

HB

65

HFIN

FILE

HOUSE COMMITTEE REPORT

(11)

Date Referred: March 22, 1995

FURTHER REFERRALS:

Date of Committee Action: 4/20/95

The FINANCE Committee considered:

HB 65

HOUSE BILL NO. 65

ASSISTIVE TECHNOLOGY LOAN GUARANTEES

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

recommends it be replaced

with the following committee substitute CS HB 65 (HES)

the same title
 a new title

additional referral to _____ Committee

attached amendment(s)

ADOPTS: _____ Letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept) _____

APPROVES PREVIOUS: (Dept/Date) _____

fiscal note(s) _____

fiscal note(s) DOE 3/22/95

zero fiscal note(s) _____

zero fiscal note(s) _____

SIGNING WITH RECOMMENDATIONS	DP	DNP	NR	AM
<i>Mark Hanley</i>	X			
<i>Edon K. Smith</i>	X			
<i>Larry Martin</i>	X			
<i>John Brown</i>	✓			
<i>Pete Kelly</i>	✓			
<i>Sam Herbault</i>	X			
<i>Richard J. J. J.</i>	X			

CHAIR'S SIGNATURE

Mark Hanley *Richard J. J. J.*

FISCAL NOTE

STATE OF ALASKA

1995 LEGISLATIVE SESSION

Revision Date: March 17, 1995

Title: An Act establishing a loan guarantee and interest rate subsidy program for Assistive Technology.

Sponsor: Representative Porter
Requestor: Representative Porter

Department Affected: Education

BRU: Vocational Rehabilitation

Component: Assistive Technology

COMPONENT SERIAL NO. 1202

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS	100.0	100.0	100.0	0	0	0
TOTAL OPERATING	100.0	100.0	100.0	0	0	0

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

1002 Federal Receipts	100.0	100.0	100.0	0	0	0
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	100.0	100.0	100.0	0	0	0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY95) impact: \$ 0

ANALYSIS: (Attach a separate page if necessary.)
The fund would be capitalized with \$100,000 per year for three years. Banking institutions are in agreement with this legislation and have given their support. These loans would benefit individuals who are working but do not qualify for a loan without an interest subsidy or loan guarantee.

Prepared by: Stan Ridgeway, Deputy Director Phone: 465-6932
Division: Vocational Rehabilitation Date: March 17, 1995
Approved by Commissioner: Shirley Holloway, Ph.D.
Agency: Education Date: March 17, 1995

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130 Seward Street, Suite 409
Juneau, Alaska 99801-2105

MEMORANDUM

March 17, 1995

SUBJECT: Sectional Analysis of HB 65 (Work Order No. 9-LS0302\A)

TO: Representative Brian Porter
Attn: Patrick

FROM: Terri Lauterbach 
Legislative Counsel

As you requested, this memorandum is a sectional analysis of HB 65. Since you have not asked any questions about the effect of the bill, this memorandum is brief. If you have specific questions about the bill, please let me know, and I will attempt to answer them.

Section I.

This section establishes an assistive technology loan guarantee and interest subsidy program that will be administered by the division of vocational rehabilitation with the assistance of an advisory committee. Subsections (b) and (c) explain the requirements relating to the purpose of the loans and other factors involved in granting the loans.

TML:glc
95-234.glc

SECTIONAL ANALYSIS

First National Bank
of Anchorage

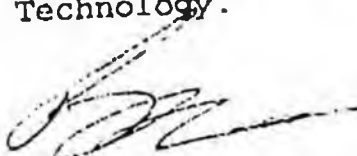
March 21, 1995

MARK HANLEY
Representative

REF: HB 65

Dear Mark, Hanley;

First National Bank of Anchorage is in support of HB 65
establishing a loan guarantee program for Assistive
Technology.



