether or not to subsidize the interest.

***Conditions for vehicle loan:***

A person with a disability, or that person's family, could apply for a vehicle loan. The loan program could be used for the purchase or modification of a vehicle to provide transportation for the individual with a disability. To be eligible, the person would have to be living independently or with a parent or guardian. An income limit would be set, and the applicant would have to be steadily employed a minimum of 90 days prior to the date of the initial loan request. This employment requirement is only for a vehicle loan.

March 24, 1992

## HB 388

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# ASSISTIVE TECHNOLOGIES OF ALASKA

A report on the need for tools that enable Alaskans with disabilities to live, learn, work and play more independently



ASSISTIVE TECHNOLOGIES OF ALASKA

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This booklet has been paid for with federal funds as part of a grant from the National Institute on Disability and Rehabilitation Research, U.S. Department of Education, and was administered by the Alaska Division of Vocational Rehabilitation.

For more information, additional copies or a non-print format of this document contact Assistive Technologies of Alaska at the following address:

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## **ASSISTIVE TECHNOLOGIES OF ALASKA**

The goal of Assistive Technologies of Alaska (ATA) is to increase awareness of specialized equipment that can enhance the independence of people with disabilities, and to provide access to this equipment and technology.

ATA works in a direct and complementary role with other service providers. It plans to establish channels for information on new technologies and resources to be shared by various organizations and distributed to those who may benefit from them.

### **Four significant findings pave the way for ATA**

This document summarizes a study conducted in the spring of 1991 by the Institute of Social and Economic Research (ISER), at the University of Alaska, Anchorage.

Surveyors polled Alaska residents at random by telephone, uncovering the following four major findings. These findings are significant in setting the goals and directions for Assistive Technologies of Alaska.

- **Communications devices represent Alaska's largest single assistive technology need.**
- **Almost 4,000 Alaskans with disabilities lack current information regarding assistive technology.**
- **Alaska Natives exhibit a much higher need for assistive technology than do other races.**
- **Rural Alaskans with disabilities experience the greatest need for all forms of assistive technology.**

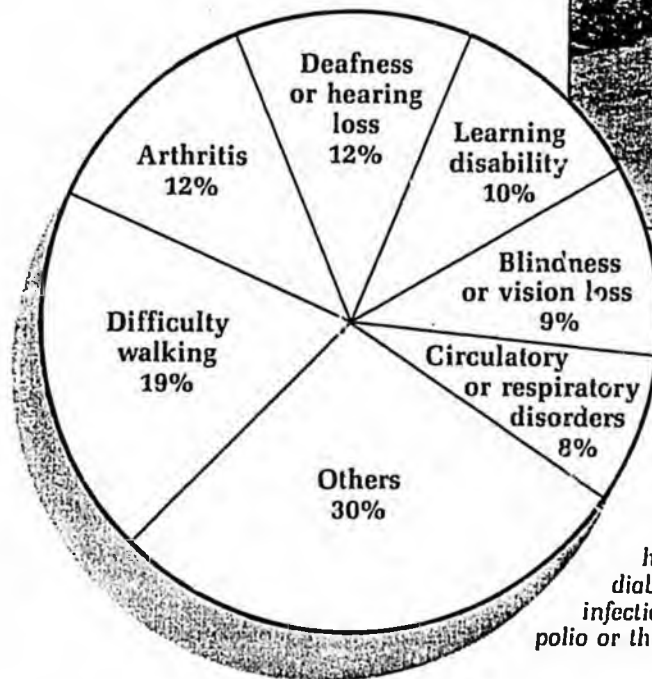
Complete survey results follow. It is important to note that the telephone poll may have resulted in low figures for deaf persons and those living in rural areas where telephone service is limited. The survey also excluded persons living in institutional settings. The numbers presented in this booklet are arrived at by a method known as statistical inferences.

## More than 22,000 Alaskans with disabilities live on their own

The Institute of Social and Economic Research, at the University of Alaska, Anchorage, found 22,220 Alaskans, 4 percent of the state population, have disabilities and live outside of institutions. Their survey found that many of these Alaskans could benefit from additional equipment or services to help them become more self sufficient.

