

HB

65

CS FOR HOUSE BILL NO. 65(HES)

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - FIRST SESSION

BY THE HOUSE HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE

Offered:

Referred:

Sponsor(s): REPRESENTATIVES PORTER, Davies, Brice, Brown, Mackie, B.Davis, Finkelstein, Kubina, Kott, Elton, Foster, Ivan, Robinson, Nicholia

A BILL

FOR AN ACT ENTITLED

1 "An Act establishing a loan guarantee and interest rate subsidy program for
2 assistive 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
6 INTEREST SUBSIDY PROGRAM. (a) An assistive technology loan guarantee fund
7 is established in the agency. The fund consists of money appropriated to it. The
8 agency may solicit and accept available public and private money for distribution from
9 the fund.

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

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31

- (1) obtain or maintain employment; or
- (2) live more independently.

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

- (1) the loan is made to a person with a disability or a member of the person's family to obtain assistive technology for the person with a disability;
- (2) the loan is originated and serviced by a state or federally chartered financial institution located in the state;
- (3) before a loan guarantee or subsidy is requested from a lending institution, the agency determines that the person requesting the loan guarantee or subsidy is not able to obtain the needed assistive technology from a less costly source;
- (4) the lending institution determines that the person or the family of a child reasonably can be expected to repay the loan given their expected income or other resources; and
- (5) for a loan to modify a vehicle to provide transportation for a person with a disability, the applicant has been steadily employed for the 90 days immediately preceding the date of the loan application.

(d) The director shall establish an assistive technology loan committee within the agency. The committee shall consist of the director, or the director's designee, a representative of a financial institution who is experienced with consumer loans, and at least one but not more than three persons with disabilities. The committee shall

- (1) establish guidelines for providing loans under this section, including guidelines relating to the maximum amounts and duration of loans and guidelines to ensure that persons with disabilities who live in rural or remote areas of the state have adequate access to loans under this section;
- (2) annually establish the percentage of money in the fund that may be used for subsidizing the interest rates on loans guaranteed under this section; and
- (3) make reports and recommendations to the legislature on the operation of the loan program.

(e) In this section,

- (1) "assistive technology" means durable equipment, adaptive aids, and

FISCAL NOTE

STATE OF ALASKA

BILL NO. HB 65

1995 LEGISLATIVE SESSION

Revision Date: March 17, 1995

Department Affected: Education

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

BRU: Vocational Rehabilitation

Sponsor: Representative Porter

Component: Assistive Technology

Requestor: Representative Porter

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						
----------------	--	--	--	--	--	--

REVENUE FUND SOURCE:						
-----------------------------	--	--	--	--	--	--

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 *Stan Ridgeway* Phone: 465-6932

Division: Vocational Rehabilitation Date: March 17, 1995

Approved by Commissioner: *Shirley Holloway* Shirley Holloway, Ph.D.

Agency: Education Date: March 17, 1995

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE

For further distribution information call the Governor's Legislative Office

HOUSE COMMITTEE REPORT

(7)
 Date Referred: February 23, 1995 FURTHER REFERRALS: Finance

Date of Committee Action: 3/21/95

The HEALTH, EDUCATION AND SOCIAL SERVICES 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) Education
 fiscal note(s) _____ fiscal note(s) _____

zero fiscal note(s) _____ zero fiscal note(s) _____

SIGNING WITH RECOMMENDATIONS	DP	DNP	NR	AM
<i>Wm. Blalock</i>	✓			
<i>John B. ...</i>	✓			
<i>Carl ...</i>	✓			
<i>Calvin ...</i>	✓			
<i>Tom ...</i>	✓			

CHAIR'S SIGNATURE *Carl ...*



DENALI STATE BANK

119 N. Cushman Street • (907) 458-1400 • FAX (907) 458-2140 • P.O. Box 74532 • Fairbanks, Alaska 99707-4532

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.

