

ALASKA LEGISLATURE COMMITTEE FILES 1993-1994 8672

8370 SENATE LABOR & COMMERCE

235

Section I: Questions Posed to Job Applicants

"Should prospective employers be allowed to ask questions about the private lives of job applicants?"

	<u>Should (%)</u>	<u>Should not (%)</u>	<u>Don't Know (%)</u>
<u>ALL</u>	23	69	8
<u>AGE</u>			
18-24	22	73	6
25-34	18	73	9
35-49	23	70	7
50-64	28	58	14
65 +	39	55	5
<u>PARTY</u>			
Democrat	15	79	6
Independent	20	72	8
Republican	33	57	10
<u>INCOME</u>			
< \$20,000	19	69	12
\$20-\$30,999	16	79	5
\$31-\$40,999	22	69	9
\$41-\$50,999	25	66	9
\$51,000 +	27	65	8
<u>OCCUPATION</u>			
High-level prof.	31	65	4
Mid-level prof.	18	71	11
Executive	35	61	4
Sales	20	75	5
Other white collar	15	81	4
Skilled labor	22	71	6
Semi/unskilled	14	69	17
Retired	31	62	7
<u>RACE</u>			
White	24	68	8
African-American	33	67	0
Hispanic	11	75	14

Respondents were asked whether prospective employers should be allowed to ask questions about the private lives of job applicants. More than two-thirds (69%) say they should not be allowed to probe the private lives of job applicants, while 23% say they should and 8% are undecided. At the same time, however, two-thirds of the people (67%) report that a potential employer has asked either them or someone they know one or more of these personal questions.

Those age 65 and over (33%), executives (35%), Republicans (33%), blacks (33%), retirees (31%), and high-level professionals (31%) are groups more likely to say employers should be allowed to ask about the private lives of job applicants.

Among those who are most likely to say employers should not be allowed to ask about job applicants' private lives are white collar workers other than professionals or salespeople (81%), Democrats (79%), those in the \$20,000-\$30,999 income bracket (79%), regular smokers (76%), Hispanics (75%), and salespeople (75%).

Those most likely to say that an employer has asked either them or someone they know at least one of these questions include occasional smokers (77%), blacks (74%), Hispanics (74%), those aged 25 to 34 (73%) and those earning between \$20,000 and \$31,000 (73%).

Respondents were read a series of questions prospective employers might ask a job applicant. For each, they were asked whether employers should or should not have the right to ask that question, and whether or not they or someone they know has ever been asked that question.

**SHOULD PROSPECTIVE EMPLOYERS HAVE THE
RIGHT TO ASK JOB APPLICANTS CERTAIN QUESTIONS
ABOUT THEIR PRIVATE LIVES?**

All Respondents

Ranked by "Should Not"

All numbers expressed as percentages

	<u>Should</u>	<u>Should Not</u>	<u>Don't Know</u>
About applicants' religion	12	88	0
Live with member of opposite sex	13	87	0
If applicants have elderly parents	15	84	1
Whether they plan to have children	17	82	1
If they smoke after work hours	21	77	2
About hobbies and activities	38	59	3
About applicants' marital status	46	53	0

"Has a potential employer ever asked you or someone you know...?"

	<u>Yes (%)</u>	<u>No (%)</u>
About your marital status	60	40
About your outside hobbies and activities	45	55
About your religion	21	79
Whether you plan to have children	15	85
If you smoke away from the workplace	15	85
Whether you have elderly parents	7	93
Whether you live with a non-family member of the opposite sex	6	94

NONE OF THESE	33	67

"Asking whether the job applicant lives with a non-family member of the opposite sex."

o Eighty-seven percent (87%) say employers should not have the right to ask this question and 13% say they should. Those over 65 (21%) are more likely to say that employers should have the right to ask this question, while blacks (94%), Hispanics (94%), people from the Northwestern district (94%), and those making between \$20,000 and \$31,000 (94%) are more likely to say that employers should not have the right to ask.

o Six percent (6%) of respondents report that either they or someone they know has been asked this question. Hispanics (20%) and people in sales (15%) are more likely to say either they or someone they know has been asked this question.

"Asking whether the job applicant has elderly parents."

o 84% say employers should not be allowed to ask this question; 15% say they should. Those age 65 and over (28%), retirees (26%), and blacks (26%) are more likely than other groups to believe employers have the right to ask this question, while Hispanics (100%) and people from the Northwestern district (93%) more often believe employers do not have the right.

o Seven percent (7%) say either they or someone they know has been asked this question. Retirees (13%), those over 50 (11%), and salespeople (15%) are more likely to report this occurring.

