

**ALASKA LEGISLATURE**

**1129**

**HOUSE and SENATE FINANCE COMMITTEE FILES,**

**1993-1994**

**203**

and goals that would pre-dispose them to participating in this program.. There are more specialized agencies, ones that focus on a very specific segment of the disabled population, that might also be asked to take on this program in some capacity.

#### Model C:

##### Non-Profit Administration

A private non-profit, might provide office space for the program staff as well as overall program administration.

##### Commercial Bank:

The VATS office has already established a contact for working with what is now NationsBank. All models have the potential for involvement of a commercial bank for fund investment purposes.

**Credit-Reporting Agency:** Virginia Credit Union recommended contact with the credit bureau Equifax during the research of this model. Equifax is well based in Virginia and has reasonable rates, but other options could be pursued as well.

#### Addendum: Potential Legal Issues

There has not been an opportunity yet to receive legal counsel concerning this program, which will have to be done as the model becomes more finalized. Potential legal issues that might need to be addressed would include:

Separation of functions between receipt and disbursement of monies will ensure fiscal responsibility. The same accounting component should not receive and deposit funds.

What information cannot be requested and/or required on the application form? What sort of statement needs to appear on the application form for the applicant to sign testifying to the veracity of the information provided? What sort of issues of confidentiality need to be considered?

What sort of regulations will this program be subject to as a lending institution, even though its rates are below commercial interest rates? Will it be regulated differently depending on whether its public or private? How can it be arranged for a private non-profit entity to make loans? What legal processes would need to occur to bring this program under the jurisdiction of one of the economic development authorities?

What legal issues might affect the decision-making board? What needs to be done to protect the board from liability? Are there legal issues with whether the board holds public or private meetings, particularly if it is a public program?

What other liability issues need to be addressed? Is it possible for this program to obtain tax-exempt status? Does there need to be legal expertise available at board meetings?

Appendix A: Map of ATRC's/CILS  
Appendix B: Application Form

## ASSISTIVE TECHNOLOGY LOAN FUND

### EXECUTIVE SUMMARY

#### Prologue

The Resource Development Task Group of the Virginia Council on Assistive Technology recommended models of assistive technology loan funds be researched for application within the Commonwealth of Virginia. This initiative came out of recommendations of the Commission on the Coordination of the Delivery of Services to Facilitate the Self-Sufficiency and Support of Persons with Physical and Sensory Disabilities, otherwise known as the Beyer Commission.

#### General Definition of Problems

Funding for assistive technology has been identified as the primary area of need in a recent statewide needs assessment conducted by the Survey Research Laboratory for the Virginia Assistive Technology System. The existing obstacles to funding contribute to the diminishing funding streams available to Virginians with disabilities in need of assistive technology. These obstacles include bureaucratic barriers and restrictive eligibility criteria and narrow definitions of what can be defined as appropriate and fundable assistive technology.

#### Themes Common to Model Development

This loan fund has the intent of providing assistive technology to individuals who would otherwise be unable to afford it. Consumer choice will guide the development of all models presented, allowing each applicant to determine what equipment is most appropriate for them. General informational assistance will be provided to applicants regarding alternative funding sources and various equipment options to maximize informed choices. The fund will ensure its own viability through the ongoing analysis of monies loaned and returned by a designated financial authority.

#### Analysis of Alternative Loan Funding Models

The three loans described in detail in the body of this paper are differentiated primarily by administrative oversight. These include a private, state, and non-profit oversight. Each model also describes related financial components, loan fund investment entities and the oversight body that would conduct loan fund approval activities. The recommendation of the VATS Resource Development Task Group is that a mixed model be considered that would combine non-profit administration with state finance agency coordination. All models will include an independent loan fund board that will be the decision making authority for all loan applications.

# ASSISTIVE TECHNOLOGY LOAN FUNDING MODELS ANALYSIS

MODELS	DESCRIPTION	ADMINISTRATIVE COMPONENT	FINANCIAL COMPONENT	INVESTMENT ENTITY	OVERSIGHT BODY
A	Private Administration	<ul style="list-style-type: none"> <li>- Central Coordinator</li> <li>- Data Processing Service</li> <li>- within Private Bank or Business</li> </ul>	Volunteer Loan Officers	Bank	Independent Loan Board
B	State Administration	<ul style="list-style-type: none"> <li>- State Human Service Agency</li> </ul>	State Finance Agency	State Treasury Department	Independent Loan Board
C	Non-profit Administration	<ul style="list-style-type: none"> <li>- Private Non-profit</li> <li>- Data Processing Service</li> </ul>	Bank/ Non-profit	Bank	Independent Loan Board
Mixed Model	Non-Profit/ State Administration	<ul style="list-style-type: none"> <li>- Non-profit Corporation</li> </ul>	State Finance Agency	State Treasury Department	Independent Loan and Oversight Policy Board

VIRGINIA ASSISTIVE TECHNOLOGY SYSTEM  
ASSISTIVE TECHNOLOGY LOAN MODEL PRESENTATION

INTRODUCTION AND PURPOSE

The Department of Rehabilitative Services proposes the establishment of a special loan fund enabling persons with disabilities to purchase needed assistive technology. The assistive technology loan fund will provide an alternative funding source for persons with disabilities in the acquisition of assistive technology. The loan fund is structured to provide rates and terms more attractive than those traditionally offered by commercial banks. The opportunity to establish or enhance a positive credit history will be an additional benefit to participants of the loan fund. Although the size of the program can be scaled up or down depending on the availability of fiscal resources, it is proposed that the loan fund begin operation with a base appropriation of \$5.0 million dollars.

Assistive technology is defined as "any item, device, piece of equipment or product system, whether acquired commercially off-the-shelf, modified or customized, that is used to increase, maintain or improve functional capabilities of individuals with disabilities" (Technology-Related Assistance Act, 1988).

Through extensive research of existing loan programs across both public and private sectors, two potential models of choice have been developed for presentation. These are (1), a revolving loan fund and (2), a leveraged loan or interest rate buy down model. The financial, administrative and oversight components of each will be discussed.

The revolving loan model assumes the establishment of an Assistive Technology Loan Finance Authority to provide financial management of the loan fund program. This proposed Authority would assume all financial responsibilities related to the operation of the loan fund.

The leveraged loan model involves a bank providing loan funds in cooperation with a similar Loan Authority who serves as the guarantor. Participation in such a partnership would provide banks with credit for their Community Reinvestment Act requirements. The focus of this Act is for banks to provide a credit related function to their communities and this proposal is in keeping with that mission.

## DEFINITION OF NEED

It is estimated that there are over 350,000 Virginians with work-limiting disabilities according to the 1990 Virginia Disability Survey. The Virginia Assistive Technology System has found that the area of greatest need relating to assistive technology acquisition is funding. These results align with those of a recent fifteen state survey of over 1,626 persons with disabilities (RESNA, 1992). The RESNA survey found that 60% of the respondents were in need of assistive technology devices, and that same figure could not identify a funding source to secure the device.

Credit financing is an avenue not frequently available to persons with disabilities due to low household income levels, as documented by Louis Harris in 1986. A funding alternative that supports consumer independence exists in the form of extended term, low interest loans. The intent of this program is to provide a long term, low interest option for Virginians with disabilities who would not otherwise be eligible for credit financing due to equipment desired, credit history or income.

## ELIGIBILITY

These models represent a funding program that will make loans exclusively to individuals with disabilities or their representatives, rather than organizations or businesses. These individuals must demonstrate that the funding will be used to purchase assistive technology. It must also be demonstrated that the assistive technology requested has the potential to improve that individual's quality of life, independence, or ability to function productively.

## DISCUSSION OF LOAN MODELS

Within the two models presented, each has individual components which differ slightly. For clarity of presentation, similarities and differences will be discussed for each.

### Assistive Technology Loan Finance Authority

Both models assume the establishment of an Assistive Technology Loan Finance Authority. The activities which the Authority would take on differ slightly across each model. The location of this Authority is not at present defined. The possibility does exist that this authority could be blended into an existing authority, or portions of their fiscal/administrative responsibilities could be contracted to other entities, i.e., loan payment mechanisms to the Virginia Educational Loan Authority. This quasi-governmental entity would have within it an oversight Board. This Board will have identified staff working directly on

this project, and be responsible for individual loan approval and the management of monies in and out of the loan fund. The Authority will bill the Loan Fund for all administrative costs incurred.

The Board would consist of at least seven volunteer members with four members with disabilities, a public accountant, a loan officer, and a designee of the Virginia Assistive Technology System or the Department of Rehabilitative Services. A Board subcommittee will meet monthly to approve or deny loan applications and rule on loan defaults. Presentations will be made to the Board subcommittee by both the non-profit and Finance Authority for each loan recommended.

#### Non-Profit Corporation/Foundation

Both models also assume the involvement of a new or established non-profit organization or foundation to provide the central point of contact with potential borrowers. This body will assist consumers in loan restructuring to prevent default. A representative from this body would attend the monthly Loan Authority Board meetings as a consumer representative.

This consumer support function includes application completion, credit counseling, and preliminary financial profile development.

This financial analysis will estimate an individual's ability to pay and propose an estimated monthly payment. This will occur prior to a formal credit review to ensure available discretionary income for the applicant. Non-profit/foundation administrative costs related to loan fund activities will be billed to the Authority.

#### **I. Revolving Loan Model**

In a revolving loan fund program, a start-up appropriation is used to make initial loans. As funds are paid back, those funds are "recycled" into new loans. This strategy is successfully being used by the State of Maine and Vermont.

The revolving loan fund will be established with a proposed base legislation appropriation of \$5.0 million dollars.. An Assistive Technology Loan Finance Authority will be established to provide oversight of the disbursements and receipts of these funds. Payment processing responsibilities listed could be contracted to an agency specializing in those matters.

Loan fund criteria include:

1. Loans will be approved for amounts up to \$5,000 dollars.

2. Interest rates for approved loans will be based at current prime rate at the time of approval.
3. Loan terms will range from 3 months to 8 years.
4. Reserve for defaults will be 3% of the total loans outstanding.

Finance authority staff responsibilities include:

1. Conduct credit checks for applicants.
2. Attend Loan Fund Board meetings and make recommendations on individual loan rates and terms.
3. Disseminate coupon books to borrowers.
4. Post payments received.
5. Create reports on total amounts loaned, received, and in arrears.
6. Send notifications of late payment to borrowers.
7. Notify non-profit organization of loans that are at risk for their intervention prior to default.
8. Process default arrangements (loan restructuring, collection agency, etc.).
9. Manage the control of the Loan Fund receipts and disbursements.

## II. Leveraged Loan or Interest Buy Down Model

The interest buy down loan model combines a private bank determining a specific interest rate with a loan fund authority buying that rate down and effecting a fixed rate loan, providing reasonable rates to borrowers. Similar leveraged loan programs are currently in operation by the American Foundation for the Blind, a nationwide not for profit organization, and the State Education Assistance Authority in Virginia to finance school construction activities.

The leveraged loan fund will be established with a base of \$5 million dollars. A private bank(s) will serve as the lender using their funds with the loan fund buying their interest rate down. The loan guarantee component of this model may involve a loan insurance component which could replace the need for a set aside reserve.

Loan fund criteria include:

1. Payments will be made from the fund to the bank(s) for interest rate buy down for each loan.
2. Loan fund reserve amount (10% - 20%) of outstanding loans will be negotiated with the participating bank(s) for loan-guarantee purposes. Loan fund insurance could replace this reserve.

Banking institution staff responsibilities include:

1. Recommend loans for approval for amounts up to \$5,000 dollars.
2. Provide reduced interest rates for approved loans at the time of approval.
3. Provide loan terms that will range from 3 months to 8 years.
4. Conduct credit checks for applicants.
5. Disseminate coupon books to borrowers.
6. Post payments received.
7. Create reports on total amounts loaned, received, and in arrears.
8. Send notifications of late payment to borrowers.
9. Process default arrangements (loan restructuring, collection agency, etc.).
10. Attend monthly Loan Fund Board meetings.

**VERMONT**  
**ADAPTIVE EQUIPMENT REVOLVING FUND**

**Regulations**

**June 1992**

**Division of Independent Living  
Department of Aging and Disabilities  
Agency of Human Services  
State of Vermont**

VERMONT ADAPTIVE EQUIPMENT REVOLVING FUND REGULATIONS

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VERMONT ADAPTIVE EQUIPMENT REVOLVING FUND

Division of Independent Living  
Department of Aging and Disabilities

REGULATIONS101 STATUTORY BASIS

These regulations are promulgated pursuant to 33 V.S.A. Chapter 77, relating to the Vermont Adaptive Equipment Revolving Fund.