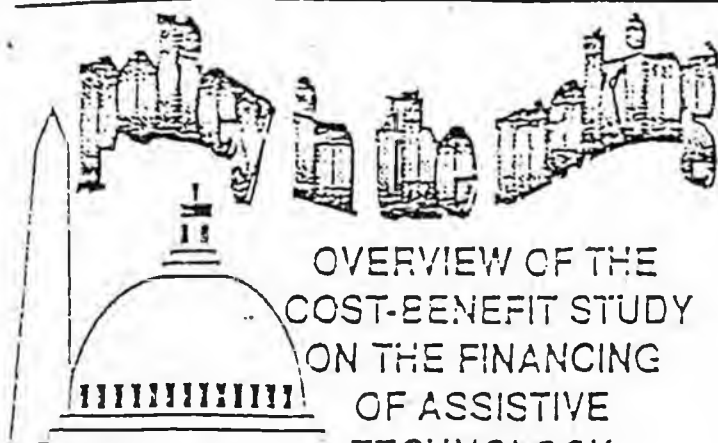
Once again, I ask for your support in passage of this bill. Please contact the undersigned if you have any further questions.

Sincerely yours,

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

Gary Roth
President and Chief Executive Officer

GR/bf



OVERVIEW OF THE COST-BENEFIT STUDY ON THE FINANCING OF ASSISTIVE TECHNOLOGY FOR INDIVIDUALS WITH DISABILITIES

By Michael Morris

Title II of the *Technology-Related Assistance For Individuals With Disabilities Act (P.L. 100-407)* requires that a study on the financing of assistive technology be conducted by the National Council on Disability (NCD). Over a period of nineteen months, the NCD engaged in a variety of efforts to collect pertinent information and viewpoints regarding the financing of assistive technology devices and services for all individuals with disabilities.

At their September meeting, the council will be reviewing the findings and recommendations of their study and a report will then be sent to the president and Congress. Specifically, the study will recommend ways in which federal and state laws, regulations, procedures, and practices can be changed to enhance the financing of assistive technology devices and services for individuals with disabilities of all ages.

Until now, there has not been research data - except anecdotal information - to substantiate the impact and benefits of the use of assistive technology by children and adults with disabilities. As part of this study, NCD, with the assistance from seven Tech Act states, studied 146 persons with disabilities to evaluate the costs and benefits associated with the use of different kinds of technology-related assistance. Individuals surveyed completed a written questionnaire and then participated in a telephone interview. The 146 individuals involved in this portion of the study were from four age groups: infants and toddlers, school-age children, working-age individuals, and senior citizens.

The survey questions were structured to learn more about the impact and benefits to the individual of using assistive technology in terms of health status, independence, productivity, integration, and prevention of secondary disabilities. Preliminary study results from the sample group document the significant impact and benefits as compared to costs of different kinds of technology-related assistance.

Preliminary Findings

The survey found among other things that, in part, because of access to assistive technology devices and services:

- ◆ The majority of infants with disabilities were reported to have had fewer health problems.
- ◆ 44 percent of the families with children with disabilities were able to use childcare or reduce parental care.
- ◆ Almost three-quarters of the school-age children were able to remain in a regular classroom.
- ◆ 45 percent of school-age children were able to reduce school-related services.
- ◆ 62 percent of working-age persons were able to reduce dependence on family members.
- ◆ 53 percent of working-age persons were able to reduce dependence on paid assistance.
- ◆ 37 percent were able to increase earnings due to assistive technology.
- ◆ Similarly, when they had access to needed assistive devices and services, 80 percent of elderly persons were able to reduce dependence on others.
- ◆ Half of those persons 65 or older were able to reduce dependence on paid persons and half were able to avoid entering a nursing home.

Assistive Technology Costs

Ninety-six respondents identified specific types of assistive technology that would make a difference in their lives. The average cost of this equipment was \$5,545. However, respondents indicated that they would be willing or able to pay an average of \$1,421 for it.

Assistive Technology Benefits

Among the benefits those surveyed identified as being attributable to assistive technology were time savings in time for daily living (ADL) and household chores, greater time reading, writing, studying, or learning, greater time spent on recreation, and monetary savings. Sixty-four percent of those reporting time savings reported reduction in the amount of time spent on ADLs. 48 percent reported less time having to be devoted to reading, writing, studying or learning and 43 percent reported less time spent on completing household chores.