Bill MCGrew
FNBA/Vice President
265-3559

To: Rep. Mark Hanley, Co-Chair House Finance Committee

From: Sharon White-Wheeler 1550 Elcadore Dr. #123
Anchorage, AK 99507
(907) 522-8540

Date: March 20, 1995

Re: House Bill #65 -

Rachel is seven years old and is in the second grade. She lives with her mother and father in an undeveloped homestead area three miles off of the highway, ninety miles from Fairbanks. Her home has no electricity, water or phone. Rachel is also an artist. She recently had one of her creations, a feather holder for a raven feather which she caught out of the air when she was four and which she titled "Offering to Spirit of Raven", accepted in a statewide contest. Rachel is also legally blind. Because her mother and her father are her teachers, Rachel does not attend a conventional school. A few weeks ago Assistive Technologies of Alaska (ATA) received a call from a specialist who has been working with Rachel. He determined that she would greatly benefit from having a closed circuit television (CCTV) to help her with her reading. He was successful in getting the school district to pay for the CCTV, however the school district wouldn't pay for the generator which was needed to power it. A phone call by the staff at ATA to the Lion's Club closest to where Rachel lives resulted in Rachel's getting a brand new CCTV which is powered by a generator donated by her neighbors.

Although this is a wonderful example of what can happen when people come together to find solutions to what appear to be, on the surface, insurmountable barriers it is not, in my opinion, the best solution. The parents of this little girl would have gladly borrowed the money to purchase a generator to run their child's closed circuit television had a loan program such as that proposed by HB 65 been available to them. As it was, they had to rely on the generosity of their neighbors. What would have happened if the Lions Club hadn't had the funds to purchase a generator? An even larger question needs to be asked. Why is that we as a society expect personal responsibility from our citizens but often fail to provide the means by which they can demonstrate responsibility? HB 65 will, I believe, provide many people with the opportunity to demonstrate that they can be, and indeed want to be, responsible citizens.



CHALLENGE ALASKA

"Giving Disability a Possibility Through Sports and Recreation"

Representative Mark Hanley
House Finance Committee
State Capitol
Juneau, AK 99801-1182

This letter is in regard to the loan guarantee and interest rates subsidy program for assistive technology. I do hope that you consider passing this bill. The programs in another states have proven that the programs do have a long term zero cost to the state. The loans have an amazingly good record for repayment. This loan program will give people a chance to help themselves. The current trend in welfare reform is to require people to help themselves. That is what this bill is trying to do. Just imagine how hard it would be to help yourself if you needed eye glasses and could not get them. Wage earning employment would be out of the question. Give you glasses and presto you have a chance to earn a living. Please think about yourself and what would have happened if you were not able to get medical treatment or medical related equipment the last time you needed it. Would you have been able to continue working? If the answer is NO, please vote in support of the loan guarantee program. If the answer is Yes you would have been able to continue working without attention to your past physical needs, I wouldn't believe you and would accuse "politics as usual".

I currently work in the assistive technology system. I design and build adaptive equipment. The equipment that I build has enabled people to recreate more independently and also live more independently, thus reducing the need for state funded personal care attendants. This has saved the state upwards of hundreds of thousands of dollars by giving a person a chance to do it on their own. I could give you many examples but how about just one or two. I build a brush for a woman to wash her hair, sound simple? She now needs no personal care attendant to come over daily to wash her hair. Cost savings for the state over four years at five days a week one hour a day \$6,760,000. Another woman needed a folding lap tray to enable her to perform at work. I built her a tray, she was able to keep her job. Three years earnings in the range of \$81,000, and welfare savings of \$28,000 or more. My program cost is very small and has had a very large impact on more than 200 Alaskans that experience disabilities. Yes this number is small unless you happen to be one of the persons helped. There is little chance for abuse of the loan guarantee program and I would suggest that the administrative costs be kept to a minimum. I constantly see the administrative cost on this type of program being more than the programmatic cost. The administrative cost overseeing my program is tenfold over the programmatic cost. I would like to see this abuse



United Way
of Anchorage

P.O. Box 110065, Anchorage, Alaska 99511 • (907) 563-2658 • FAX (907) 561-6142

Adaptive Ski School: (907) 783-2925

Chapter of National Handicapped Sports

avoided in the future.