"Asking the job applicant about their religion."

o 88% say employers should not be allowed to ask job applicants this question. 12% say they should. Retirees (25%) and those age 65 and over (22%) are more likely to say they have the right to ask. African-Americans (25%) are more likely than whites (11%) to say employers have the right to ask about a job applicant's religion.

- o One out of five respondents (21%) say that either they or someone they know has been asked about their religion by a potential employer. This figure is generally consistent across all sub-groups.

"Asking the job applicant about whether they plan to have children."

- o More than four out of five people (82%) say employers should not be allowed to ask this question, while 17% say they should. Executives (32%), high-level professionals (26%), semi/unskilled workers (25%), and people 18-24 (24%) are more likely than others to think employers have the right to ask whether job applicants plan to have children, while retirees (91%) and those from the Northwestern district (89%) are more likely to feel they do not.

- o Almost one out of six respondents (15%) report that either they or someone they know has been asked whether they plan to have children. Executives (28%) and Hispanics (26%) are more likely to report this occurring.

"Asking the job applicant if they smoke after work hours, at home, or otherwise away from the workplace."

- o 77% say employers should not be allowed to ask job applicants this question, while 21% say they should. Executives (34%), high-level professionals (30%), and former smokers (28%) are more likely to say

employers have the right to ask if a job applicant smokes after work hours, while regular (91%) or occasional (87%) smokers, Hispanics (89%), and residents of the Northwestern district (89%) are more likely to believe that employers do not have this right.

o Almost one out of six respondents (15%) report that either they or someone they know has been asked if they smoke away from the workplace. Executives (22%), salespeople (22%), those earning between \$20,000 and \$31,000 (21%), and people aged 25-34 (20%) are more likely to say that either they or someone they know has been asked this question.

"Asking the job applicant about their off-the-job hobbies and activities."

o Almost three out of five (59%) say employers should not be allowed to ask this question; 38% say they should be allowed to ask it. Among the groups most likely to say employers should not be allowed to ask about hobbies and activities outside of the job are retirees (78%), residents of the Northwestern district, those over 65 (71%), mid-level professionals (69%), and Hispanics (66%). Conversely, those most likely to feel employers should be allowed to ask this question include executives (60%), Republicans (49%), high-level professionals (48%), those earning over \$51,000 (46%), and former smokers (45%). Men (44%) are more likely than women (32%) to believe that employers should be able to ask this question.

o Nearly half the respondents (45%) say that either they or someone they know has been asked about their off-the-job hobbies or activities by a potential employer. Executives (60%), high-level professionals (50%), and people aged 25-49 (51%) are most likely to report this occurring.

"Asking the job applicants about their marital status."

o While 53% say employers should not be allowed to ask about a job applicant's marital status, 46% say they should be allowed to ask about it. Residents of the Northwestern district (70%), semi/unskilled workers (65%), salespeople (63%), and other white collar workers (61%) are more likely to feel employers should not be allowed to ask about marital status.

Executives (60%), people aged 50 to 64 (58%), and residents of the Southeastern district (55%) are groups which tend to feel employers should be allowed to ask this question. A majority of men (52%) think employers should be able to ask this, but a majority of women (59%) think they should not.

o The majority of people (60%) say that either they or someone they know has been asked their marital status. This figure is generally consistent across all sub-groups.

In summary, only one out of three respondents (33%) said that neither they nor anyone they know has ever been asked any of the

preceding questions by an employer, while two out of three (67%) said the opposite. This occurred despite the fact that the majority of people indicate that employers *should not* have the right to ask such questions.

Section II: Employee Behavior Outside of Work

WHETHER IT IS APPROPRIATE FOR AN EMPLOYER
TO DENY SOMEONE A JOB OR FIRE AN EMPLOYEE
FOR DOING CERTAIN THINGS

All Respondents

Ranked by "Not Appropriate"

All numbers expressed as percentages

	<u>Appopr.</u>	<u>Not Appopr.</u>	<u>Don't Know</u>
Dates a person of a different race	1	98	0
Drives a motorcycle	2	98	0
Opposes abortion	2	97	1
Supports abortion	4	95	1
Smokes after work hours	5	94	1
Gambles at a racetrack	7	91	2
Participates in political demonstrations	7	91	3
Is overweight	12	84	4
Holds an unusual second job	16	74	10

"Have you, or has someone you know, ever been denied a job or fired because they ...?"