Increased Family Time and Friendships

The average hours saved by those using assistive technology in the week previous to the survey were 19.3 hours for ADL activities, 16 hours for reading, writing, studying or learning, and 15 hours for household chores. This allowed for over 10 hours of extra recreation time for the family. 66 percent of respondents reported that they were able to visit family and friends an additional 10 visits more per month. Moreover, everyone surveyed reported making new friends and participating more in community activities thanks in part to their reliance on assistive devices.

Cost Savings

Almost one-third of the respondents indicated that their family saved money averaging around \$1,110 in the last month. At the same time, one-quarter of the respondents indicated that

(continued on the next page)

STATE OF ALASKA

DEPARTMENT OF EDUCATION
DIVISION OF VOCATIONAL REHABILITATION
ASSISTIVE TECHNOLOGIES OF ALASKA

WALTER J. HICKEL, GOVERNOR

400 "D" STREET, SUITE 220
ANCHORAGE, ALASKA 99501
PHONE: (907) 274-0138 - VOICEMAIL
FAX: (907) 274-0516
(800) 770-0138

Fax Transmission:

Date: 21-Jan-94

To: Fawn

From: Richard Vantrease

Fax # 465-3519

Phone: (907)274-0136

Phone:465-4457

Number of Pages Including Cover:23

Subject: AT Loan Bill

Here is the information I was able to compile myself. We also recently did a survey of people with disabilities in the State. Out of those that responded, 46% said that they could not get the assistive technology device that they needed paid for. If we use the number of people with disabilities in Alaska as stated in the ISER study (23978) with the 46%, we could suppose that 11030 Alaskans with disabilities might benefit from the loan fund.

George Haynes should be submitting further information on Monday, unfortunately it won't be ready before then.



The Assistive Technology Loan Program



Executive Summary

CRA

Banks
not loan?

Are loans for Assistive Technology made by other states?

Some 42 states now offer loans for assistive technology to persons with disabilities. Three states have used funds allocated by the federal government for that purpose while others have added a Technology component to existing loan programs in Education, Small Business Development, Job Training, and Agriculture.

How are these loans made?

Loans to disabled persons are made in a variety of ways. Most often, the state agency holding the loan funds have elected to encourage banks and other lending institutions to use their money by guaranteeing some portion of the loan or by "buying down" the interest rate or principal so as to make repayment easier for persons with regular, but limited incomes. Four states operate the loan program directly and have created a Revolving Loan fund which permits the fund to be replenished by the loan payments themselves.

Are applicants screened for credit worthiness?

Yes. All states process applications the same way a bank does. In the early years of the loan program (1991) two states did not run a credit check and experienced a catastrophic default rate, but the remainder paid close attention to the credit and income history of the applicants. As a result, the overall default rate as of December, 1993, is 5.2%.

What is the difference between a regular bank loan and an Assisted Loan?

The Assisted Loan program provides cash incentives and guarantees to banks for loans that they might not otherwise make or, if they did, would charge a higher interest rate because most borrowers will need a longer time to pay such loans off due to income limitations.

Are there any upper limits on the amount a person can borrow?

Yes. Most states have set a dollar limit on each loan based on a number of factors; the amount in the fund plus the number of applicants and the average cost of the technology itself are all factors taken into consideration. Caps on loans are usually set by regulation rather than by statute, because circumstances change and the loan administrators need to be able to make necessary adjustments - up or down - quickly. Right now the average loan cap is \$5,000.00.

Is there any kind of technology the Loan Program will not fund?

Yes. None of the programs will lend money to purchase a car, airplane, or boat. Loans can be made, however, to configure these items to meet the needs

Proposed Loan Program - Cont'd

-2-

of the disabled person such as adding a wheel chair lift and/or by installing hand controls. With a few exceptions, these alterations are within the present \$5000.00 limit.

Is there a need for a loan program in the first place?

80%

Persons with disabilities occupy the same economic range as the non-disabled population. Most (60%) have an adequate income to meet most of their needs and are sufficiently above the official poverty level to prevent equipment and services from being provided by Medicaid or Medicare.

There is a middle group (22%) who are within 125% of poverty level and who may qualify for some services but not all the time. The bottom level (21%) are fully qualified to receive public assistance services.