102 STATEMENT OF PURPOSE

The purpose of the Vermont Adaptive Equipment Revolving Fund is to make loans and grants available on a statewide basis to qualified borrowers for the purchase of adaptive equipment by persons with disabilities.

103 DEFINITIONS

Unless otherwise required by the context, as used in these regulations:

- (a) "Adaptive equipment" means any item, piece of equipment or product system, whether acquired commercially off the shelf, modified or customized, that is used to increase, maintain or improve functional capacities of individuals with disabilities. The term includes items such as a lift-equipped van for a person who is quadriplegic and a hearing aid or teletype device for one who is hearing impaired.
- (b) "Applicant" means any individual or organization which submits an application for a loan or grant to the Board.
- (c) "Board" means the Vermont Adaptive Equipment Revolving Fund Board.
- (d) "Commissioner" means the Commissioner of the Department.
- (e) "Department" means the Vermont Department of Aging and Disabilities, acting on behalf of the Vermont Agency of Human Services.
- (f) "Financial Services Provider" means any organization, entity or individual with which the Department has established a contract to provide credit information, close loans, administer loans after closing, and perform all other duties as set forth in said contract.

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Vermont Adaptive Equipment Revolving Fund Regulations

- (g) "Fund" means the Vermont Adaptive Equipment Revolving Fund.
- (h) "Grant" means a sum of money given from the Fund for which repayment is not expected.
- (i) "Loan" means a sum of money given from the Fund for which repayment is expected.
- (j) "Loan commitment" means a written agreement by the Board to provide a sum of money as a grant or loan under enumerated conditions to a Qualified Borrower.
- (k) "Note" means a written agreement under which a Qualified Borrower promises to repay a loan to the Fund in accordance with specified terms and conditions.
- (l) "Person with disabilities" means a person who has a disability which affects a major life activity, such as mobility, communication or self-care, who has a history of that disability or is regarded as having a disability.
- (m) "Program" means the Adaptive Equipment Loan Program.
- (n) "Qualified Borrower or Borrower" means any Vermont individual, non-profit corporation or partnership able to demonstrate credit worthiness and repayment abilities to the satisfaction of the Board.
- (o) "Support Services Provider" means any organization, entity or individual with which the Department has established a contract to market loans, provide technical assistance in choice and use of equipment, review loan applications, close loans, provide credit counseling, and perform all other duties as set forth in said contract.

**104 ADMINISTRATION**

The Department may enter into contracts with one or more responsible entities to act as Financial Services and Support Services Providers. Such contracts may provide for the development of policies, procedures, documentation, reporting, loan underwriting, publicity, analysis, and decisions with respect to applications received.

Vermont Adaptive Equipment Revolving Fund Regulations105 FUND

- (a) Contents. The Fund shall consist of monies appropriated to it, repayments of principal and interest by Qualified Borrowers, interest earned, and any grants, contributions and loans to the Fund approved by the joint fiscal committee
- (b) Uses. The Fund may be used:
- (1) To make direct loans or grants to Qualified Borrowers; and
  - (2) To cover costs, up to ten percent (10%) of the Fund annually, associated with maintaining and administering the Fund.

106 ELIGIBILITY

- (a) Generally. To obtain approval of a loan or grant, an Applicant shall:
- (1) Comply with the application procedure provided in Section 107(a);
  - (2) Be a Qualified Borrower; and
  - (3) Demonstrate that the loan or grant will assist one or more persons with disabilities:
    - (i) To improve their independence; or
    - (ii) To become more independent members of the community and to improve the quality of their lives within the community.
- (b) Multiple loans. An Applicant may receive more than one loan from the Fund, provided, however, that the total principal amounts do not exceed the maximum amount permitted for any single loan.
- (c) Previous Application Rejected. To submit a new application after an application has been previously denied, an Applicant shall demonstrate a significant change in the circumstances which resulted in the earlier denial.

Vermont Adaptive Equipment Revolving Fund Regulations107 PROCESSING OF APPLICATIONS

- (a) Application. An Applicant shall submit to the Support Services Provider a completed application form supplied by the Support Services Provider, which application shall include:
- (1) Certification that the Applicant meets all eligibility requirements;
  - (2) A statement of the cost, description, and intended use of the adaptive equipment the Applicant proposes to purchase;
  - (3) Sufficient evidence of the Applicant's net income and net worth; and
  - (4) A list of other sources of financing for the equipment or a statement that the Applicant has explored other methods of financing and that none is available.
- (b) Consideration of Application. In making decisions or recommendations for the approval or denial of an application, the Support Services Provider and/or the Financial Services Provider, as the case may be, shall consider whether:
- (1) The applicant is eligible;
  - (2) The proposed loan or grant would be used for an eligible purpose;
  - (3) The proposed loan or grant would be an efficient use of the Fund;
  - (4) Other sources of financing are available to supplement the loan or grant; and
  - (5) The Applicant has sufficient assets to provide adequate collateral for and repayment of a loan.
- (c) Applications for \$1,000 or Less. With respect to an application for \$1,000 or less, the Support Services Provider shall forward its decision and the completed application to the Board.

Vermont Adaptive Equipment Revolving Fund Regulations

- (d) Applications for more than \$1,000. With respect to an application for more than \$1,000:
- (1) The Support Services Provider shall forward its recommendation and the completed application to the Financial Services Provider; and
  - (2) The Financial Services Provider shall:
    - (i) Consider the adequacy of information available;
    - (ii) If the application is for a loan, consider the Applicant's ability to repay and the adequacy of security provided; and
    - (iii) Recommend to the Board that it approves or disapproves the application.

108 THE BOARD

- (a) Membership. The Board shall consist of five persons appointed to four year terms by the Secretary of Human Services, in accordance with 33 V.S.A. §7702. At least two members shall be persons with disabilities and at least one person shall be an employee of the Agency of Human Services. In addition, the Secretary of Human Services shall appoint two alternate members to the Board, one of whom shall be a person with a disability, which alternate members shall act in the capacity of a regular member when a quorum is not present.
- (b) Quorum. A quorum of the Board shall consist of three members.
- (c) Conflict of Interest. No Board member may participate in consideration of or voting on an application in which he or she has a direct or indirect pecuniary interest in the outcome.
- (d) Executive Session. Upon a majority vote of its members, the Board may conduct an executive session for the purpose of discussing information made confidential by statute or for other statutorily authorized purposes. The Board shall not take any action in executive session.

Vermont Adaptive Equipment Revolving Fund Regulations

- (e) Decisions on Applications for More Than \$1,000. The Board shall approve or disapprove any application for more than \$1,000 based on the recommendation of the Services Providers, the contents of the application, and all available information related to the application.
- (f) Fees. In order to protect the integrity of the Fund, the Board may charge fees for administration, servicing and document preparation.
- (g) Loan Commitments. Upon approving an application, the Board shall direct the Support Services Provider or Financial Services Provider, as appropriate, to issue a loan commitment to the Applicant for a specific period of time and include within it such reasonable terms and conditions recommended by the Financial Services Provider which the Board deems appropriate. The loan commitment shall become effective when it is signed by the Applicant and any co-applicants or guarantors.

109 NOTICE

- (a) Applications for Less Than \$1,000. For applications for less than \$1,000, the Support Services Provider shall notify the Applicant in writing of its decision and, if it disapproves the application, include the reasons for its decision and notice of the Applicant's right to appeal in accordance with Section 114.
- (b) Applications for More Than \$1,000. For applications for more than \$1,000, the Board shall direct either the Support Services Provider or the Financial Services Provider, as appropriate, to notify the Applicant in writing of its decision, and, if the Board disapproves the application or approves an amount less than requested, the reasons for its decision and notice of the Applicant's right to appeal in accordance with Section 114 shall be included in said notice.

110 LOAN TERMS AND CONDITIONS

- (a) Amount. The amount of a loan shall be sufficient to enable the Borrower, in combination with other sources of assistance if need be, to acquire the adaptive equipment specified in the loan commitment.

Vermont Adaptive Equipment Revolving Fund Regulations

- (b) Interest. Interest rates shall not exceed the prime rate established by the major banks in Boston and shall be fixed at the date of loan commitment. In determining the interest rate, the Board shall consider the Borrower's ability to pay.
- (c) Term. The term of each loan shall be based on the Borrower's circumstances and the useful life of both the collateral and the adaptive equipment to be purchased, but in no event shall it exceed ten (10) years.
- (d) Collateral. The Board may require such collateral as appropriate, including a mortgage on real estate, a security agreement on personal property, or personal guarantees. Except as specifically approved by the Board, collateral shall be located or registered within the State of Vermont.
- (e) Execution of Documents. The Support Services Provider or Financial Services Provider, as appropriate, shall prepare the loan documents, which documents shall include the covenants provided in Section 111. Execution of all loan documents shall be a condition precedent to the payment of the loan proceeds to the Borrower. Loan closing shall take place at the office of the Services Provider that prepared the documents, unless that Services Provider and the Borrower agree to another location.
- (f) Use of Proceeds. The Borrower shall use the loan proceeds only for the purposes stated in the loan commitment, and the Borrower's rights under that commitment shall not be assignable. Upon request of the Board, the Borrower shall provide documentation of the purchase of the adaptive equipment specified in the loan commitment.

**111 COVENANTS OF BORROWER**

The borrower shall agree to comply with the conditions set out in this section.

- (a) Laws. The Borrower shall comply with all applicable planning, zoning, sanitary, building and environmental laws, ordinances and regulations of the federal, state and local governments.

Vermont Adaptive Equipment Revolving Fund Regulations

- (b) Collateral. The Borrower shall:
- (1) Maintain the collateral in good condition and repair and shall maintain insurance on it as required by the Board;
  - (2) Not convey, lease, transfer, materially alter or relocate any loan collateral without the prior written consent of the Board; and
  - (3) Pay, when due, all taxes or charges assessed against any collateral.
- (c) Loan Purposes. The Borrower shall not expend any portion of the loan for purposes other than those approved by the Board.
- (d) Expenses of Financial Services Provider. The Borrower shall repay any necessary advances or expenses of the Financial Services Provider incurred to protect the collateral or to enforce the rights of the Board against the Borrower or the collateral.
- (e) Other Covenants. The Borrower shall comply with such other reasonable covenants as the Board may require.

112 DEFAULT

- (a) When. A loan is in default when any payment is 30 days past due or upon a breach by the Borrower of any covenant set forth in the loan documents.
- (b) Notice. When a loan is in default, the Services Provider administering the loan shall notify the Borrower and the Board that the Borrower is in default and has thirty (30) days in which to cure the default.
- (c) Failure to Cure. Upon failure of the Borrower to cure the default within thirty (30) days of receiving the notice provided under Section 112(b) above, the Board shall take appropriate action based on:
- (1) The recommendation of the Support-Services Provider and the Financial Services Provider;

Vermont Adaptive Equipment Revolving Fund Regulations

- (2) The impact of enforcement and collection on the Borrower; and
  - (3) The likelihood that the loan will be repaid if a waiver or extension is granted.
- (d) Acceleration of Payment. If the Board decides to accelerate repayment of a loan in default, it shall notify the Borrower that:
- (1) The Borrower is still in default;
  - (2) The Board intends to accelerate repayment of the loan;
  - (3) The Borrower has an additional thirty (30) days in which to cure the default; and
  - (4) The Board may proceed to enforce its rights if the Borrower fails to make payment in full within the additional thirty (30) days.
- (e) Application of Payments. All payments received on account of a defaulted loan shall be applied against the following items in the following order:
- (1) Expenses incurred in connection with the collection and preservation of the collateral;
  - (2) Accrued interest; and
  - (3) Outstanding principal.

**113 CONFIDENTIALITY**

All applications, supporting information, and other program records shall be kept confidential so as not to disclose the identify of Applicants or Borrowers, except:

- (a) As authorized by the Applicant or Borrower to enable the Program to process an application; and
- (b) As required by the Board to enable it to pursue the Program's claims against a Borrower.

Vermont Adaptive Equipment Revolving Fund Regulations114 APPEALS

- (a) Reconsideration. An Applicant whose application is disapproved in whole or in part may obtain a reconsideration by the Board by submitting a written request to the Support Services Provider within twenty (20) days of receiving the notice specified in Section 109. The Board shall schedule a time during which it will reconsider the application and afford the Applicant the opportunity to be present and to support the application. The reconsideration shall be based on the information available to the Program on the date the application was disapproved.
- (b) Fair hearing. If aggrieved by action of the Board, the Applicant may request a hearing by the Human Services Board in accordance with its rules.

## BRIEF DESCRIPTION OF PROCEDURES

The research methods used in this study are patterned after those described by the Research and Training Center on Independent Living at the University of Kansas (Fawcett, Suarez de Balcazar, Whang-Ramos, Seekins, Bradford, & Mathews, 1988). The focus of this study was primarily on issues surrounding the transition process that occurs once a person has been discharged from rehabilitation. This study also helps describe some of the characteristics of the population of individuals with disabilities who reside in rural areas, including their needs for and access to services.