### Difficulty in walking is the most common disability

Although Alaskans with disabilities often have more than one, the inability or difficulty in walking is the most common. This is followed by arthritis, deafness or hearing loss, learning disabilities, blindness or vision loss, and circulatory or respiratory problems.



*Other disabilities include those with emotional or communicative disorders, head injuries, developmental disabilities, diabetes, stroke, seizure, drug/alcohol addiction, infectious disease, amputation, Alzheimer's disease, polio or the HIV virus.*



## Many services can help Alaskans with disabilities improve their lifestyles

One of the central goals of persons with disabilities is to live a more independent lifestyle. Alaskans with disabilities expressed a need for many of the following services. Most of the 22,220 identified are getting medical care, but 15 percent (3,416 Alaskans) are not receiving adequate medical care.

Persons Who Need Service	Service	% Not Receiving Service
13,013	Newsletters informing them of services	81%
6,355	Support groups	76%
14,007	Equipment for daily living and information on new products	58%
10,548	A centralized information source	55%
14,092	Help getting benefits available to them	37%
11,456	Job training	32%
10,505	Counseling	32%
17,724	Information on their disabilities	30%
13,790	Advocates to make their problems known	28%
22,220	Medical care	15%

## 14,000 Alaskans with disabilities would benefit from special equipment

About 14,000 Alaskans felt that special equipment could help them live, learn, work and play more independently. However, these same persons said they were not aware of all of the available equipment and need information on newer products.

## More than half are not getting the special equipment they need

Of the 14,007 Alaskans with disabilities who need special equipment, 7,608 (58%) do not have access to the equipment that can help them live more self sufficient lives.

## This equipment, called assistive technology, is often far from technical

The equipment available to help persons with disabilities function more independently is called "assistive technology." Some people associate this technology with complex computers or robotics. While these are forms of assistive technology, most Alaskans with disabilities could benefit from very simple tools that help with daily living. Some of the most common types of assistive technology include items that help people hear, such as hearing aids; read, with glasses or magnifiers; communicate, through voice synthesizers; or move, with the aid of walkers or wheelchairs.

## Assistive technology is needed most often for communications

The task in which the greatest number of Alaskans with disabilities need assistance is in face-to-face communication with others. More than 1,900 Alaskans could benefit from assistive technology such as hearing aids and voice synthesizers.

Help with long distance communication was the second greatest need. Almost 1,700 Alaskans could benefit from tools such as TDDs or speaker phones.



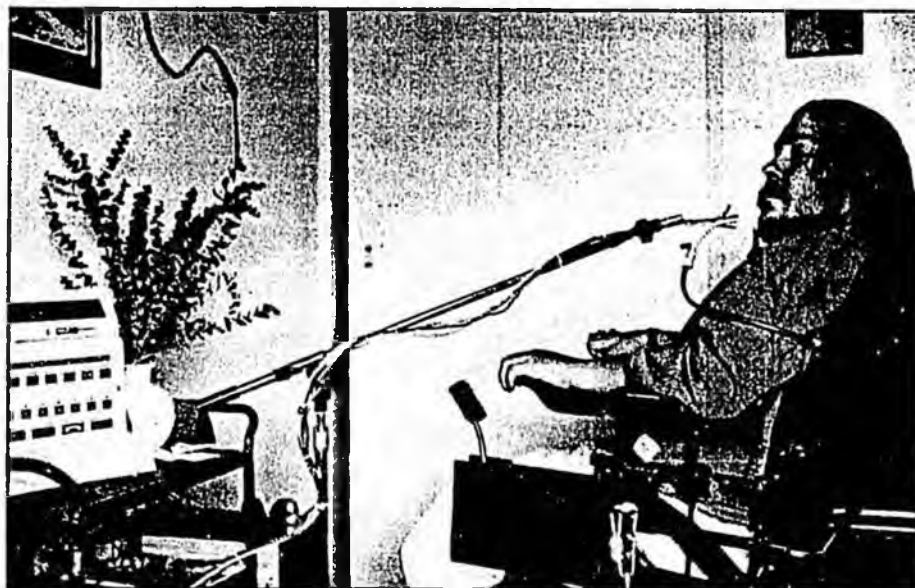
## Alterations in the home or office are also important

More than 1,600 Alaskans with disabilities need changes to their home or office, including building modifications or special appliances. Assistive technology designed for these uses includes wheelchair ramps, chair lifts, grab bars, pull down door knobs, tables, desks or cabinets that are raised or lowered, and similar devices.