	<u>Yes (%)</u>	<u>No (%)</u>
Were overweight	9	91
Held an unusual second job	7	93
Participated in political demonstrations	7	93
Dated a person of a different race	4	96
Smoked away from the workplace	3	97
Drove a motorcycle	2	98
Gambled at a racetrack	2	98
Supported abortion	1	99
Opposed abortion	1	99

NONE OF THESE	81	19

Respondents then were read a list of things employees might do. For each, they were asked whether or not they think it is appropriate to deny someone a job or fire a person because they behaved in this way, and whether or not they or someone they know has ever been denied a job or fired because of such behavior.

o Ninety-eight percent (98%) say it is inappropriate to deny a job to or fire someone because they are dating a person of a different race; only 1%

think it is appropriate. Four percent (4%) of people, however, report that either they or someone they know has been denied a job or fired for such a reason.

- o Ninety-eight percent (98%) say it is inappropriate to deny a job to or fire someone who drives a motorcycle; only 2% think it is appropriate. One respondent out of fifty (2%) says that either he or someone he knows has been denied a job or fired because of this behavior.

- o Ninety-one percent (91%) think it is inappropriate to deny a job to or fire someone for participating in political demonstrations, while 7% think it is appropriate. Executives (13%), semi/unskilled workers (13%), retirees (13%), and occasional smokers (13%) are more inclined to feel it is appropriate. One person out of fourteen (7%) reports that either they or someone they know has been denied a job or fired because they participated in a political demonstration. High-level professionals (13%) and people aged 35-49 (11%) are more likely to mention such an occurrence.

- o Ninety-one percent (91%) say it is inappropriate to deny a job to or fire someone for gambling at a racetrack, while 7% say it is appropriate. Two percent (2%) of people say that either they or someone they know has been denied a job or fired because of this practice.

- o While 74% say it is inappropriate to deny a job to or fire someone for holding an unusual second job, 16% think it is appropriate. Seven percent (7%) of respondents report that either they or someone they know has been denied a job or fired because they had an unusual second job. Executives (17%) and those earning between \$41,000 and \$51,000 (11%) are more likely to report such an occurrence.

- o Eighty-four percent (84%) think it is inappropriate to deny a job to or fire someone who is overweight, while 12% say it is appropriate. Republicans (22%) and high-level professionals (22%) are more likely to believe it is appropriate. One person in eleven (9%) says that either he or she or someone he or she knows has been denied a job or fired because the person was overweight.

- o Ninety-five percent (95%) think it is inappropriate to deny a job to or fire someone who supported abortion, while 4% say it is appropriate. Ninety-seven percent (97%) say it is inappropriate to deny a job to or fire someone who opposed abortion. Only 2% say it is appropriate. Only 1% of people say either they or someone they know has been denied a job or fired because of their views on abortion.

- o Ninety-four percent (94%) think it is inappropriate to deny a job to or fire someone who smoked after work hours, at home, or otherwise away from the workplace, while 5% say it is appropriate. Former smokers (12%),

high-level professionals (10%), and semi/unskilled workers (10%) more often think it is appropriate. Three percent (3%) of respondents say that either they or someone they know has been denied a job or fired because they smoked away from the workplace.

In summary, almost one-fifth of people (19%) report that either they or someone they know has been denied a job or fired because of the behaviors outlined above. Executives (29%), high-level professionals (23%), salespeople (23%), former smokers (28%), people aged 35 to 49 (23%), Republicans (23%), Hispanics (42%), and African-Americans (24%) are all more likely to report that either they or someone they know has been denied a job or fired for exhibiting one of these behaviors. This occurred despite the fact that the vast majority of people think it is inappropriate to deny someone a job or fire a person because they behaved in any of these ways.

Section III: Actions Taken by Employers

WHETHER EMPLOYERS HAVE THE
RIGHT TO DO CERTAIN THINGS

All Respondents

Ranked by "Don't Have Right" All numbers expressed as percentages

	<u>Have right</u>	<u>Don't Have Right</u>	<u>Don't Know</u>
Require employee to change diet	5	92	3
Forbid dating employee of rival firm	9	86	4
Require employee to quit smoking	12	85	3
Refuse to hire an overweight person	14	81	5
Refuse to hire a smoker	19	78	4
Monitor personal phone calls	20	77	3
Require employee to quit second job	24	68	8
Check credit on prospective employee	29	67	4

"Has an employer ever done any of the following to you
or to someone you know...?"