**Questionnaire development.** A broad variety of literature in such areas as discharge planning (e.g., Hanson, 1986), rural psychology (e.g., Childs & Melton, 1983), services to individuals with brain injury (e.g., Ylvisaker & Gobble, 1987), independent living (e.g., Richards, 1985), and long-term care were reviewed. In addition, extensive interviews were conducted with hospital social workers, hospital discharge planners, level of care specialists, vocational rehabilitation counselors, ILC staff, nursing home staff, and consumers. This review produced a menu of 315 potential concerns about rehabilitation services involved in facilitating transitions to rural independent living.

This menu was first used to develop surveys of rural ILCs and CARF hospitals serving rural areas (Jackson, Seekins, Dingman, & Raveslout, 1990; Seekins, Raveslout, Jackson, & Dingman, 1990). Top problems and strengths reported in these two surveys were then selected for the consumer survey. In addition, consumer panels selected another 13 issues to complete the 68 item survey. Finally, one item was developed based on comments received from respondents to our hospital survey. These questions were organized in a standard format that asked respondents to rate the importance of and their satisfaction with each item on a four point scale.

Questions regarding the personal and situational characteristics of respondents (e.g., age, employment, residence, access to services) were also included. These were developed to address key results found in these previous surveys and to allow for comparison with other surveys of consumers.

**Identification of respondents.** We wrote to all of the rehabilitation hospitals and ILCs that comprised our sample from two previous studies to ask their help in conducting a national survey of rural consumers. An enclosed, self-addressed post card allowed these agency staff to indicate their cooperation and the number of surveys they would distribute to their consumers. This procedure was chosen for three reasons. First, it tied consumer responses to responses from our provider studies. Second, it insured a national sample. Finally, it protected respondents' confidentiality. Forty-seven of 96 ILCs and 5 of 50 hospitals agreed to distribute questionnaires.

**Survey distribution and collection.** A total of 369 survey packets were mailed to staff contacts from 52 programs agreeing to distribute questionnaires. It is important to note that

we asked survey distributors to be sensitive to the ability of individuals to respond to and complete the questionnaire without undue burden. No follow-up procedures were used and no data are available on how many questionnaires were actually distributed to consumers or patients. Approximately nine out of ten respondents were contacted through independent living centers.

**Data analysis.** A rank order of consumers' concerns were summarized by calculating an average importance and satisfaction rating for each item. These ratings, based on a scale ranging from 0 (low) to 4 (high) were then converted to percentages as displayed in Table 2. In addition, Strength and Problem scores were calculated for each item. Strength scores were calculated by multiplying the average importance by the average satisfaction ( $I \times S$ ). Problem scores were calculated by multiplying average importance by the difference between total possible satisfaction and average satisfaction ( $I \times [4 - S]$ ). A summary of top strengths and problems reported by adults with disabilities are presented in Table 1.

### DEMOGRAPHICS OF RURAL SURVEY RESPONDENTS

One-hundred and twenty-four adults with disabilities living in rural areas responded to mailed questionnaires that included items about transitions from rehabilitation to independent living in rural areas as well as demographic information. Figure 1 depicts the geographic distribution of survey respondents.

GEOGRAPHIC LOCATION OF RESPONDENTS TO THE RURAL CONSUMERS' SURVEY

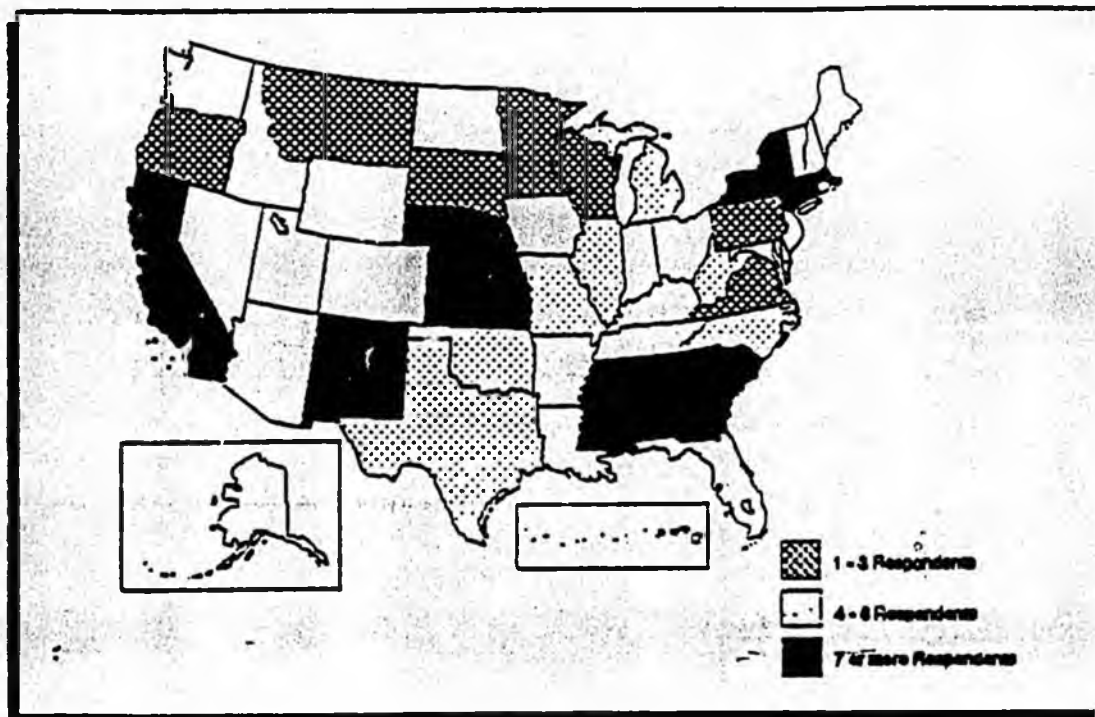
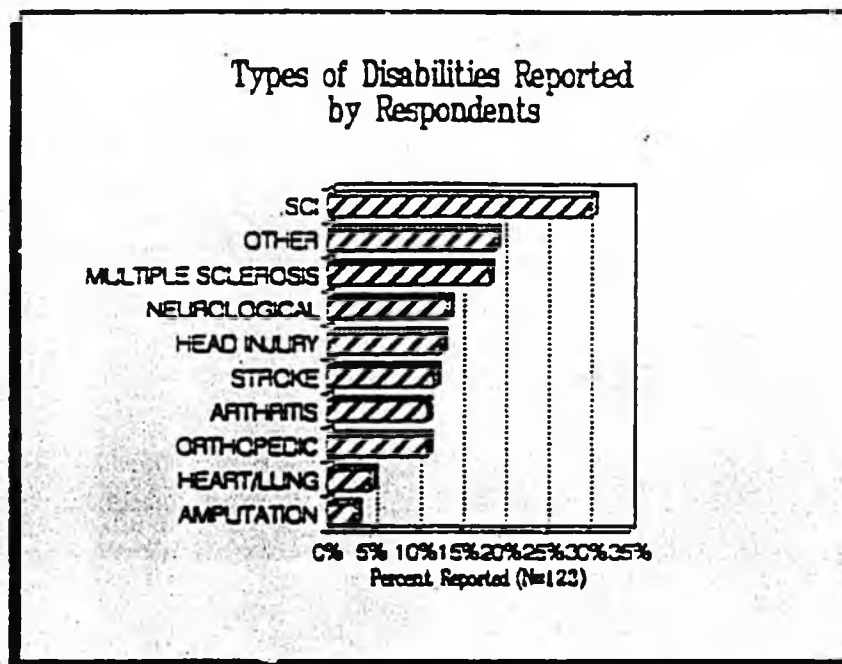


FIGURE: 1

Most of these respondents appear to live in areas that meet criteria for being labeled rural. Appendix A lists the hometown for each respondent and the size of the population. We could not locate a population estimate for home towns of seven respondents. The town with the smallest reported population had 93 inhabitants. Over half the respondents came from towns with a population less than 5,000 and 90% came from communities of less than 25,000.

A general description of the characteristics of respondents is important to interpreting the data and to understanding the nature of rural disability. Figure 2 portrays the types of disabilities reported by respondents. More than one disability was reported by 25% of respondents. Individuals with spinal cord injuries comprised 31% of the respondent sample although this disability group represented only 10% and 13% of the population reported served by respondents to our hospital and ILC surveys. Thus, in interpreting results of the survey, it is important to note that individuals with mobility impairments are represented to a greater extent than are those with cognitive impairments to a lesser extent than might be expected in either of the two service populations or the general population of adults with disabilities. This distribution may reflect a selection bias on the part of program staff from ILCs who distributed surveys to those who could most easily complete them.



**FIGURE: 2**

Individuals who responded to the survey had been disabled for a average of 15.6 years. Only 16% of those who reported the length of time of their disability had been disabled since birth. The average age of onset of disability was 27.4 years of age.

Of the 124 respondents, 56 were male and 68 were female. Their average age was 43.5 years and their average education was 13.2 years. Ninety-four percent of respondents reported their race as white; 2% as hispanic, 2% as black, and 2% as Native American. The average annual family income reported was \$15,400 with half below \$11,000.

Figure 3 depicts the health care coverage reported by respondents. Forty-one percent of respondents reported having coverage from more than one source. It is important to note that 6% indicated having no health care insurance.

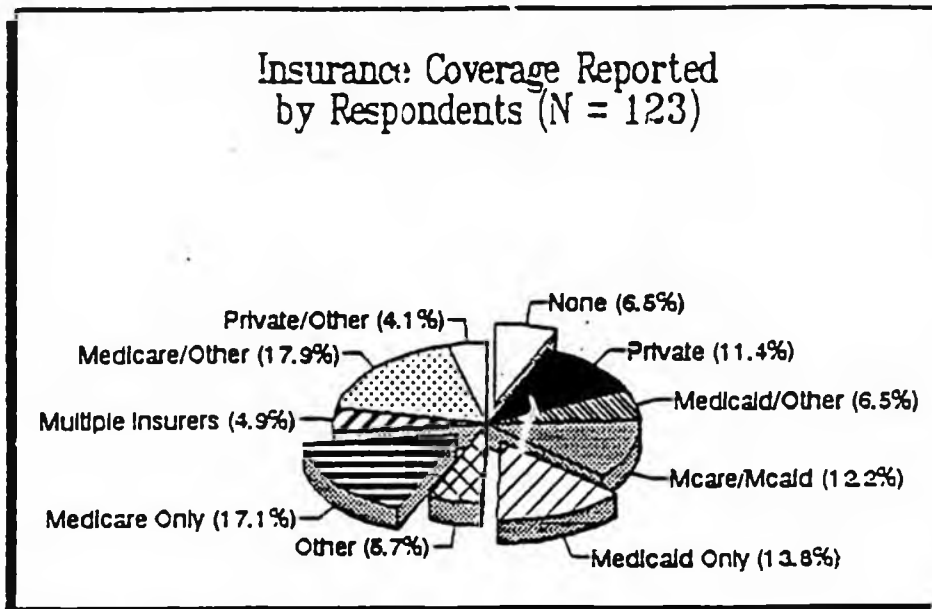


FIGURE: 3

More than half of the survey respondents were covered by Medicare, either as their only source (17%) or in combination with other sources. One out of three respondents were Medicaid recipients. Figure 4 illustrates the main sources of health insurance reported by the individuals with disabilities in rural areas represented in our study.

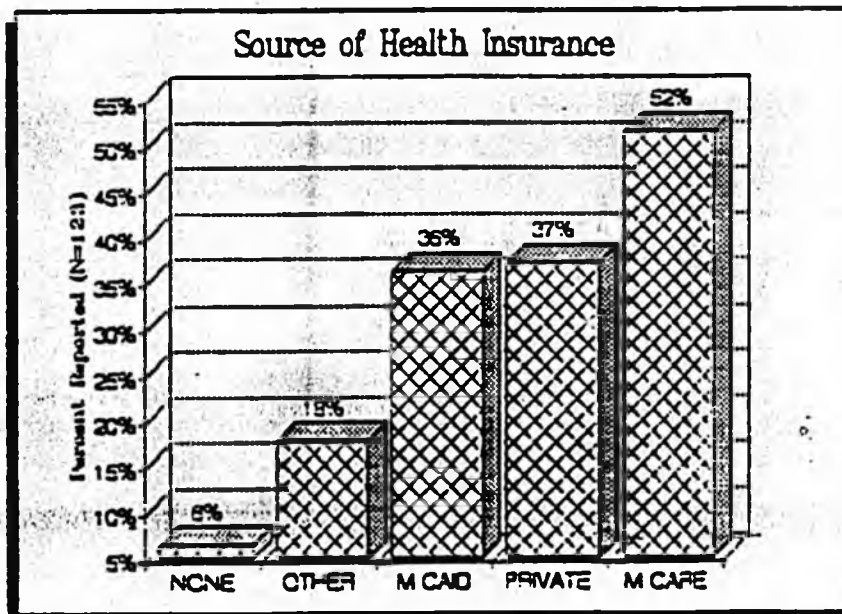


FIGURE: 4

Figure 5 shows the living arrangements reported by respondents. Of note is that 11% of respondents report living in a mobile home, an important housing option in rural areas. Half of the respondents indicated that they owned their housing, while 30% reported that they received some type of financial assistance for housing. The average number of persons living in the household reported by respondents was 2 although 46 respondents lived alone. When asked how they would rate living in their community, overall, the quality of the communities in which these respondents lived was rated as fair.