About 1,100 felt a need for specialized control switches for lights, appliances and other environmental control systems.

## Computers are adaptable tools

Nearly 1,700 Alaskans with disabilities could use some type of adapted computer equipment. Computers are easily adapted with assistive technology such as magnifiers for the video screen, braille keyboards or verbal input/output devices.





## **Accessible transportation is needed**

Modifications to vans, buses and cars such as hand controls and wheelchair lifts can often make it easier for persons with disabilities to get around. An estimated 1,400 Alaskans see a need for this kind of transportation.



## **Alaskans with disabilities would like to enjoy recreation activities**

A new sense of freedom and ability is often experienced by persons with disabilities when they are better able to enjoy their leisure time through the aid of recreational equipment. Almost 1,200 Alaskans desire access to equipment such as cycle chairs and adapted skis.

## **Tools that help with personal care are needed by a few people**

Assistive aids that help with personal care and hygiene include catheters, bathing aids and commode chairs. This is a significant need for close to 1,000 Alaskans.



## Technology can make persons with disabilities better workers

By raising a desk to accommodate a wheelchair, adding screen enlargement software to a computer, or installing pull down door knobs and wheelchair ramps, an employee with disabilities can become a more productive worker. Almost 800 Alaskans believe these assistive aids could help them.

## Some Alaskans need help getting around

Slightly more than 700 Alaskans with disabilities need mobility aids. These may include basic wheelchairs, walkers or a guide dog for a blind person.

Type of Assistive Technology	Persons Not Receiving Needed Tools
Face-to-face communication	1,901
Long distance communication	1,686
Adapted computer	1,686
Building modifications	1,632
Accessible transport	1,383
Recreational devices	1,167
Household aids	1,124
Personal care	984
Work modifications	778
Mobility enhancement	735

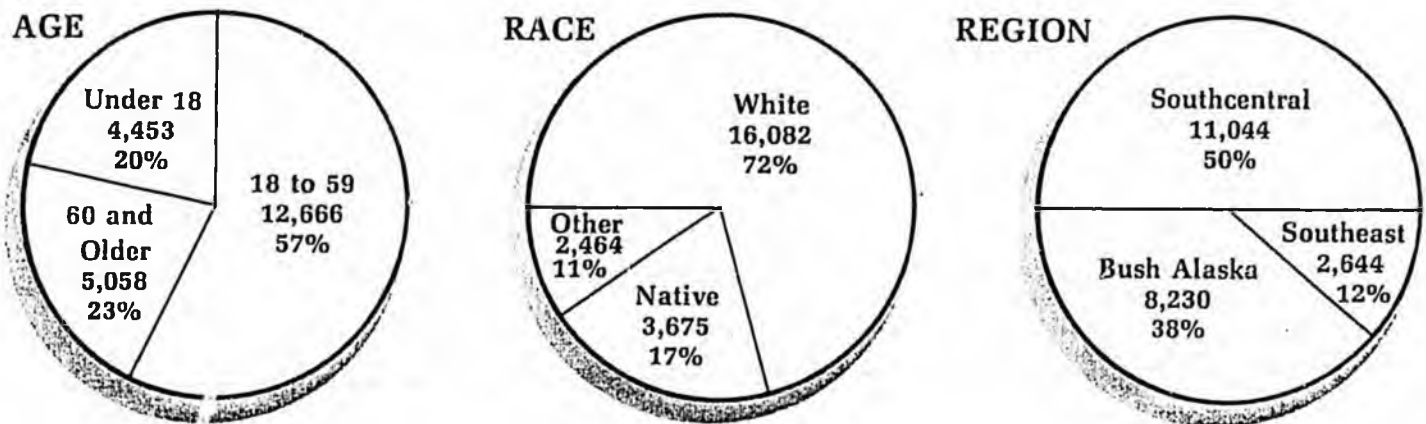
## Almost 4,000 Alaskans with disabilities lack the information they need