	<u>Yes (%)</u>	<u>No (%)</u>
Monitor personal telephone conversations	17	83
Do a credit check on a prospective employee	17	83
Require employee or applicant to quit second job	15	85
Refuse to hire an overweight person	13	87
Refuse to hire a smoker	10	90
Require employee or applicant to quit smoking	7	93
Forbid employee or applicant from dating an employee from a rival firm	6	94
Require employee or applicant to change diet	4	96
----- NONE OF THESE	63	37

Respondents were read a list of actions employers might take. For each one, they were asked whether or not employers have the right to take such an action, and whether or not such an action has ever been taken against either the respondent or someone the respondent knows.

o Seventy-seven percent (77%) believe employers do not have the right to monitor personal telephone conversations, but one out of five (20%) say they do have the right. Hispanics (35%), those earning between \$41,000

and \$51,000 (31%). semi/unskilled workers (30%), and people aged 50 to 64 (29%) are more inclined than other groups to feel employers have the right to monitor personal telephone calls. One in six respondents (17%) report that an employer has monitored either their or someone they know's personal telephone conversations. High-level professionals (26%) are the most likely to indicate this.

o Eighty-six percent (86%) say employers do not have the right to forbid an employee or job applicant from dating an employee from a rival firm, and 9% say they do have this right. People aged 50 to 64 (23%) are more likely than other groups to say employers have this right. Six percent (6%) of respondents report that an employer has forbidden either them or someone they know from dating an employee from rival firm.

o Eighty-one percent (81%) say employers do not have the right to refuse to hire an overweight person; 14% say they do have the right. One out of eight respondents (13%) says that an employer has refused to hire either the respondent or someone he or she knows because that person was overweight.

o Seventy-eight percent (78%) think employers do not have the right to refuse to hire a smoker, whereas 19% say they do have the right to refuse to hire a smoker. Among those more inclined to say employers have the right to refuse to hire a smoker are people aged 50 to 64 year (29%),

retirees (27%), and those earning over \$51,000 (27%). Ten percent (10%) of people say that an employer has refused to hire either them or someone they know because the person was a smoker. Former smokers (14%) are the most likely to report this occurring.

o Ninety-two percent (92%) say employers do not have the right to require an employee or job applicant to change his or her diet, while 5% think they do have the right. Four percent (4%) of people say that an employer has required either them or someone they know to change their diet.

o While 85% say employers do not have the right to require an employee or job applicant to quit smoking, 12% think they do have the right. Republicans (19%), 50-64 year olds (19%), high-level professionals, and former smokers (19%) are more likely than other groups to feel employers have the right to require an employee to quit smoking. One out of fourteen respondents (7%) reports that an employer has required either the respondent or someone the respondent knows to quit smoking. Former smokers (12%) are the most likely to report this happening.

o Although 68% think employers do not have the right to require an employee or job applicant to quit a second job almost one out of four Alaskans (24%) say they do have this right. High-level professionals (34%) and people aged 50 to 64 (32%) are most likely to feel employers have this right. Fifteen percent (15%) of people report that an employer has

required either them or someone they know to quit a second job.

Salespeople (27%), executives (24%), high-level professionals (22%), and people 35 to 49 (22%) are more likely to mention this occurring.

o Two out of three respondents (67%) say employers do not have the right to do a credit check on a prospective employee, but 29% say they do have the right. Executives (41%) and people over 50 (41%) are more likely to say employers have the right to do a credit check. One in six respondents (17%) reports that an employer has done a credit check on either the respondent or someone that the respondent knows.

In summary, more than one-third of all respondents (37%) indicate that at least one of the above situations has happened to either them or someone that they know. Former smokers (46%), Republicans (44%), residents of the Central district (43%), people aged 50 to 64 (41%), high-level professionals (41%), salespeople (41%), and Hispanics (63%) are all more likely to report these things occurring. This occurred despite the fact that *at least two-thirds* (67%) of the respondents say that employers do not have the right to take such actions.

Section IV: Worker Compensation Claim

Almost three out of four respondents (73%) oppose allowing businesses in Alaska to refuse to hire a person who has a worker compensation claim, while 17% favor allowing them to do so. Those earning under \$31,000 (86%) and regular smokers (84%) are most opposed to this proposal, while executives (35%) are most in favor.