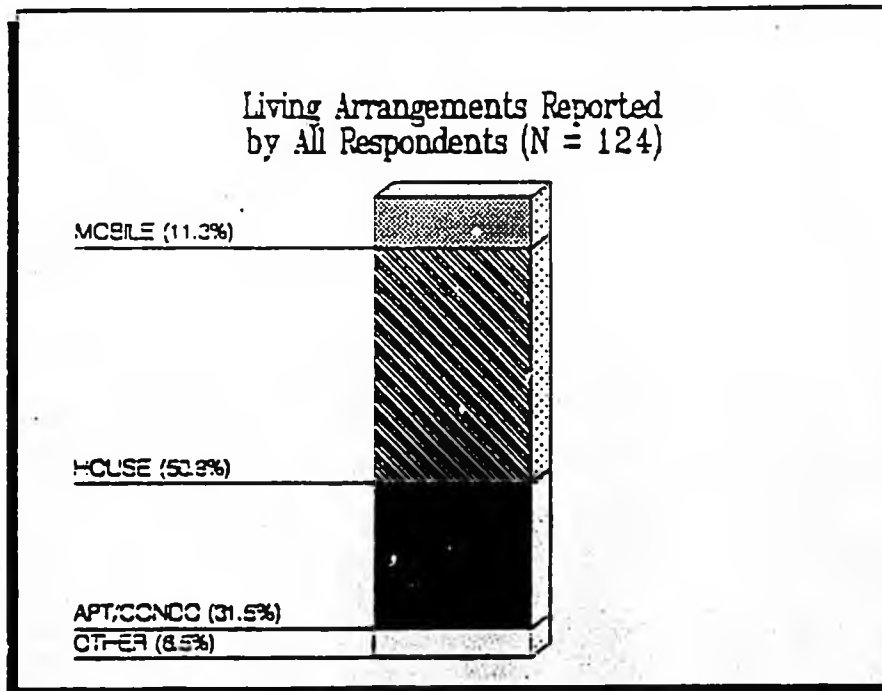


FIGURE: 5

Figure 6 shows that 20% of respondents were employed either full or part-time. More than half (56%) were unemployed. These figures are comparable to data reported by Harris (1986).

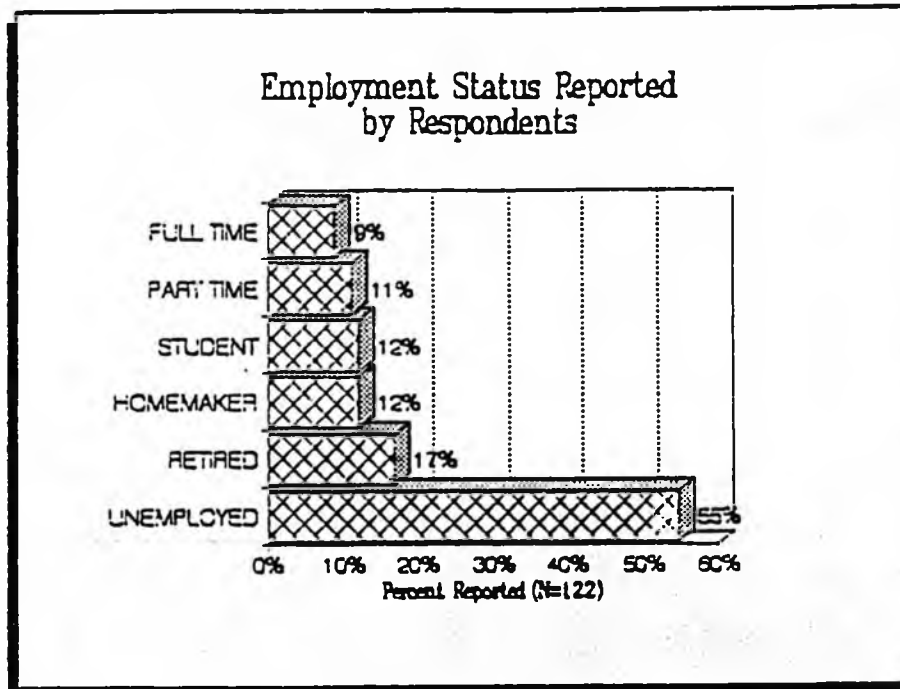


FIGURE: 6

Surprisingly, the concern over transportation was relatively low. Respondents rated the importance of and their satisfaction with getting where they needed to go using public or personal transportation as 94% and 66%, respectively; 45th in the problem ranking of 68 issues. Yet, over 60% reported needing assistance in transportation. These consumers reported using a variety of transportation to get around. Figure 7 shows that one out of three (32%) use a personal car. Accessible vans are used by 23%. The use of public transportation, including taxis, appears to be minimal.

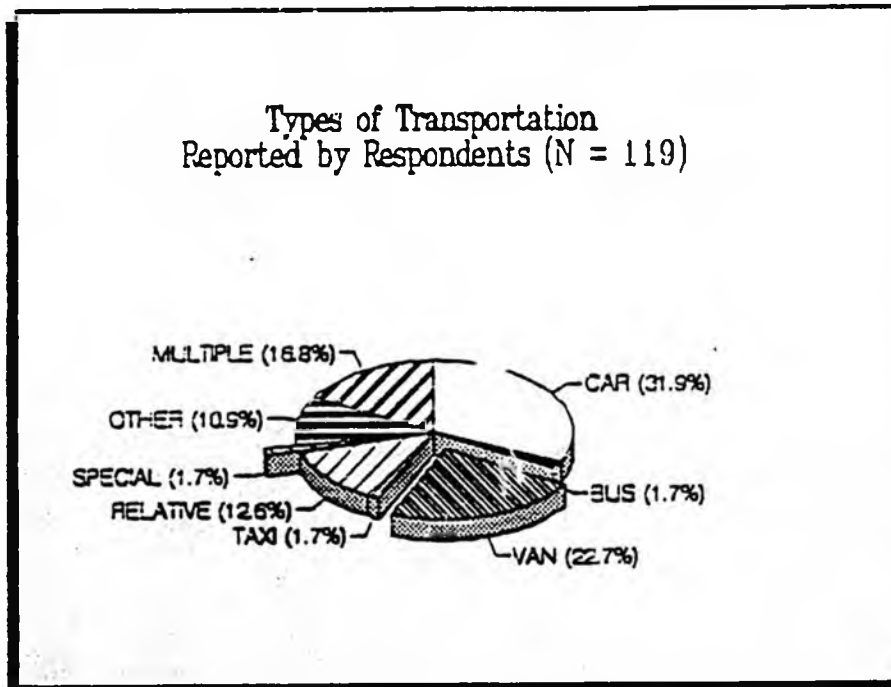


FIGURE: 7

Respondents reported their independence as fair to good. They also indicated the types of assistance they needed with various daily tasks. Figure 8 shows that the majority of respondents (88%) needed help with one or more activities. As shown in Figure 9, housekeeping, transportation, and shopping head the list. The average number of activities for which assistance was needed was 3.6.

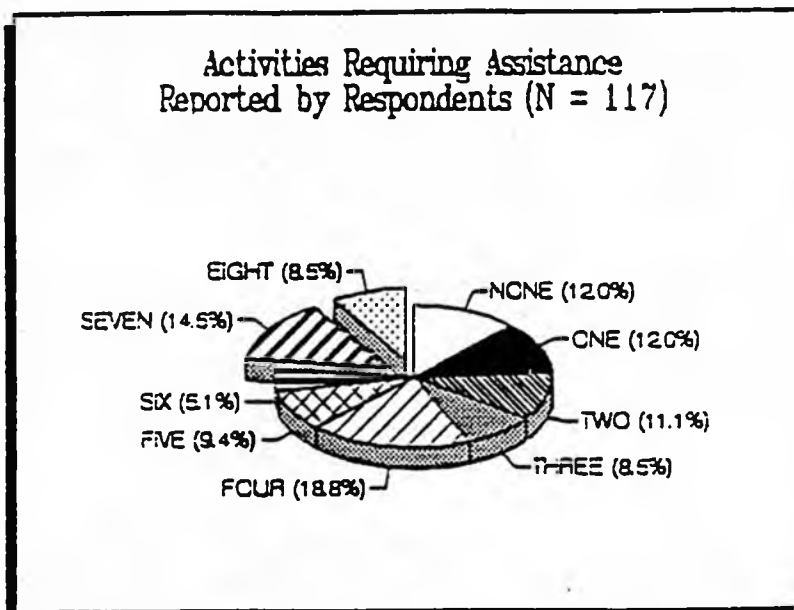


FIGURE: 8

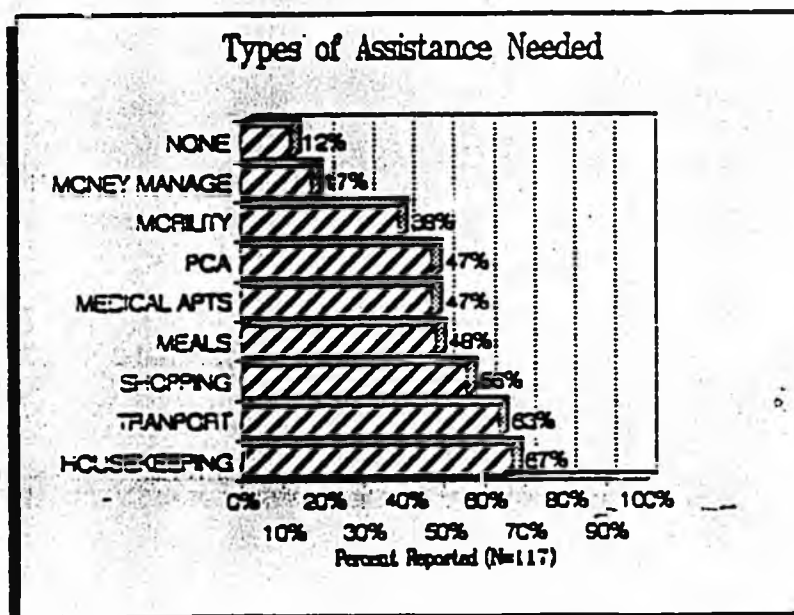


FIGURE: 9

**COMPARISON OF LOAN ASSISTANCE APPROACHES BY DESIGN ELEMENT**

	Traditional Loan	Interest (or Principal) Buy-Down	Loan Guarantee <sup>1</sup>	Revolving Fund Loan <sup>2</sup>
<b>ADMINISTRATIVE ELEMENTS</b>				
<b>Administrative Parties</b>	Public agency, private not-for-profit, or private lending institution	Private lending institution <u>and</u> public agency or private not-for-profit	Private lending institution <u>and</u> public agency or private not-for-profit	Public agency or private not-for-profit (possibly private lending institution serving administrative function)
<b>Eligibility Criteria</b>	Varies with specific mission of loan program (includes financial and non-financial components)			
<b>Credit Check Requirement</b>	Almost always	Usually	Often	Often
<b>Treatment of Eligibility Issues/Credit Risk</b>	Relatively inflexible	Generally less flexible	More opportunity for flexibility	Greatest opportunity for flexibility
<b>Non-Financial Services</b>	Seldom	Sometimes	Sometimes	Often
<b>FINANCIAL ELEMENTS</b>				
<b>Funding/Capitalization</b>	Public agency, private not-for-profit, or private lending institution loan funds	Private bank funds and public or private subsidy	Private bank funds and public or private guarantee reserve fund	Public or private not-for-profit direct loan funds for lending
<b>Loan Amounts</b>	Varies by loan fund, without respect to program type: some establish minimum and maximums, while others do not			
<b>Interest Rates<sup>3</sup></b>	Generally market or above market	Generally below market	Generally below market or market rate	Varies
<b>Loan Term Lengths</b>	Varies by loan program and item to be financed, without respect to program type (revolving funds often establish longer repayment terms)			
<b>Payment Terms</b>	Generally within 1 month of loan	Generally within 1 month of loan	Generally within 1 month of loan	Generally within 1 month of loan, sometimes longer
<b>Flexibility in Payment Terms</b>	Seldom	Sometimes	Sometimes	Sometimes