In order to get the assistive aids they need, Alaskans with disabilities need help finding information on what's available and obtaining financial assistance to buy or lease equipment. Almost 4,000 lack current information about new forms of assistive technology that could help them live more independently.

Type of Service	Persons Not Receiving Needed Information
Information on new technology	3,900
Finding companies that sell or service equipment	2,900
Financial aid	2,300

## A profile of Alaskans with disabilities

Most Alaskans with disabilities are white, between 18 and 59 years of age and live in Southcentral Alaska. However, a significant number of Alaskans with disabilities are Native, many are 60 years or older and many reside in rural or Bush Alaska.



## Younger Alaskans with disabilities see a need for computer-related aids

Alaskans with disabilities under 18 years-old seemed to show the greatest interest in technology adapted to computers. However, this younger group showed less interest in other forms of assistive technology, as did persons who were 60 years or older. This may be because many of their needs are being met by a parent or other member of their household.



## Assistive technology is a big need for persons of working age

Technology in the workplace and at home was requested most often by persons with disabilities in the 18-59 age bracket. This is not surprising, since 18-59 is the average span of working years and a time when people usually live independently.

## **Alaska Natives have a greater need for assistive aids than other races**

Alaska Natives, who represent 17% of Alaskans with disabilities, have a greater need for all forms of assistive technology. Their greatest need was for equipment to improve their ability to move around. Natives represented 41% of all Alaskans with disabilities requesting mobility assistance. The second greatest need expressed by Natives was for assistive technology in the home. Accessible transportation, aids to help with face-to-face communication and personal care assistance were the next greatest needs, in that order.



## **Rural Alaskans with disabilities represent the largest unmet need**

A much larger number of rural Alaskans with disabilities require assistive technology of all kinds, compared to the state's major cities. Southcentral Alaska residents showed less need for assistive aids, possibly indicating a greater availability to residents in this region compared to the rest of the state.

## **The right tools must be found to meet these needs**

The ISER study clearly shows that Alaskans with disabilities have many needs that are not being met for all forms of assistive technology. However, the study did not ask exactly how people expected to use this technology to meet their needs. As a result, it is difficult to determine what specific kinds of devices are required. In the case of computer-related technology, specific uses should be determined before deciding what role this often complex equipment may take.

## **Information services can help determine which tools are best**

Access to information about the most current technology available to help with an individual's unique disability will help Alaskans make wiser decisions regarding which forms of assistive technology can best meet their needs.

## **Major findings from congressional hearings**

The following points were documented during Congressional hearings prior to the adoption of the Technology-Related Assistance for Individuals with Disabilities Act in 1988.

- **Technology is a powerful force in the lives of most U.S. residents.**
- **Technology can provide tools to make performing tasks quicker and easier.**
- **Assistive technology is a necessity that enables individuals with disabilities to engage in many tasks.**
- **There exists already a substantial number of assistive technology devices.**
- **The use of assistive technology devices and services can reduce the cost of disabilities to society.**
- **Many individuals with disabilities do not have access to assistive technology devices and services that would allow them to function commensurate with their abilities.**
- **There are insufficient incentives for commercial pursuit of the application of devices because of limited markets.**
- **There is a lack of coordination at the federal level among agencies that provide or pay for the provision of assistive technology devices and services.**

The above findings were provided by the RESNA Technical Assistance Project, 1101 Connecticut Avenue, N.W., Suite 700, Washington, DC 20036.

*Photo credits: All but two of the enclosed photos were taken by Gina Murrow, additional photography was done by Frank Flavin.*