SB

70

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Call me ~~please~~

Here's the info

on SB70 -
increases to

P1. Title I since 1981

P2. NIDRR & Technology

are increased overall -

P3 - New article.



Alaska State Legislature

SENATOR JIM DUNCAN

MEMORANDUM

Date: January 14, 1994

To: Senator Tim Kelly, Chair
Senate Labor & Commerce Committee

From: Senator Jim Duncan

Subject: SB 70, 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 Labor and Commerce Committee. This bill establishes the Assistive Technology Loan Guarantee Program. The program will assist persons with disabilities or their employers 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 from private institutions. Under the bill the Division works with financial institutions to extend the time during which the loan is paid back. It can also buy down interest rates to make payments more manageable for consumers. An applicant's Permanent Fund Dividend can serve as collateral.

The disabled person must be unable to obtain the needed equipment through the Division, Medicare, Medicaid or other funding sources such as insurance companies. In making decisions about eligibility, the Division must determine that the person requesting a loan guarantee is unable to obtain the equipment or device from a free or less costly source. The Division office conducting the initial screening must provide this documentation.

The Division is also responsible for evaluating the applicant's ability to make loan payments based on income and general credit history. It makes an initial determination of eligibility for the loan guarantee program and contacts the applicant and a local financial institution to initiate the loan process. The lending institution processes the loan pursuant to its standard procedures by incorporating the Division's offer to guarantee the loan and buy down the interest rate to make payments affordable. The Division retains

the discretion to deny the loan guarantee should the lender's review reveal additional information that reflects negatively on the applicant's ability or willingness to repay the loan.

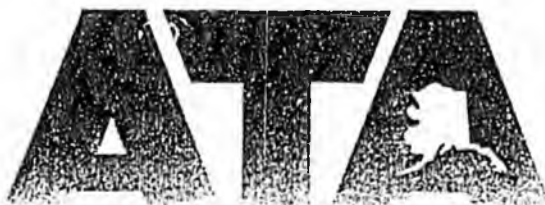
A person with a disability or their parent or legal guardian may also apply for a vehicle loan under terms of the bill. The loan can be used for purchase or modification of the vehicle. The person must live independently or with their parents or guardians and be employed a minimum of one year before the date of the initial loan request.

The Department of Education supports this bill. An updated fiscal note is attached for your information. I urge your favorable action SB 70.

Attachment

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:

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ASSISTIVE TECHNOLOGIES OF ALASKA

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

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

Four significant findings pave the way for ATA

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

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

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

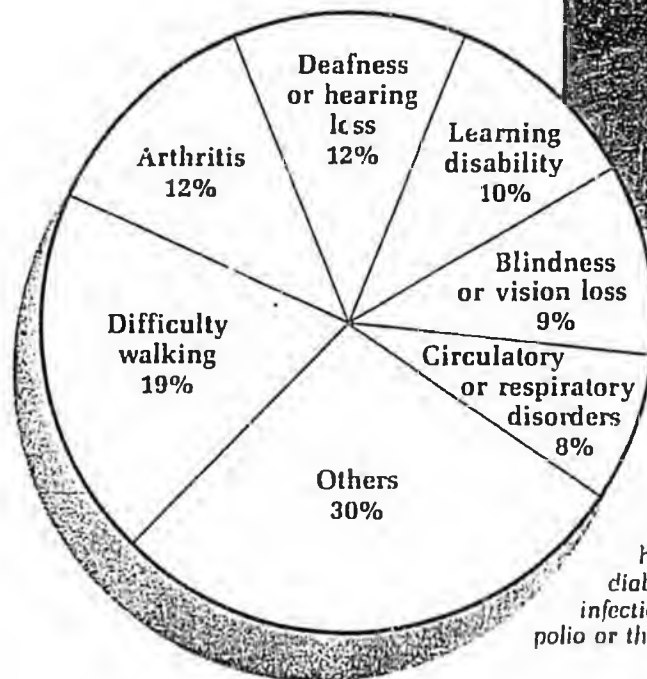
Complete survey results follow. It is important to note that the telephone poll may have resulted in low figures for deaf persons and those living in rural areas where telephone service is limited. The survey also excluded persons living in institutional settings. The numbers presented in this booklet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