**COMPARISON OF LOAN ASSISTANCE APPROACHES BY DESIGN ELEMENT**

	Traditional Loan	Interest (or Principal) Buy-Down	Loan Guarantee <sup>1</sup>	Revolving Fund Loan <sup>2</sup>
Special Treatment of Default Risks (incl. extensions, deferments, forgiveness)	Sometimes (extensions, but no forgiveness)	Sometimes (extensions, but no forgiveness)	Sometimes (also indirectly via guarantee)	Sometimes (infrequent forgiveness)
Processing Fees	Usually	Usually	Usually	Often
Loan Security (collateral, co-signers)	Usually	Usually	Often	Often
<b>OVERSIGHT ELEMENTS</b>				
Loan Decision/Appeal Authority	Public agency, bank, or other lending institution	Bank, credit union, or other lending institution	Bank or credit union w/ some role for guarantor	Appointed independent loan committee/board
Policymaking Authority	Varies by loan program: independent policy committees, bank officers, public agency administrators, funding source reps., consumers			
Consumer Involvement	Seldom	Sometimes	Sometimes	Often
Primary Advantages	Relatively simple to administer	Leverages funds  Makes use of existing financial infrastructure	Leverages funds  Makes use of existing financial infrastructure	Greater degree of program control  Generally more opportunity for flexibility
Primary Disadvantages	No assured replenishment of loan capital (limits security and longevity of program)	Less control by sponsor  Generally does not meet non-financial needs	Less control by sponsor  Risk of default with known guarantee	Less leveraging of funds  Administrative burden/cost for sponsor

<sup>1</sup> A loan guarantee component also may be included with other forms of financial assistance. This category focuses on instances where the guarantee is the primary form of financial assistance provided by sponsoring organization.

<sup>2</sup> Includes arrangements that incorporate peer lending groups or borrowers' circles and RLFs with outside administration.

<sup>3</sup> Market rate is defined as the prevailing interest rate charged by private lenders for loan purposes considered to be comparable to those items or services to be funded by the loan program (comparable market rate not always easily identifiable).

**FINANCIAL OPERATION SIMULATIONS:  
RESULTS SUMMARY**

	Traditional			Revolving (20 years of operation)			Interest Buy-Down			Guarantee		
<b>1. Interest Rate Simulation</b>	3%	6%	10%	3%	6%	10%	3%	6%	10%	3%	6%	10%
<b># Loans</b>	500	500	500	2570	3552	5007	NA	16667	16667	18716	17790	16816
<b>↓ Value</b>	↓1m	↓1m	↓1m	↓5.1m	↓7.1m	↓10m	NA	↓33m	↓33m	↓37m	↓36m	↓34m
<b>2. Loan Size Simulation</b>	↓1000	↓2000	↓5000	↓1000	↓2000	↓5000	↓1000	↓2000	↓5000	↓1000	↓2000	↓5000
<b># Loans</b>	1000	500	200	7103	3552	1421	33333	16667	6667	35581	17790	9116
<b>↓ Value</b>	↓1m	↓1m	↓1m	↓7.1m	↓7.1m	↓7.1m	↓33m	↓33m	↓33m	↓36m	↓36m	↓36m
<b>3. Loan Term Simulation</b>	3 yrs.	5 yrs.	8 yrs.	3 yrs.	6 yrs.	8 yrs.	3 yrs.	5 yrs.	8 yrs.	3 yrs.	5 yrs.	8 yrs.
<b># Loans</b>	500	500	500	4141	3552	2955	16667	16667	16667	15427	17790	20255
<b>↓ Value</b>	↓1m	↓1m	↓1m	↓8.3m	↓7.1m	↓5.9m	↓33m	↓33m	↓33m	↓31m	↓36m	↓40m
<b>4. Rate of Default Simulation</b>	3%	6%	10%	3%	6%	10%	3%	6%	10%	3%	6%	10%
<b># Loans</b>	500	500	500	3847	3552	3194	16667	16667	16667	22844	17790	15122
<b>↓ Value</b>	↓1m	↓1m	↓1m	↓7.7m	↓7.1m	↓6.4m	↓33m	↓33m	↓33m	↓46m	↓36m	↓30m

The simulations presented above illustrate the differences among the model approaches as it relates to funds leveraging, given the same basic financial operation characteristics, such as interest rates, loan terms, default rates, and capitalization. Additional simulations can be run to approximate the results of differences in interest rates charged, average loan sizes, loan terms, or rates of default. The matrix that follows provides the results of such financial operations simulations. Results are presented for each of the four primary model approaches (traditional loans, revolving fund loans, interest buy-down arrangements, and loan guarantees), based on changes in financial operation characteristics.

# Assistive Technology Programs

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- Eight assistive technology programs were interviewed for this study including: Illinois; Vermont; Arkansas; North Carolina; Hawaii; Nevada; Kentucky; and Georgia.
- These states were identified by industry sources as the leaders in the financing of assistive technology.
- Of these 8 programs, only 3 have operating loan programs: Illinois, Vermont, and Nevada. The remaining 5 programs have encountered difficulties in obtaining state funding and/ or political support and, therefore, have yet to establish a loan program.
- Of the 3 existing assistive technology loan programs, the Vermont program operates in conjunction with an association for cerebral palsy, the Illinois program operates in conjunction with the state treasurer's office and local banking institutions, while the Nevada program seems to be administered primarily by the United Cerebral Palsy Association.

# Assistive Technology Programs

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- Administrative Issues (Illinois, Vermont, and Nevada programs only):
  - ▶ 40% of loan applicants receive loans in Nevada while 47% of applicants receive loans in Vermont.
  - ▶ The average length of time between loan application and loan approval is 10-30 days.
  - ▶ The Vermont program makes its own loans as well, with initial counseling and processing provided by the United Cerebral Palsy Association.
  - ▶ The Nevada and Illinois programs have significant private bank involvement, where the bank makes traditional loans at lower interest rates with state, federal and private money deposited by the Project.
  - ▶ The Vermont and Nevada programs do provide counseling to help ineligible applicants become eligible.

# Assistive Technology Programs

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## - Administrative Issues (cont'd)

- ▶ Credit checks are required by all programs; but applicants are not automatically turned down for poor or no credit history.
- ▶ Administrative costs for the Vermont and Nevada programs are approximately \$40,000-\$46,500 annually.
- ▶ The Vermont and Nevada programs provide technical assistance.

## - Financial Issues (Illinois, Vermont, and Nevada programs only):

- ▶ The Illinois program uses state funds to operate its program while the Nevada and Vermont programs utilize federal grant money received from NIDRR.
- ▶ The Illinois program receives continuous funding on a loan-by-loan basis from the state treasurer's office. The funds are then deposited in local banks so the banks can make the actual loans.
- ▶ The Nevada and Vermont programs both received one-time capitalization funds from NIDRR.

# Assistive Technology Programs

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## - Financial Issues (cont'd):

- ▶ Initial loan fund capitalization amounts: Vermont: \$100,000; Nevada: \$147,203.
- ▶ All 3 programs receive annual funding for operating expenses.
- ▶ Together, these three loan programs have loaned a total of \$1.24 million dollars to individuals desiring assistive technology. The vast majority of these loans are outstanding at this time due to the recent initiation of loan activities.
- ▶ Guarantee Component: Illinois loans are guaranteed by the issuing bank; Vermont's loans are publicly guaranteed by the state; Nevada's loans are guaranteed both by the bank and the state.
- ▶ Unloaned funds are invested in bank and money market accounts; earning interest between 3.25% and 4%.
- ▶ Minimum loan amounts range from \$0 to \$1,000; maximum loan amounts range from \$1,000 to \$5,000; average loan amounts are between \$2,000 and \$4,000.

# Assistive Technology Programs

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## - Financial Issues (cont'd):

- ▶ Minimum interest rates charged range from 0% (Vermont) to 8% (New York); maximum interest rates charged range from 6.5% (Nevada) to 8% (Illinois).
- ▶ Loan terms tend to range from 1 year to 5 years.
- ▶ First payment is usually due 4 to 6 weeks after loan approval.
- ▶ All three programs offer some flexibility in allowing the borrower to determine some of the terms of repayment.
- ▶ The loan turnover rate in Nevada is 5 years.
- ▶ The default rate in Illinois is 2%.
- ▶ The Illinois, Vermont and Nevada programs allow for loan extensions and deferments. Only Illinois grants loan forgiveness.
- ▶ Collateral is not normally required for loans under these programs.
- ▶ Co-signers are accepted by all programs.

# Assistive Technology Programs

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- Oversight Issues (Illinois, Vermont, and Nevada programs only):
  - ▶ In the Illinois program, the issuing banks have final powers of approval/denial for individual loans. The Vermont and Nevada programs have review boards that perform this function.
  - ▶ Both the Vermont and Nevada programs have consumer involvement in the loan-appeal process. The Illinois program does not.
  - ▶ Only the Nevada program reported the appeal of any loans. Of the total number of loans appealed, 60% were successfully appealed.
  - ▶ All programs report some consumer involvement in any of the administrative, financial and oversight components of their programs:

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**FISCAL NOTE**

STATE OF ALASKA  
1994 LEGISLATIVE SESSION

BILL NO. SB 70

Revision Date: \_\_\_\_\_ Dept. Affected: Education  
 Title: An Act establishing a loan guarantee BRU: Vocational Rehabilitation  
and interest rate subsidy program for Assisitive Component: Assisitive Technology  
 Sponsor: Senator Duncan Technology  
 Requastor: Senator Duncan COMPONENT SERIAL NO. 1202

**Expenditures/Revenues** (Thousands of Dollars)

OPERATING EXPENDITURES	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS	100.0	0	0	0	0	0
<b>TOTAL OPERATING</b>	<b>100.0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ( )						
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**FUND SOURCE** (Thousands of Dollars)

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

Estimate of any current year (FY94) cost: \$ 0

**POSITIONS**

FULL-TIME						
PART-TIME						
TEMPORARY						

**ANALYSIS:** (Attach a separate page if necessary)  
  
See attached

Prepared by: Keith J. Anderson, Director *Stan Redington* Phone: 465-6932  
 Division: Vocational Rehabilitation Date: December 14, 1993  
 Approved by Commissioner: *Stan Redington* Date: 12-17-93  
 Agency: Education

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# POSITION PAPER: DEPARTMENT OF EDUCATION

Division Vocational Rehabilitation Bill Number SB 70

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

Sponsor Senator Duncan

Position Statement: Explain briefly what the bill does, its impacts and Department's position, i.e., a) support, b) do not support, c) neutral or d) oppose.

The Department of Education supports this bill. It would meet an identical need by a group of individuals in the State of Alaska which is not being addressed. It is recommended that the mechanics of the loan guarantee and interest subsidies be clarified. Other than student loans by the Commission on Post Secondary Education, the Department is not in the loan business, and does not have the infrastructure to support significant responsibilities in this area. This would best be handled by banking institutions.

## WHAT THE BILL DOES:

This bill would provide two types of assistance to individuals who need help in order to acquire assistive devices:

### LOAN GUARANTEE

This bill provides for the state to guarantee loans issued to individuals who need assistive devices. The process for accessing the guarantee is as follows:

1. The individual completes an application available from their local assistive technology office.

continued on page 2

## APPROVED:

Director Keith J. Anderson Division Vocational Rehabilitation

Signature *Stan Redman* Date December 14, 1993

Commissioner/Deputy Mike Maher

Signature \_\_\_\_\_ Date \_\_\_\_\_

FISCAL NOTE

State of Alaska  
1994 Legislative Session

BILL NO. SB 70

Title: An Act establishing a loan guarantee and interest subsidy program for Assistive Technology. Department Affected: Education  
BRU: Vocational Rehabilitation  
Component: Assistive Technology

Sponsor: Senator Duncan  
Requestor: Senator Duncan

The Assistive Technology of Alaska (ATA) Advisory Board has recommended to the division that we investigate using federal funds generated through the ATA project to fund the Technology Loan Fund. With this direction we have proposed to the federal funding agency a plan to fund the loan program by using federal receipts instead of state capital or general funds.

If approved, ATA's fourth year grant includes a plan by which grant funds can be used to establish the loan fund. This would provide seed money to establish the loan fund. If this bill becomes law, the division can, by July 30, provide approximately 100.0 for this purpose. It is our understanding that this amount of money can be leveraged into as much as 750.0 as a guarantee and interest buy down depending on how the banking industry recommends the loans be set-up. This legislation forms a partnership between private industry and government to meet the needs of Alaskans with disabilities.