It is the two top groups who find themselves unable to pay for a device outright but who could well manage to repay a loan that covered a period of six to eighteen months. This is a significant portion of the disabled population. Many of these people (28%) have accumulated some money (20 to 50%) toward the purchase of technology and need to borrow only the remainder.

What benefits, if any, do the state and the taxpayer get from such a program?

Several. Assistive Technology is used to keep disabled people independent of full time care in a nursing home or other institution. Technology is also used to configure a home or apartment to permit an institutionalized person to become independent and live on his or her own. The savings to the taxpayer are in the hundreds of millions of dollars (See U.S. Dept of Ed. Study, 1991) Secondly, many disabled persons are able to earn a part time or full time job by mastering some of the more sophisticated technology such as computers and the myriad tasks these devices govern. Cottage industries abound in everything from furniture and small appliance repair to full scale advertising and research services. Others are able to go to work by getting a better wheel chair or by having their cars configured to meet their needs. Loan applicants wanted to use technology to get, keep or enhance a work situation. Working people pay taxes.

Alaska has a lot of unique conditions not found in other states. How will the Loan Program work here?

The Alaska Division of Vocational Rehabilitation will serve as the operator of record for the Assistive Technology loan fund. DVR has extensive experience in providing comprehensive rehabilitation services to people throughout the state. In addition to a professional staff, DVR can call upon the talents of volunteers who serve on several advisory boards and commissions and the active support of a large number of employers, including banking institutions. In recent years, the Division has made several major changes in its operating methods in an effort to better serve the disabled community in the Bush and to more quickly process applications for assistance.

Tech Loan Program on the line
Legislature to decide this year

If the Legislature OK's the proposed Assistive Technology Loan program, Alaska will join 42 other states that provide loans for needed technology to persons with disabilities.

Alaska's loan program will offer some plusses for borrowers not normally available in regular bank loans. Depending upon individual circumstances, the Loan Fund may guarantee the loan for up to 90% of the face value or will lower the interest rate or principal the borrower has to pay by "buying down" a portion of either. These special features will permit a lot of people to qualify for needed loans.

The Loan Program is not a free ride, however. Borrowers have to have exhausted or be ineligible for other forms of cash assistance, such as Medicaid and present a reasonably decent credit rating plus have enough income to pay back the loan. A lot of disabled Alaskans have incomes and many are employed but they may not make enough to lay out three or four thousand dollars all at one time. None of the people in this group are eligible for public assistance. That's where the loan program comes in and why it fills a gap.

The loan fund will be operated by the Division of Vocational Rehabilitation who will develop regulations and create an operating committee to work with banks and credit unions and to make sure that everyone eligible hears about the program

The chances of the loan program's success in the legislature will be increased if people who like the idea of a loan program for assistive technology will write or call their representatives in the House and Senate. This is a "people" bill and the people will have to see that it gets the support it needs.

George Haynes
276--0801

American Council of the Blind, Jessica Beach,
14th St., NW, Suite 720, Wash., DC 20005,
202-547-3081.

Award Supports Res
In Physical Ther
The Foundatio
tions for an p
prove the
All
of
or a maximum
who have com-
candidate status and

MEMO
NO OF PAGES
2

- applicants who:
 • Commitment to teach or do research
 • Physical therapy program after complet-
 ing
 • the need for measurable treatment
 outcomes.
 • Ask a new research question or address a previously
 asked question using a new methodology, different sam-
 pling or a different form of analysis.

Info: Foundation for Physical Therapy, 1055 N. Fair-
fax St., Suite 350, Alexandria, VA 22314-1541, 703/684-
5984.

MODEL PROGRAMS

Independent Living Group Persuades Banks To Make Loans to People with Disabilities

Denver — A disability advocacy and independent
living group here invokes the Community Reinvestment
Act to persuade local banks to start home mortgage loan
programs for people with disabilities.

The Community Reinvestment Act requires banks to
prove they are making loans to low-income minority
individuals or investing in organizations or initiatives to
help them. Banks must file annual reports on their CRA
activities and make them available to the public.