Please vote in support of the loan guarantee program and give people the chance to help themselves, get jobs, pay back the loan, pay taxes and be part of society again. Most of the people that experience disabilities that I know that have rejoined the work force make a lot more money than myself and pay a lot more taxes than I do. Some of them could not have done it without a little help.

Sincerely,

A handwritten signature in cursive script, appearing to read "Jim Janssen", with a long horizontal flourish extending to the right.

Jim Janssen
Technology Program Coordinator



DISABILITY
LAW CENTER
OF ALASKA



ANCHORAGE

615 E. 82nd Avenue
Suite 101
Anchorage, AK 99518-3158
(907) 344-1002 V/100
FAX (907) 349-1002
1-800-478-1234

March 20, 1995

Alaska State Legislature
Representative Brian S. Porter
State Capitol, Room 118
Juneau, Alaska 99801-1182

Re: House Bill No. 65

Dear Representative Porter:

The *Assistive Technology Loan Guarantee and Interest Subsidy Program* is a wonderful balance between empowering individuals with disabilities and at the same time, placing no financial burden upon the state. HB 65 represents an opportunity for individuals with disabilities to secure low-interest loans for crucial devices that assist in employment and independent living.

A current example in Alaska; there are very few funding streams available to aid with the costly, yet essential need to modify vehicles [the approximate cost to modify a van to accommodate a wheelchair is \$10,000]. This loan fund provides a niche for those individuals or families ineligible for other benefit programs.

Real life scenarios:

Mom can no longer lift her now teenage son with cerebral palsy into the car. Dad is at work and not available during the daytime hours to provide assistance. The family income makes them ineligible for Independent Living Services and yet, the income is not high enough to qualify for a regular loan. Teenage son is going to be remaining at home for many afternoons to come without the availability of this loan program.

An adult with quadriplegia needs a computer to run her up and coming business. She is unable to locate funding elsewhere but is also considered a "bad risk" by traditional lending institutions because she has a disability. Does she give up her efforts to realize her dream? Maybe. However, it would be a nicer ending to say she secured a low-interest loan through the Assistive Technology Loan Fund.

Therefore, the Disability Law Center of Alaska fully endorses the concept of an Assistive Technology Loan Fund. HB 65 serves to help in a constructive fashion.

Sincerely,

Cynthia L. Berger
Staff Attorney

MEMBER OF THE
NATIONAL
ASSOCIATION OF
PROTECTION &
ADVOCACY
SYSTEMS





DENALI STATE BANK

119 N. Cushman Street • (907) 458-1400 • FAX (907) 458-2140 • P.O. Box 74588 • Fairbanks, Alaska 99707-4588

February 17, 1995

Legislature of the State of Alaska
and appropriate sub-committees

RE: HB65

This letter is in support of passage of House Bill 65, "An act establishing a loan guaranty and interest rate subsidy program for assistive technology".

I wish to thank the sponsors of this bill for their active efforts in introducing this bill.

I heartily support the intent of this legislation to provide funding to establish a loan guaranty and interest rate subsidy for people in need of durable equipment, adaptive aids, and assistive devices. As proposed in the bill, this will allow the commercial lending institutions to participate in a much needed program. The burden of paperwork and servicing of these loans will be handled by the financial industry and relieve the State of Alaska from much of the detail necessary to administer one of these programs.

Many of the individuals and families involved with disabilities have struggled to maintain financial independence and an independent living style. The guaranty program will allow the financial institutions to be more flexible in both the amount of loan funds available and the term of the loan that can be made to assist these people.

Once again, I ask for your support in passage of this bill. Please contact the undersigned if you have any further questions.

Sincerely yours,

A handwritten signature in cursive script that reads "Gary Roth".

Gary Roth
President and Chief Executive Officer

GR/bf