No additional staff cost.

Initial funding 100.0 from federal receipts, one year capitalization only.

2/22/93

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**POSITION PAPER: DEPARTMENT OF EDUCATION**

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1. The individual completes an application available from their local assistive technology office.
2. The local office personnel will evaluate the degree to which the individual meets pre-established criteria for acquiring a loan and certifies those who qualify.

continued, see attached

APPROVED:

Director Keith J. Anderson Division Vocational Rehabilitation

Signature *Keith J. Anderson* Date February 11, 1993

Commissioner/Deputy *MIKE MAHER*

Signature *Mike Maher* Date 2/18/93

51570

Postition Paper: Department of Education

Bill Number: SB 70

Division of Vocational Rehabilitation

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

Sponsor: Senator Duncan

continued from page one:

3. The individual presents the certification, along with an application for a loan, to a bank of his/her choice.
4. The bank acts on the application. After the loan is made it is treated as any other loan. If the person defaults on the loan, the state is liable to meet the outstanding obligation.

#### SUBSIDIZED INTEREST

Based on the ability of the individual to repay the loan, the state can subsidize the interest rate up to that required by the loaning institution.

#### IMPACT OF THE BILL:

If passed, this bill would make it possible for citizens of the State of Alaska to gain access to technological devices necessary for them to function more independently in their homes and communities. It is estimated that there are approximately 4,000 persons in the state who are in need of these devices. The cost of these devices vary broadly from a few dollars to several thousand dollars.

# FISCAL NOTE

STATE OF ALASKA

BILL NO. SB 70

1993 LEGISLATIVE SESSION

Revision Date: \_\_\_\_\_

Department Affected: Education

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

BRU: Vocational Rehabilitation

Sponsor: Senator Duncan

Component: Assistive Technology

Requestor: Senator Duncan

COMPONENT SERIAL NO. 1202

**Expenditures/Revenues:**

(Thousands of Dollars)

OPERATING	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
PERSONAL SERVICES						
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CONTRACTUAL						
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GRANTS, CLAIMS						
MISCELLANEOUS	100.0	-0-	-0-	-0-	-0-	-0-
<b>TOTAL OPERATING</b>	<b>100.0</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>

<b>CAPITAL</b>						
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<b>REVENUE FUND SOURCE:</b>						
-----------------------------	--	--	--	--	--	--

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(Thousands of Dollars)

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**POSITIONS:**

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY93) impact: \$ -0-

ANALYSIS: (Attach a separate page if necessary.)

See attached.

Prepared by: Keith Anderson, Director *Keith Anderson*

Phone: 465-6932

Division: Vocational Rehabilitation

Date: February 11, 1993

Approved by Commissioner: *Jerry Covey*

Jerry Covey

Agency: Education

Date: February 11, 1993

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**FISCAL NOTE**

State of Alaska  
1993 Legislative Session

**BILL NO. SB 70**

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

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

Sponsor: Senator Duncan  
Requestor: Senator Duncan

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continued on page 2

APPROVED:

Director Keith J. Anderson Division Vocational Rehabilitation

Signature *Stan Redman for* Date December 14, 1993 REVISSED: February 22, 1994

Commissioner/Deputy Mike Maher

Signature *Mike Maher* Date 2-22-94

*Governor's Committee on Employment of People with Disabilities*  
**P.O. Box 107018**  
**Anchorage, Alaska 99510-7018**  
**(907)269-4877: Voice (907)269-4879: Text Telephone**

March 19, 1993

Senator Drue Pearce  
Capitol, Room 508  
Juneau, Alaska 99801-1182

Dear Senator Pearce:

The members of the Governor's Committee on Employment of People with Disabilities would like to express their support of Senate Bill No. 70 and its companion House Bill No. 139. The Governor's Committee is interested in any legislation which may enable individuals with disabilities to gain, retain or advance in employment.

This legislation addresses a significant population of individuals in Alaska - the approximately 58% of individuals with disabilities who do not have access to the equipment which can help them live more sufficient lives. By providing low-interest, longterm loans which when repaid will continue to stimulate economic growth for years to come, this legislation can benefit people with disabilities, their families and employers.

By providing a guarantee of up to 90% of the loan principal amount or subsidizing the interest of a loan principal to a state or federally chartered financial institution, persons with disabilities, their families or businesses will be able to make direct application to their local bank for an assistive technology loan. Additionally, the anticipated federal funding will initially cover the activity with no immediate impact on the current state budget. However, the impact on the lives of individuals utilizing assistive devices as simple as eyeglasses, hearing aids, or walkers or as complex as talking computers, may be immeasurable.

The Governor's Committee supports the intent of SB-70 and HB-139 and urges your approval of this legislation when it comes before your committee for hearing.

Sincerely,



Don Brandon, Chair



**SENATOR JIM DUNCAN**  
*ALASKA STATE LEGISLATURE*

---

Alaska State Senate

State Capitol • Room 119 • Juneau, Alaska 99801-1182 • (907) 465-4766 • Fax 465-4748

**MEMORANDUM**

**Date:** February 23, 1994

**To:** Senator Drue Pearce, Chair  
Senate Finance Committee

**From:** Senator Jim Duncan

**Subject:** CS SB 70 (L&C), an act establishing a loan guarantee and interest rate subsidy program for assistive technology.

I urge you to schedule the earliest possible hearing for Senate Bill 70 in the Senate Finance Committee. This bill establishes the Assistive Technology Loan Guarantee Program. The program will assist persons with disabilities to purchase durable equipment, adaptive aids, and assistive devices to obtain or maintain employment or to live more independently.

The program will allow the Division of Vocational Rehabilitation to guarantee loans or reduce the interest rate on loans from private institutions to make the payments more manageable for consumers.

The person with a disability must be unable to obtain the needed equipment through the Division, Medicare, Medicaid or other funding sources such as insurance companies. Amendments were adopted in the Senate Labor and Commerce Committee which clarify the responsibility of the lending institutions and the Division of Vocational Rehabilitation. Application for a loan will be made directly to the lending institution which will evaluate the credit-worthiness of the individual. If the institution determines the individual can repay the loan, but only with a lower interest rate or with a loan guarantee, the borrower will be referred to the Division of Vocational Rehabilitation for assistance through the Assistive Technology Loan Program.

A person with a disability or their parent or legal guardian may also apply for loan funds to modify a vehicle under terms of the bill. The person must live independently or with their parents or guardians and be employed a minimum of 90 days before the date of the initial loan request.

February 23, 1995  
Page 2

The Department of Education supports this bill. The funding for the loan program is entirely from federal grants which are anticipated to continue into the foreseeable future. An updated fiscal note is attached for your information.

I urge your prompt and favorable action on SB 70.

Attachment

*Governor's Committee on Employment of People with Disabilities*  
*P.O. Box 107018*  
*Anchorage, Alaska 99510-7018*  
*(907)269-4877: Voice (907)269-4879: Text Telephone*

March 19, 1993

Senator Jim Duncan  
Capitol, Room 119  
Juneau, Alaska 99811-1182

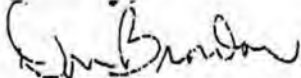
Dear Senator Duncan:

The members of the Governor's Committee on Employment of People with Disabilities would like to express their support of Senate Bill No. 70 and its companion House Bill No. 139. The Governor's Committee is interested in any legislation which may enable individuals with disabilities to gain, retain or advance in employment.

As you know, this legislation addresses a significant population of individuals in Alaska - the approximately 58% of individuals with disabilities who do not have access to the equipment which can help them live more sufficient lives. Not only will this assist individuals with disabilities, but also their families and businesses.

The Governor's Committee supports the intent of SB-70 and HB-139 and will be monitoring its progress as it makes its way through committee. If we can be of assistance in any way, please let us know.

Sincerely,



Don Brandon, Chair



# DENALI STATE BANK

119 N. Cushman Street • (907) 456-1400 • FAX (907) 456-2140 • P.O. Box 74568 • Fairbanks, Alaska 99707-4568

March 10, 1991

Senator Jim Duncan  
c/o Alaskan Senate  
Juneau, AK

RE: SB373

Dear Senator Duncan:

Thank you for introducing the above referenced bill. This letter is in support of your efforts to provide a loan guaranty and interest rate subsidy program for assistive technology. Passage of this legislation and funding of the program should allow many handicapped citizens of the State of Alaska to continue to be productive workers in our society. As we all know, a mentally or physically handicapped person can contribute much to a business or organization and enactment of this legislation continues to help to accomplish that purpose.

Denali State Bank stands ready cooperate in this program to provide loan funds. I have also discussed this matter with my Alaskan colleagues and find that they are in support of this issue.

May your efforts be rewarded with a swift passage of this bill. Thank you.

Sincerely yours,

Gary Roth  
President and Chief Executive Officer

GR/bf

*ROTH LETTER*

loan.facts

## "TOOLS FOR LIFE" FACT SHEET

### WHAT ARE THESE "TOOLS"?

**\*Daily Living Aids:** Self-help devices that enable people who experience a disability to be more independent around the house-eating, cooking, maintenance, etc...

**\*Augmentative Communication:** Electronic and non-electronic devices that help people without speech to express themselves verbally as well as receive communication.

**\*Computer Applications:** Devices that enable people with disabilities to use a computer-headsticks, alternate keyboards, special software, etc...

**\*Environmental Control Systems:** Usually electronic systems that enable someone to control household appliances, thermostat, TV, stereo, door locks, etc...

**\*Home/Worksite modifications:** Usually structural adaptations in the home or work such as ramps, raised tables, etc...

**\*Prosthetics and Orthotics:** Braces, artificial limbs and other equipment that replaces or augments missing or malfunctioning body parts.

**\*Seating and Positioning:** Accommodations to a wheelchair or other seating system to provide the user with greater body stability, support, posture, etc...

**\*Aids for Vision/Hearing Impaired:** Aids for people with specific disabilities including magnifiers, Braille devices, hearing aids, etc...

**\*Wheelchairs/Mobility Aids:** Manual and electric wheelchairs, and other equipment that assists people with disabilities to move about.

**\*Vehicle Modification:** Hand controls, wheelchair lifts, modified vans, etc.

**\*Recreation Devices/Adaptations:** Assist people to recreate more independently.

**\*Adaptive Toys:** Toys useable by children who experience a disability.

FACT SHEET

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#### WHO NEEDS THESE "TOOLS"?

According to a recently conducted random, digit-dial phone survey conducted by the University of Alaska's Institute of Social and Economic Research (ISER), March, 1991, there are more than 4,000 Alaskans with disabilities who can benefit from assistive technologies. This figure considered *very low* because it does not include individuals living in institutions, without phones or who are deaf or hard-of-hearing.

The U.S. Center for Disease Control is now reporting that 1 in every 6 Americans experiences a disability and that this rate is increasing as a result of the "greying" of our society and advancing medical research and treatment. This would then suggest that a more accurate estimate of Alaskans of any age who are disabled would approximate 91,850 persons. As many as 25%, or 22,963, may have disabilities severe enough to benefit from assistive devices and strategies. These tools, both "low" and "high tech, would vastly improve their independence.

#### AREN'T THESE "TOOLS" EXPENSIVE?

The President's Committee on Employment of People with Disabilities found in a nationwide survey of employers that most jobsite modifications for workers cost under \$600. Some of the most common "tools", eyeglasses and hearing aids, run between \$100 and \$300. Frequently, devices under \$10, such as hand grippers or extended tongs, provide individuals with disabilities more access. And, sometimes, solutions can even be at no-cost....like reorganizing one's work or living space or labeling a stove with embossed plastic tape.

#### WELL, THEN WHY DO WE NEED A ASSISTIVE TECHNOLOGY LOAN OR GRANT PROGRAM?

Though Alaska has a highly developed network of public, private, non-profit and for-profit agencies and organizations attempting to assist individuals of any age who are disabled become more independent and self-sufficient, they do not have the fiscal resources to continue to meet the ever, expanding assistive technology needs of persons with disabilities, their families and employers. The ISER study referenced earlier, shows but the "tip of the iceberg" of need. If Alaskans with disabilities cannot

obtain these vital "tools" as their needs and technology changes, the state will have lost one of their most vital natural resources.....people who with some assistance can and will make contributions to our education, economic as well as community systems.

#### WILL "TOOLS FOR LIFE" WORK?

There are expanding "success stories" happening at this very moment in other states and across the nation where persons with disabilities are accessing monies to purchase assistive technologies through loans and to a lesser degree grants.

In Maine, The Adaptive Equipment Loan Program (AELP) has been operational since 1988. Bonds totalling \$5,000,000 were sold and support a revolving loan fund which is available to its citizens and businesses to provide assistive technology. Administered through their state Finance Authority, AELP has closed a total of 129 loans effective July 1991 at \$1,286,510, based on an average interest rate of 6.04%. They have experienced only one default.