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

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

Difficulty in walking is the most common disability

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



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

Many services can help Alaskans with disabilities improve their lifestyles

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

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

14,000 Alaskans with disabilities would benefit from special equipment

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

More than half are not getting the special equipment they need

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

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

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

Assistive technology is needed most often for communications

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

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



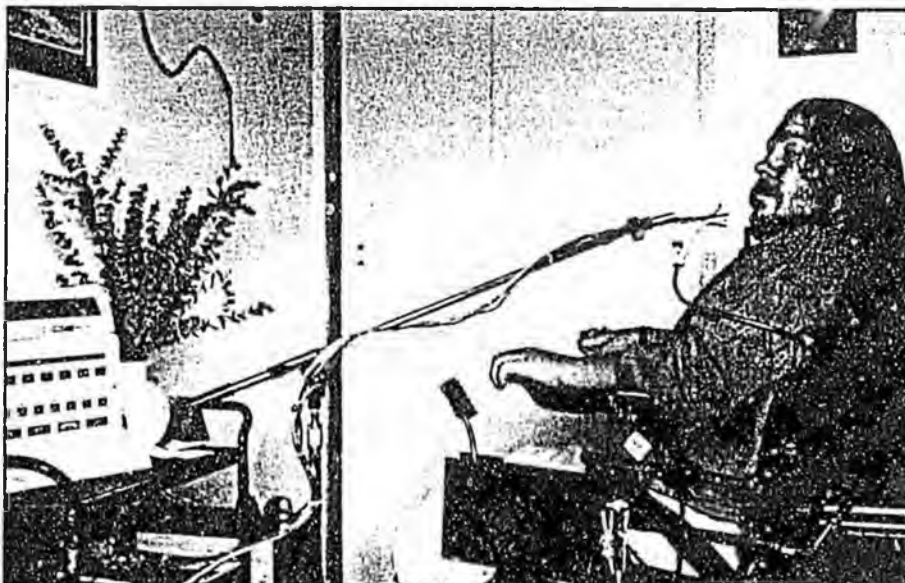
Alterations in the home or office are also important

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

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

Computers are adaptable tools

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





Accessible transportation is needed

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

Alaskans with disabilities would like to enjoy recreation activities

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



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

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



Technology can make persons with disabilities better workers

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

Some Alaskans need help getting around

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

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

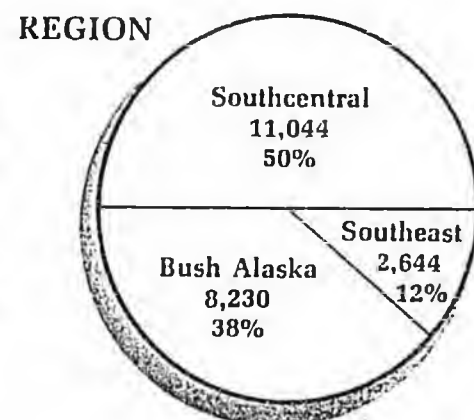
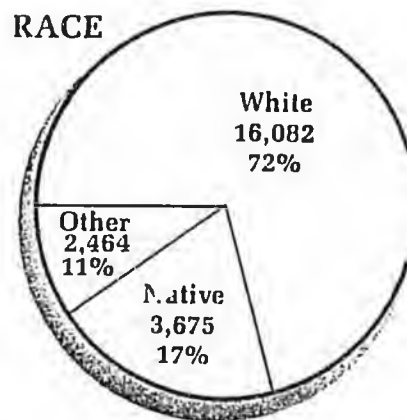
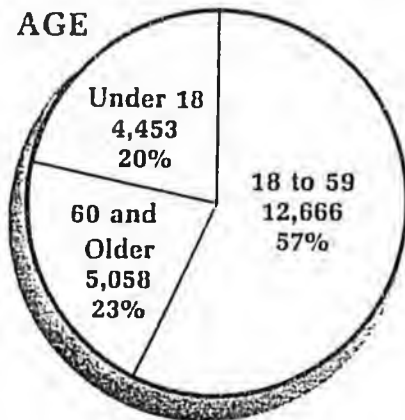
Almost 4,000 Alaskans with disabilities lack the information they need

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

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

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.

PROPOSAL FOR THE ASSISTIVE TECHNOLOGY
LOAN GUARANTEE AND INTEREST SUBSIDY PROGRAM
PREPARED BY THE
DIVISION OF VOCATIONAL REHABILITATION
January 25, 1994

A. INTRODUCTION:

Federal receipts from The Assistive Technology grant would be set aside as a special fund for a "leveraged loan or interest rate buy down" program. The sum of \$100,000 would be used to establish this program.