Most of the time, enforcement of CRA provisions by
federal regulators is uneven. But when a bank wants
approval for certain actions — for instance, purchasing
another bank or savings and loan — the request triggers
closer scrutiny by the Office of the Comptroller of the
Currency.

Atlantis Community requested CRA reports from area
banks and found that none of them mentioned people
with disabilities.

Banks usually interpret the act as applying to racial or
ethnic minorities, even though people with disabilities are
one of the poorest minority groups, Karen Tamley, hous-
ing project coordinator, tells *DFN*. She estimates that
60-80% of people with disabilities are on low or fixed
incomes.

When Norwest, one of Colorado's largest banks, re-
quested approval to purchase a savings and loan, Atlantis
used the opportunity to confront the bank about its poor
record of service to the disabled.

Once Atlantis brought the issue to Norwest's attention,
the bank "negotiated in good faith," Tamley says. The 2
groups worked out a program in about a month. Since
every day that a community group holds up a purchase
costs money, banks have an incentive to respond quickly.

The product of negotiations between Norwest and
Atlantis was a program offering home mortgage, credit
and consumer loans with more flexible underwriting
criteria.

Norwest now offers people with disabilities home
mortgage loans with:

- ◆ No money down.
- ◆ One percent below market interest rate.
- ◆ Financing up to \$100,000.
- ◆ No points or origination fees.
- ◆ 70% loan to income ratio, rather than 40%, which is
the normal ratio offered to low-income borrowers. Atlan-
tis argued that many people with disabilities already pay
as much as 70% of their income for rent.

Since June, Norwest has made nearly \$1.4 million
in home mortgage loans through the program. The bank
has not had to foreclose on any of the nearly 40 loans.

To support people with disabilities who are becoming
first-time homeowners, Atlantis Community offers home-
ownership and pre-application counseling, as well as
financial management classes.

Satisfaction with the program isn't one-sided, Tamley
tells us. Norwest has seen a whole new market open up.
It even received an award for its CRA activities.

Atlantis has negotiated similar programs with 2 other
banks. It's a matter of educating banks about people
with disabilities, Tamley says.

Banks may look only at people with disabilities' low
incomes or view them as dependent, not good prospects
for loans. And because people with disabilities aren't

clustered in low-income neighborhoods, banks may not regard serving them as part of their CRA responsibilities.

But the issues — lack of employment opportunities and segregation — are the same, Tamley says. "Our ghettos are segregated housing projects, nursing homes and state schools."

Atlantis Community's innovative program may be about to taste success on a broader scale. Fannie Mae is considering becoming a secondary market purchaser of the loans, which will give the banks added protection against default. Fannie Mae also is interested in seeing the program become a national model to foster independent living.

Atlantis is writing a proposal to Fannie Mae's foundation for funds to strengthen its homeownership counseling program and train other disability groups to start similar programs.

Info: Karen Tamley, Atlantis Community, 12 Broadway, Denver, CO 80203, 303/733-9324.

Beth Abraham: Answering the Call For Services in New York City

New York — (By CD Publications Staff) "One of the most highly recognized innovators in efforts to link affordable housing with supportive services," American Ass'n of Homes for the Aging says of Beth Abraham Hospital in The Bronx.

"What began as a small rehabilitation hospital has grown into a campus of supportive housing, rehabilitative care, acute care and community-based programs for the old and young with long-term illness or disabilities."

The facility was founded in 1919 with 59 beds and now has 520. It sponsors 2 HUD Sec. 202 units, with 2 more buildings being built or planned.

Supportive services' programs revolve around Comprehensive Care Management, a state- and federally-funded health care program which promotes independent living. Beth Abraham also offers home health care and adult day care programs.

Developing services became imperative after the housing staff and volunteer tenant patrol reported many residents experienced rapid changes in health. In response, management met with each tenant and his or her family to assess physical status. Tenants choose between services provided by the facility or outside agencies. Beth Abraham services are open to qualified nonresidents.

Eligibility for the 3 programs — comprehensive care, adult day care and home care — is based on criteria from the state Dep't of Health and Dep't of Social Services.

Staffing for the programs includes 5 physicians, one physician assistant, 29 nurses, 6 nursing care coordinators, 12 nursing attendants, 7 physical therapists, 5 occupational therapists, 2 speech pathologists, 6 recreational therapists, 3 rehabilitative therapists and 11 social workers.