Kurzweil/Xerox joined forces with the American Foundation for the Blind in a unique, private-public cooperative venture to make \$2,000,000 available to blind consumers for purchase of their reading machines. Through the Bank of Boston, they have made available over 85 loans and have experienced no defaults! Rising interest earnings from these transactions will be used to expand this effort further into offering grants to more high-risk borrowers to meet their down payments.

The California Department of Rehabilitation administers two assistive technology financing programs. The first, the Handicapped Transportation Loan Guarantee Program (HTLGP), was established by their state legislature in 1981 with a \$300,000 appropriation. It encourages banks to extend credit to children with disabilities and their families who use wheelchairs to purchase vehicles and other special adaptive equipment. Over 43 loans have been guaranteed with 8 defaults and the fund has now grown to \$430,000.

The second program, Assistive Technology Guarantee Program (formerly the Supported Employment Loan Guarantee Program), was actually "seeded" with \$200,000 from the HTLGP and its resources are now \$296,000. Furthermore, borrowers who are disabled may utilize monies towards employment devices as well as for

loan.draft, p. 4

independent living. California Vocational Rehabilitation is presently looking at starting a third fund for fleet van purchases for adult consumers.

For four years Rhode Island's Vocational Rehabilitation office has administered a state appropriated revolving fund, Equipment Loan Fund, which started at \$100,000 and has now gone to \$120,000. At an interest rate of 5%, about 35 residents who are disabled have have been serviced with 8 more on the current waiting list. Individual loans may not exceed \$5,000.

Easter Seal Systems in Chicago, Illinois, has just received a Federal grant under the Technology-Related Assistance for Individuals Who Are Disabled Act, P.L. 100-407, to develop a replicable, national model for loan funds. From a base of \$50,000, they have made 10 loans to date and have 8 more under processing. Each loan must be for computer equipment only and cost no more than \$3,000. So far, they have had zero defaults and no payment delays.

Though just becoming functional, Vermont has enacted legislation to start an Adaptive Equipment Revolving Fund which is quite innovative. They have a base of \$50,000 and a 3-tiered approach, ranging from non-repayable grants for up to \$1,000 to fund raising through a designated non-profit corporation for items in excess of \$5,000. Another, Nevada, has just started a loan fund initiative in private sector cooperation with Valley Bank of Nevada. They are working from a "seed" of \$100,000 and an individual loan cap of \$3,000. They are hopeful of expanding into offering grants too for those that cannot qualify through even lenient credit guarantees.

The movement does not stop there. Minnesota, Utah, Arkansas, North Carolina, Hawaii, Virginia, Georgia, Florida and Mississippi have assistive technology loan funds under study at this moment within their state legislatures.

# 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

ASSISTIVE TECHNOLOGY BACKGROUND

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:

**Assistive Technologies of Alaska**  
400 D Street, Suite 230  
Anchorage, Alaska 99501  
Phone: (907) 274-0138  
TDD: (907) 274-0517  
FAX: (907) 274-0516



## **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.**

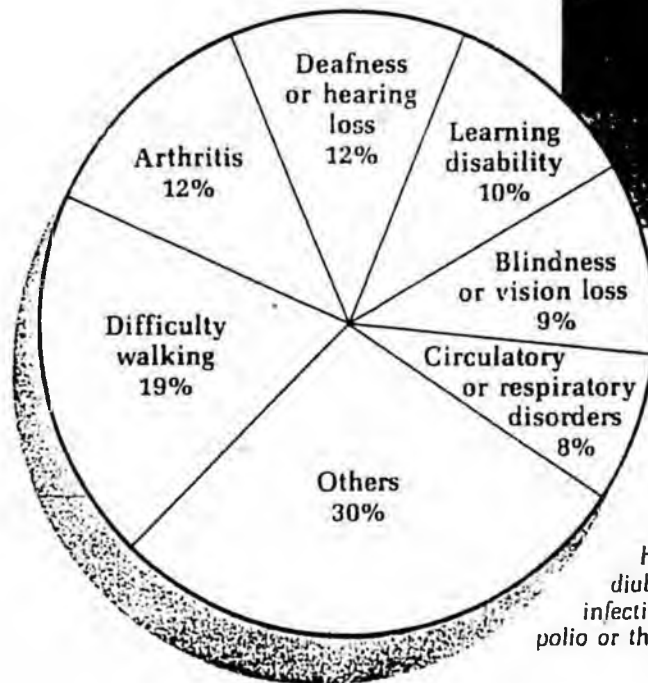
Complete survey results follow. It is important to note that the telephone poll may have resulted in low figures for deaf persons and those living in rural areas where telephone service is limited. The survey also excluded persons living in institutional settings. The numbers presented in this booklet 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 communication 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%
11,458	Job training	32%
10,501	Counseling	32%
17,721	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 modification	1,632
Accessible transport	1,383
Residential access	1,167
Handicapped	1,124
General	985
Work environment	777
Mobile communication	775

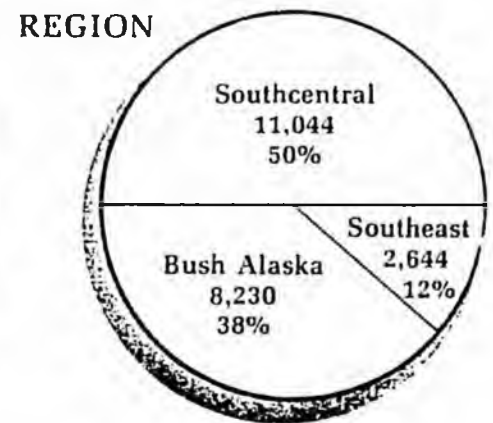
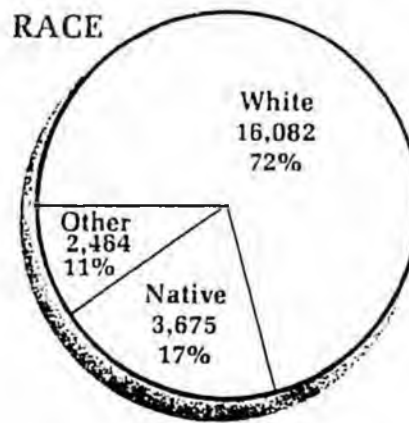
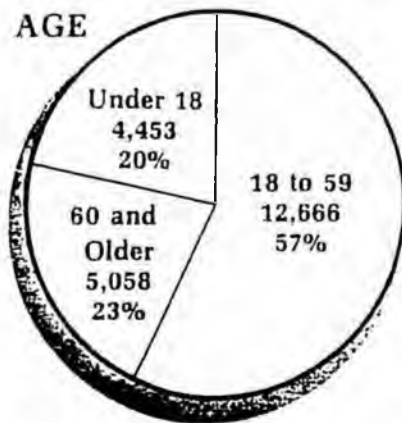
## Almost 4,000 Alaskans with disabilities lack the information they need

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	3,975
Finding companies that sell or lease equipment	3,975
Financial aid	3,975

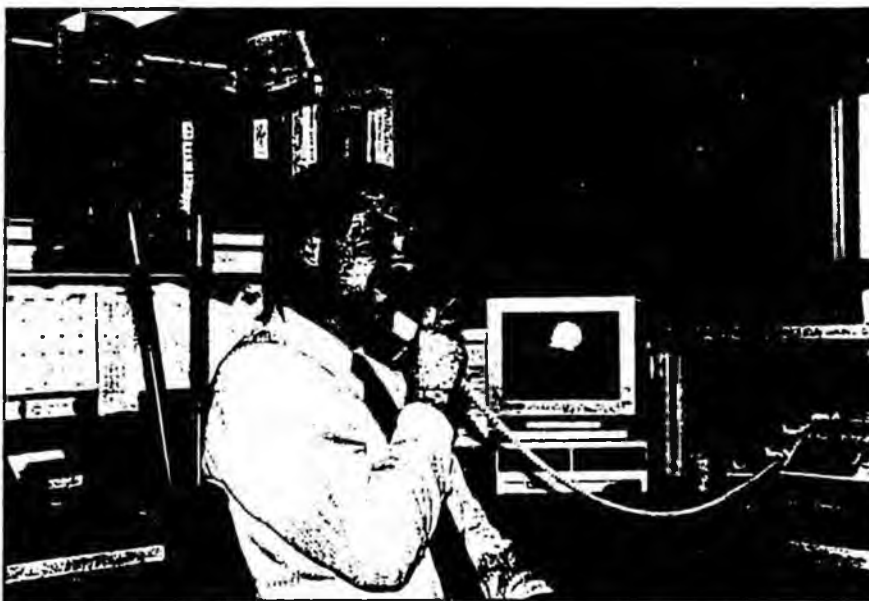
## A profile of Alaskans with disabilities

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.

**SENATE BILL NO. 70**

**IN THE LEGISLATURE OF THE STATE OF ALASKA**

**EIGHTEENTH LEGISLATURE - FIRST SESSION**

**BY SENATOR DUNCAN**

**Introduced: 1/27/93**  
**Referred: HES, L&C, FIN**

**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.

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

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

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

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

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

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

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

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

SENATE COMMITTEE REPORT

DATE: 3/23/93

FURTHER: FINANCE

*Handwritten initials*

DATE TURNED INTO OFFICE: 2-22-94

L&C Committee considered SENATE BILL NO. 70

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

and a majority of the committee recommends it be replaced with

and recommends:

- replace with \_\_\_\_\_ CS SB 70 (L&C)
- or  adopt previous \_\_\_\_\_ CS \_\_\_\_\_
- attaches amendment(s)

- same title
- new title
- technical title change (HB only)

and do pass

adopts \_\_\_\_\_ Letter of Intent

further referral to the \_\_\_\_\_

do pass

do not pass

no recommendation

individual recommendations

NEW FISCAL NOTES

Department	Date	Zero	Fiscal
CS258 D.O.E.	2/22/94		<input checked="" type="checkbox"/>

PREVIOUS FISCAL NOTES

Department	Date	Zero	Fiscal

Appropriation No Fiscal Note

DO PASS:

*Bob Sharp*  
*Judith L. Sells*  
*Ken ...*

OTHER RECOMMENDATIONS:

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

*Tom Kelly - Do Pass*

Chair: Signature and Recommendation

**SENATE COMMITTEE REPORT**  
FIRST COMMITTEE OF REFERRAL

*fmh*

DATE: 1/27/93

FURTHER: L&C  
FINANCE

Date of 5-Day Notice: 3/18/93  
(in accordance with Uniform Rule 23)

DATE TURNED INTO OFFICE: 3/22/93

HES Committee considered SENATE BILL NO. 70

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

and recommends:

- replace with \_\_\_\_\_ CS \_\_\_\_\_
- attaches amendment(s)

- same title
- new title
- technical title change (HB only)

- adopts \_\_\_\_\_ Letter of Intent
- further referral to the \_\_\_\_\_

- do pass
- do not pass
- no recommendation
- individual recommendations

*Kol*

**FISCAL NOTE INFORMATION**

Department	Date	Zero	Fiscal
DOE	2/11/93		100.0

Department	Date	Zero	Fiscal

- Appropriation No Fiscal Note
- Governor's Bill with Previous Fiscal Notes (enter information above)

**DO PASS:**

*Donna Duncan*  
*Ronan A. Lemay*  
*Judith E. Salo*  
*Ken May shop*

**OTHER RECOMMENDATIONS:**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

*Steve King*  
*Do Pass*

Chair: Signature and Recommendation

**SB**

**71**

**HFIN**

**FILE**

# HOUSE COMMITTEE REPORT

(11)

Date Referred: April 13, 1993

FURTHER REFERRALS:

Date of Committee Action: 4/23/93

The FINANCE Committee considered:

CSSSSB 71(FIN) am

CS FOR SS FOR SENATE BILL NO. 71(FIN) am

EMERGENCY MEDICAL SERVICES SYSTEM

"An Act relating to emergency medical services; and repealing obsolete references to the Statewide Health Coordinating Council and health systems agencies."