The program involves a bank(s) providing loan funds in cooperation with the Assistive Technology Loan Guarantee and Interest Subsidy Program which serves as guarantor.

It is estimated that there are at least 4,000 Alaskans with work-limiting disabilities that can benefit from technology services. Assistive Technologies of Alaska (ATA) has found that the area of greatest need relating to assistive technology is funding. Credit financing is an avenue not frequently available to persons with disabilities due to low household income levels. A funding alternative that supports consumer independence exists in the form of extended term, low interest loans. This program is intended to provide Alaskans with disabilities who would not otherwise be eligible for credit financing due to credit history or income, an option for a long-term low interest loan.

B. PARTICIPATION:

1. The program will be available to individuals with disabilities or their representatives, rather than organizations or businesses.
2. These individuals must demonstrate that the funding will be used to purchase assistive technology.
3. 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.
4. The Resource Center (programs who receive ATA grants) will also assist the individual by helping to explore any other potential resources for the equipment. If no other source is available, the individual would then be referred to a banking institution to apply for a loan. The Resource Center would assist the individual in determining whether or not they fall within the parameters of the program and in making this application.

5. The loan would be guaranteed to 90% of the principal amount and, if needed, would subsidize the loan interest.

C. ROLE OF THE BANKING INSTITUTIONS:

1. The individuals or their representatives will make application for the loan to a participating bank. The bank will determine a specific interest rate. If a person applying for a loan cannot afford the payback because of the interest rate, the bank will recommend that ATA buy down on the interest rate.
2. The Program will pay the difference between the rate charged by the bank and the rate paid by the individual (interest rate buy down).
3. The banks will serve as the lenders using their loan funds.
4. The bank will determine that the applicant has the ability to repay the loan and would not generally be eligible for a regular commercial loan. A monthly payment will be determined that can be reasonably expected of the borrower.
5. The banks will determine if the loan is reasonably secure due to the financial position of the applicant including the offering of collateral or the use of a cosigner.
6. The loan guarantee component of this model may involve a loan insurance component which could replace the need for a set-aside reserve.
7. The bank will collect all payments from the borrower and will bill the loan program for the interest rate buy down if there is one. This may be done on a quarterly or semi-annual basis.
8. The banks will provide loan terms that meet the individual's needs and the program criteria. They will:
 - 1) conduct credit checks for applicants,
 - 2) disseminate coupon (payment) books to borrowers;
 - 3) post payments,
 - 4) report on total amount loaned, received, and in arrears;
 - 5) send notification of late payment to borrowers; and
 - 6) process default arrangements which could include loan restructuring, collection agency, etc.

D. LOAN MINIMUM & MAXIMUM:

1. This proposal does not include set amounts for either a minimum or maximum loan. This will be determined by the Assistive Technology Loan Committee and may change annually, depending upon the ability of the loan fund.
2. An expedited loan process is intended for mini-loans under \$1,000.

E. ASSISTIVE TECHNOLOGY PROGRAM:

1. The Assistive Technology Program will make payments from the fund to the banks for interest buy down or, in the event of default, for 90% of the outstanding principal.
2. A loan fund reserve amount (10% - 20%) of outstanding loans will be negotiated with the participating banks for loan guarantee purposes. Loan fund insurance could replace this reserve.

F. ADMINISTRATION OF THE PROGRAM:

1. The Assistive Technology Loan Program is administered by an Assistive Technology Loan Committee established in the Division of Vocational Rehabilitation. This committee shall consist of not more than five individuals appointed by the Division director.
2. The committee shall:
 1. Establish the guidelines for providing loans to individuals, including the maximum and minimum amount of loans.
 2. Write regulations which govern all aspects of the activities allowed under the statute.
 3. Approve or disapprove applications for the program to buy-down the interest for any given loan. To do this they must establish a fixed percentage of the total loan funds which will be available for subsidizing interest. This percentage may be modified yearly.
 4. Make recommendations for ways to improve the program, ensure continuation of the program (which could include grants, endowments, appropriations, recovery of funds from loans,

etc.).

5. Make an annual report to the legislature on all aspects of the program. (Number of loans made, number of defaults, default rate on loans, funds used for interest buy-down, balance in the loan fund, etc.).

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 1

APPROVED:

Director Keith J. Anderson Division Vocational Rehabilitation

Signature *Stan R. ...* Date December 14, 1993 REVISOR: February 22, 1994

Commissioner/Deputy Mike Maher

Signature *Mike Maher* Date 2-22-94

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 commends 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.