The Certified Home Health Care program provides tenants with medical transportation, case management, social work and nursing home care in their home following hospitalization. Services are available for all ages, with either acute or chronic illnesses or disabilities. Beth Abraham only accepts persons who they believe can live at home.

Currently, Medicare and Medicaid subsidies cover costs. Nearly everyone in the program receives some form of subsidy.

As for coordination, the tenant services manager links residents with services. There is one full-time manager for each of Beth Abraham's 2 Sec. 202 buildings. An advisory committee comprised of representatives from each of the facility's programs meets quarterly to discuss resident issues. Tenant service managers have backgrounds in nonprofit housing development and management, social work and planning.

Both housing and services are periodically monitored and evaluated, either by HUD or the state. The housing services manager meets with tenants regularly to gauge pluses and minuses of the program. The manager also speaks with social workers. A planned information system will enable Beth Abraham to monitor tenant care throughout the facility's health care system.

AAHA says the facility's success is partly due to its financial strength as a large rehabilitation hospital and an ability to obtain private funding. Setting up reimbursable dependent home health care and adult day care programs is difficult, unless facilities have the space and trained staff already in place.

There are other mitigating factors. The Comprehensive Care Management (CCM) program is barely cost-effective in large cities. Also, developing the elderly care model (PACE, short for Program of All-Inclusive Care for the Elderly) requires working with state legislators for special approval. In the past few years, New York's health officials restricted development of new PACE-type projects.

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
Cynthia L. Berger
Staff Attorney

ANCHORAGE

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

MEMBER OF THE
NATIONAL
ASSOCIATION OF
PROTECTION &
ADVOCACY
SYSTEMS

MSG: 1410 NO FURTHER INFORMATION

ENTER Pg# 09 PF2 NextC# ynnnn PF3 Exit PF5 Update PF7 Bwd PF8 Fwd PF12 Quit

03/27/95 LEGISLATIVE TELECONFERENCE NETWORK LTN1405
07:54:56 N CONFERENCE DISPLAY PAGE 05 - PARTICIPANTS BY SITE L362
TCN 50439 T/C DATE: 03/21/95 TIME: 14:00 to 15:30 STATUS: 6 ADJOURNED
SITE: LIO SOL VTS KEN/SOL
1 MS. TESS LANUM NORTHSTAR PTA T 02 HB 216
PO BOX 3165 KENAI AK 99611 (907)776-5575

MSG: 1410 NO FURTHER INFORMATION

ENTER Pg# 09 PF2 NextC# ynnnn PF3 Exit PF5 Update PF7 Bwd PF8 Fwd PF12 Quit

03/27/95 LEGISLATIVE TELECONFERENCE NETWORK LTN1405
07:54:56 N CONFERENCE DISPLAY PAGE 05 - PARTICIPANTS BY SITE L362
TCN 50439 T/C DATE: 03/21/95 TIME: 14:00 to 15:30 STATUS: 6 ADJOURNED
SITE: LIO SOL VTS KEN/SOL
1 MS. TESS LANUM NORTHSTAR PTA T 02 HB 216
PO BOX 3165 KENAI AK 99611 (907)776-5575

MSG: 1410 NO FURTHER INFORMATION

ENTER Pg# 09 PF2 NextC# ynnnn PF3 Exit PF5 Update PF7 Bwd PF8 Fwd PF12 Quit

03/27/95 LEGISLATIVE TELECONFERENCE NETWORK LTN1405
07:56:15 N CONFERENCE DISPLAY PAGE 05 - PARTICIPANTS BY SITE L362
TCN 50439 T/C DATE: 03/21/95 TIME: 14:00 to 15:30 STATUS: 6 ADJOURNED
SITE: LIO ANC VTS ANCHORAGE

Alaska State Legislature

Representative Brian S. Porter

CHAIRMAN
HOUSE JUDICIARY COMMITTEE

MEMBER
HOUSE LABOR & COMMERCE COMMITTEE
HOUSE STATE AFFAIRS COMMITTEE
INTERNATIONAL TRADE & TOURISM
COMMITTEE

MEMBER
FINANCE SUBCOMMITTEES
DEPARTMENT OF LAW
DEPARTMENT OF EDUCATION
COURTS



SESSION:
STATE CAPITOL, ROOM 118
JUNEAU, ALASKA 99801 1182
PHONE: (907) 465-4930
FAX: (907) 465-4834

INTERIM:
716 W 4TH AVE, SUITE 640
ANCHORAGE, AK 99501 2133
PHONE: (907) 258-8197
FAX: (907) 258-5510

DISTRICT 20

Sponsor Statement HB 65 Assistive Technology Loan Guarantees

What is the program?