**RECOMMENDATIONS:**

be replaced with \_\_\_\_\_

H(CSSSSB 71 (HESS))

the same title  
 a new title

have attached amendments(s)

do pass

do not pass

no recommendations

individual recommendations

additional referral to the \_\_\_\_\_ Committee

ADOPTS: \_\_\_\_\_ letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept)

APPROVES PREVIOUS: (Dept/Date)

fiscal impact HFC

fiscal note(s) \_\_\_\_\_

zero fiscal note \_\_\_\_\_

zero fiscal note(s) \_\_\_\_\_

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
<u>Ed Maclean</u> Maclean	<input checked="" type="checkbox"/>				
<u>Ronald J. Larson</u> Larson	<input checked="" type="checkbox"/>				
<u>Mark Hanku</u> Hanku	<input checked="" type="checkbox"/>				
<u>Terry Martin</u> Martin	<input checked="" type="checkbox"/>				
<u>Paul Garuel</u> Garuel	<input checked="" type="checkbox"/>				
<u>Ben Grusselov</u> Grusselov	<input checked="" type="checkbox"/>				
<u>Ann Hoffman</u> Hoffman	<input checked="" type="checkbox"/>				
<u>Mike Navarone</u> Navarone	<input checked="" type="checkbox"/>				
<u>Jay Brown</u> BROWN	<input checked="" type="checkbox"/>				
<u>Richard Foster</u> Foster	<input checked="" type="checkbox"/>				

Ronald J. Larson Ed Maclean  
 CHAIRMAN'S SIGNATURE  
 Larson Maclean

## HOUSE CS FOR CS FOR SS FOR SENATE BILL NO. 71(HES)

IN THE LEGISLATURE OF THE STATE OF ALASKA

EIGHTEENTH LEGISLATURE - FIRST SESSION

BY THE HOUSE HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE

Offered: 4/13/93

Referred: Finance

Sponsor(s): SENATORS LEMAN, Ellis, Taylor, Duncan, Donley, Kerttula, Little, Zharoff, Lincoln

## A BILL

## FOR AN ACT ENTITLED

1 "An Act relating to emergency medical services; and repealing obsolete references  
2 to the Statewide Health Coordinating Council and health systems agencies."

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

4 \* Section 1. AS 08.64.107 is amended to read:

5           Sec. 08.54.107. REGULATION OF PHYSICIAN ASSISTANTS AND  
6 INTENSIVE CARE PARAMEDICS. The board shall adopt regulations regarding the  
7 registration of physician assistants and [PHYSICIAN-TRAINED] mobile intensive care  
8 paramedics, and the medical services that they [EACH] may perform, including [BUT  
9 NOT LIMITED TO]

- 10                   (1) the educational and other qualifications,  
11                   (2) the application and registration procedures,  
12                   (3) the scope of activities authorized, and  
13                   (4) the responsibilities of the supervising or training physician.

14 \* Sec. 2. AS 08.64.170(a) is amended to read:

# FISCAL NOTE

House  
BILL NO. CS SSSB71 (HES)

STATE OF ALASKA  
1993 LEGISLATIVE SESSION

Revision Date: April 23, 1993 Dept. Affected: Health and Social Services  
 Title: An Act relating to emergency services; and repealing obsolete references BRU: State Health Services  
 Component: EMS Training & Licensing  
 Sponsor: LEMAN  
 Requestor: \_\_\_\_\_ COMPONENT SERIAL NO. 297

**Expenditures/Revenues:**

(Thousands of Dollars)

OPERATING	FY94	FY95	FY96	FY97	FY98	FY99
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	40.0	40.0	40.0	40.0	40.0	40.0
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	100.0	0	0	0	0	0
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>140.0</b>	<b>40.0</b>	<b>40.0</b>	<b>40.0</b>	<b>40.0</b>	<b>40.0</b>

CAPITAL						
---------	--	--	--	--	--	--

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

**FUNDING:**

(Thousands of Dollars)

FUNDING	FY94	FY95	FY96	FY97	FY98	FY99
1002 Federal Receipts						
1003 GF Match						
1004 GF	100.0	0	0	0	0	0
1005 GF/Program Receipts	40.0	40.0	40.0	40.0	40.0	40.0
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	<b>140.0</b>	<b>40.0</b>	<b>40.0</b>	<b>40.0</b>	<b>40.0</b>	<b>40.0</b>

**POSITIONS:**

POSITIONS	FY94	FY95	FY96	FY97	FY98	FY99
FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY93) impact: \$ 0

**ANALYSIS:** (Attach a separate page if necessary)  
 See attached page.

Prepared by: Representative Ron Larson, Co-Chair *Ronald J. Larson* Phone: 465-3878  
 Division: Representative Eileen MacLean, Co-Chair *Eileen MacLean* Date: 465-4833  
 Approved by Commissioner: \_\_\_\_\_ Date: April 23, 1993  
 Agency: \_\_\_\_\_

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# Alaska State Legislature

Official Business

State Capitol  
Juneau, AK 99801-1182

FISCAL ANALYSIS FOR House CS SS SB 71 (HES)  
By: A. Kreitzer, Staff  
For: Senator Loren Leman, Sponsor SB 71  
April 23, 1993 to House Finance Committee

#### Personal Services:

In the HSS fiscal note, the Department has requested funding for an existing full time position in Juneau, currently funded by a federal grant. We believe the position can be absorbed by the department without an increase.

#### Contractual:

This appears in the HSS fiscal note under grants. This is for patient record information abstracting from the hospitals.

#### Grants:

This is an additional \$100,000 to regional emergency medical services to grant to emergency medical squads for training emergency medical volunteers and coordination of volunteers.

#### Revenue:

Revenue estimates for the patient information system are based on implementation of a fee service charge. It is expected the department can support the \$40,000 abstracting cost through these fees.

# FISCAL NOTE

No. 4

Bill Version: HCS SSSB 71 (HES)

(H) Publish Date: 4/13/93

STATE OF ALASKA  
1993 LEGISLATIVE SESSION

Revision Date: March 30, 1993 Dept. Affected: Health and Social Services  
 Title: An Act relating to emergency services; and repealing obsolete references BRU: State Health Services  
 Component: EMS Training & Licensing  
 Sponsor: Leman  
 Requestor: Senate HES COMPONENT SERIAL NO. 297

**Expenditures/Revenues:** (Thousands of Dollars)

OPERATING	FY94	FY95	FY96	FY97	FY98	FY99
PERSONAL SERVICES	59.2	61.0	62.8	64.7	66.6	68.6
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	40.0	40.0	40.0	40.0	40.0	40.0
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>99.2</b>	<b>101.0</b>	<b>102.8</b>	<b>104.7</b>	<b>106.6</b>	<b>108.6</b>
<b>CAPITAL</b>						
<b>REVENUE FUND SOURCE</b>						

**FUNDING:** (Thousands of Dollars)

FUNDING	FY94	FY95	FY96	FY97	FY98	FY99
1002 Federal Receipts						
1003 GF Match						
1004 GF	46.2	46.2	46.2	46.2	46.2	46.2
1005 GF/Program Receipts	53.0	54.8	56.6	58.5	60.4	62.4
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	<b>99.2</b>	<b>101.0</b>	<b>102.8</b>	<b>104.7</b>	<b>106.6</b>	<b>108.6</b>

**POSITIONS:**

POSITIONS	FY94	FY95	FY96	FY97	FY98	FY99
FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY93) impact: None

**ANALYSIS:** (Attach a separate page if necessary)

**Personal Services**  
 To implement the provisions of SS SB 71 the Section of Emergency Medical Services will require funding for one full time position in Juneau. This is an existing position for which the department will not receive FY94 federal funding for trauma registry activities. The cost estimates for FY95 to FY99 include an 3% annual inflation adjustment. PCN 06-1654 Research Analyst III, Juneau, Rg. 18, A/B, \$59.2

Prepared by: Peter M. Nakamura, MD, MPH, Director  
 Division: Public Health  
 Approved by Commissioner: Theodore A. Mala, MD, MPH  
 Agency: Department of Health and Social Services

Phone: 465-3090  
 Date: March 30, 1992  
 Date: 4/1/93

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Revision Date: March 30, 1993

No. 4

E ACS USSSB 7(CHRS)  
Page 2

ANALYSIS (cont.):

Grants

Grants to regional emergency medical services councils for patient record information abstracting from the hospitals. \$40.0

Revenue estimates for the patient information system are based on implementation of a fee service charges \$53.0 for 25 facilities. The hospital fees will be established through regulations and is anticipated to be based upon pro-rated charges for the trauma patient encounters for each facility. Due to the nature of this program and the public health benefits obtained from full cooperation, the department is requesting \$46.2 GF support in order to keep the facility cost reasonable.

FISCAL NOTE

Bill Version: CGSSB 71 (Fin)

(S) Publish Date: 3-22-93

REQUEST:

Revision Date: 3/17/93 Affected Agency: Dept. of H&SS  
 Title: Act relating to emergency services BRU: St. Health Services  
 Sponsor: Sens. Leman and Ellis Components: EMS Train. & Lic.  
 Requestor: Senate Finance 297

EXPENDITURES/REVENUES: (THOUSANDS OF DOLLARS)

OPERATING	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants, Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL						
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REVENUE						
---------	--	--	--	--	--	--

FUNDING: (THOUSANDS OF DOLLARS)

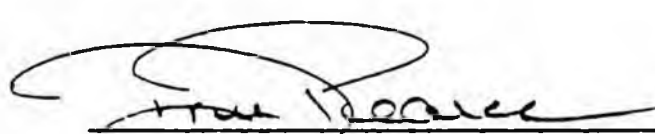
General Fund						
Federal Fund						
Other						
<b>TOTAL</b>	0.0	0.0	0.0	0.0	0.0	0.0

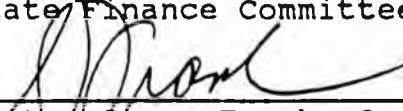
POSITIONS:

Full-Time	0	0	0	0	0	0
Part-Time	0	0	0	0	0	0
Temporary	0	0	0	0	0	0

Estimate of FY 93 impact: 0.0

ANALYSIS: (ATTACH A SEPARATE PAGE IF NECESSARY)

Prepared By:  Date: 3/17/93  
 Senator Drue Pearce, Co-chair Phone: 465-4993  
 Senate Finance Committee

Prepared By:  Date: 3/17/93  
 Senator Steve Frank, Co-chair Phone: 465-3709  
 Senate Finance Committee



# SENATOR LOREN LEMAN

Northwest Anchorage

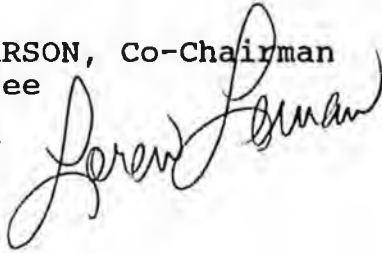
3111 "C" Street Anchorage, AK 99503 561-7614 During Session: State Capitol Juneau, AK 99801 465-2095

April 12, 1993

TO: REPRESENTATIVE RON LARSON, Co-Chairman  
House Finance Committee

FROM: SENATOR LOREN LEMAN  
Sponsor

RE: CSSS SB71(FIN)am



Please schedule at your earliest convenience: CSSS SB71(FIN) am:  
An Act relating to emergency medical services; and repealing  
obsolete references to the Statewide Health Coordinating Council  
and health systems agencies. The bill was amended in today in the  
Health and Social Services Committee (House) to assure appropriate  
geographical representation on the Alaska Council on Emergency  
Medical Services.

The EMS statutes have not been revised in 15 years. As a result  
of a statewide emergency medical services assessment by its  
technical assistance team, the National Highway Traffic Safety  
Administration has made recommendations to the state Department of  
Health and Social Services, Division of Emergency Medical Services.  
In concert with that visit by the Technical Assistance Team, the  
Division of EMS had begun considering additional refinements to its  
programs.

This bill allows the department to create regulations to: certify  
training for paramedics in Alaska; develop a patient information  
system; train emergency medical dispatchers; and extend immunity  
from liability to EMT I instructors. These changes will enhance  
statewide emergency medical service to the public.

# SENATOR LOREN LEMAN

Northwest Anchorage

3111 "C" Street Anchorage, AK 99503 561-7614 During Session: State Capitol Juneau, AK 99801 465-2095

CSSSSB71(FIN): An Act relating to emergency medical services; and repealing obsolete references to the Statewide Health Coordinating Council and health systems agencies.

## SENATOR STATEMENT

This legislation allows the Department of Health and Social Services to set standards for Mobile Intensive Care Paramedic training programs in Alaska.

Because traumatic injury continues to be the number one killer of Alaskans, it is important to support a statewide trauma care system. SS SB71 allows the department to regulate VOLUNTARY compliance for trauma centers.

The patient care information system is an efficient method of evaluating standards of care, quality of care and modifies training programs to meet geographic needs. Injury prevention programs can be planned in conjunction with these data.

The EMS program in Alaska crosses all geographic boundaries. There is broad support for this legislation.

Letter of Intent for SS for Senate Bill 71

Letter of Intent

It is the intent of the legislature that the department will use a computerized database program for the collection of trauma data. A priority in designing the system should be ease of use for pre-hospital and hospital facilities in providing information to the database through their own use of standard desktop software programs. It is further the intent of the legislature that the trauma injury data collection be eventually integrated with a broader effort which includes epidemiology and other state health information.

SENATE

*Adopted - 3/24*