An emerging public-private sector partnership to establish a loan guarantee and interest subsidy program which will enable persons with disabilities to purchase assistive technologies necessary to their independence.

Who will be affected?

Persons with disabilities, their families, employers and businesses.

What is Assistive Technologies?

Simply put, these devices and services that can help people live, learn, work and play within their communities. These tools range from simple eyeglasses, hearing aids and walkers to computers that talk and lift-equipped vans.

Why do we need this fund?

From a '93 study by the University of Alaska, over half of all middle-income persons with disabilities (58%) in the state do not have access to the equipment which can help them live more sufficient lives.

What are the benefits?

- Through the program, low-interest loans will be repaid and funds will continue to stimulate economic growth for years to come. According to other enacted states, on average, the overall default rate as of December 1993 is 5.2%
- Businesses will improve accessibility of their facilities through these loans and expand customer and labor markets.
- Employment of disabled workers will be promoted, reducing workers' compensation costs and developing additional work force that can be tapped.
- Need for public support will be reduced
- Persons with disabilities will make valuable contributions to their community

How will the program work?

The State of Alaska will guarantee up to 90% of the loan principal amount or subsidize the interest of a loan to a financial institution. Persons with disabilities will directly apply to their local bank for an assistive technology loan.

What about the cost?

Anticipated federal funding of \$100,000 will "seed" this initiative with no impact on the current state budget.

**DIVISION OF LEGAL SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA**

1907) 465-3867 or 465-2450
FAX 1907) 465-2029
Mail Stop 3101

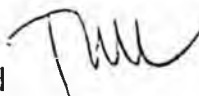
130 Seward Street, Suite 409
Juneau, Alaska 99801-2105

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

AMENDMENT

by Representative Brian S. Porter

OFFERED IN THE HOUSE

TO: HB 65

Page 1, line 13, after "enabling":
Insert "a person with a disability to"

Page 1, line 14:
Delete "a handicapped individual "
Insert " a person with a disability"

Page 2, Line 5:
Delete "handicapped or disabled"
After "person":
Insert "with a disability"

Page 2, line 16:
Delete "handicapped"
After "person":
Insert "with a disability"

Page 2, Line 30, after "section,":
Insert ";

(2) "person with disability" means a handicapped individual or
an individual having a physical or mental disability."

A M E N D M E N T

OFFERED IN THE HOUSE

BY REPRESENTATIVE PORTER

TO: HB 65

- 1 Page 2, line 6, after "family":
- 2 Insert "to obtain assistive technology for the handicapped or disabled person within
- 3 the limitations of (b) of this section"



Alaska State Legislature

House of Representatives

COMMITTEE ON HEALTH, EDUCATION
AND SOCIAL SERVICES

DATE: MARCH 21

PLACE: Capitol Room 106

SUBJECT OF MEETING:

HB 65: ASSISTIVE TECH
LOAN GUARANTEES

NAME	REPRESENTING	BUSINESS/PERSONAL MAILING ADDRESS	ZIP	(H) PHONE	(W) PHONE	DO YOU WANT TO TESTIFY?	WHAT SUBJECT/ WHICH BILL?
EARL Clork	SAIL	9163 PARKWOOD	99801	789-9665	789-9665	(Y) N	HB 65
STAN RIDGEMAN	DUIZ	801 W 10 TH JND	99801	790-2732	465-6932	(Y) N	" "
Danielle Lopez		Rep. Porter				(Y) N	" "
						Y N	
						Y N	
						Y N	
						Y N	
						Y N	
						Y N	
						Y N	