PROPOSAL FOR THE ASSISTIVE TECHNOLOGY
LOAN GUARANTEE AND INTEREST SUBSIDY PROGRAM
PREPARED BY THE
DIVISION OF VOCATIONAL REHABILITATION
March 23, 1993

Federal receipts from the Assistive Technology grant would be set aside as a special fund for a "leveraged loan or interest rate buy down" program. The sum of \$100,000 would be used to establish this program.

The program involves a bank(s) providing loan funds in cooperation with the Assistive Technology Loan Guarantee and Interest Subsidy Program which serves as guarantor.

It is estimated that there are at least 4,000 Alaskans with work-limiting disabilities that can benefit from technology services. The Assistive Technology Program of Alaska has found that the area of greatest need relating to assistive technology is funding. Credit financing is an avenue not frequently available to persons with disabilities due to low household income levels. A funding alternative that supports consumer independence exists in the form of extended term, low interest loans. This program is intended to provide Alaskans with disabilities who would not otherwise be eligible for credit financing due to credit history or income, an option for a long term low interest loan.

ELIGIBILITY:

The program will be available 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. Eligibility would be determined by the Assistive Technology Resource Center in or close to the individual's home community. The Resource Center will also assist the individual by helping to explore any other potential resources for the equipment. If no other source is available the individual would then be referred to the bank providing loan funds under the program. The loan would be guaranteed to 90% of the principal amount and if needed, have a subsidized interest rate.

BANKING INSTITUTION:

The individuals or their representatives will make application for the loan to the bank. The bank will determine a specific interest rate. If a person applying for a loan cannot afford the payback because of interest rate the bank will recommend to ATA a buy down on the interest rate.

PROPOSAL FOR
ASSISTIVE TECHNOLOGY

The Program will pay the difference between the rate charged by the bank and the rate paid by the individual (interest rate buy down).

The private bank(s) will serve as the lender using their loan funds. The bank will determine if the applicant can demonstrate the ability to repay the loan and that the applicant would not generally be eligible for a regular commercial loan. A monthly payment will be determined that can be reasonably expected of the borrower. The banks will determine if the loan is reasonably secure due to the financial position of the applicant, including the offering of collateral, or the use of a cosigner. The loan guarantee component of this model may involve a loan insurance component which could replace the need for a set aside reserve.

The bank will collect all payments from the borrower and will bill the loan program for the interest rate buy down of each loan. This may be done on quarterly or semiannual basis.

The banks will provide loan terms that meet the individuals needs and the program criteria. They will conduct credit checks for applicants, disseminate coupon (payment) books to borrowers; post payments, report on total amount loaned, received, and in arrears; send notification of late payment to borrowers; and process default arrangements which could include loan restructuring, collection agency, etc.

LOAN MINIMUM & MAXIMUM

This proposal does not include set amounts for either a minimum or maximum loan. An expedited loan process is intended for mini-loans under \$1,000. A maximum has not be established so as not to prohibit an applicant with a specific need from applying.

ASSISTIVE TECHNOLOGIES OF ALASKA (ATA):

ATA will make payments from the fund to the bank(s) for interest buy down or in the event, of default, for 90% of the outstanding principle. A 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.

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.

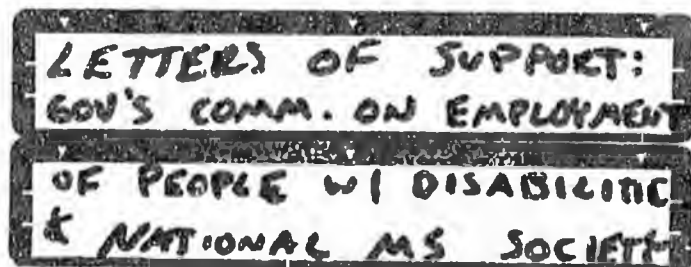
As you know, this legislation addresses a significant population of individuals in Alaska - the approximately 58% of individuals with disabilities who do not have access to the equipment which can help them live more sufficient lives. Not only will this assist individuals with disabilities, but also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



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

Representative Pat Carney
Court, Room 607
Juneau, Alaska 99801-1182

Dear Representative Carney:

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



NATIONAL MULTIPLE SCLEROSIS SOCIETY

ALASKA CHAPTER
971 WEST 11ST AVE (SUITE 101)

(907) 561-1115 FAX (907) 561-6573
ANCHORAGE, AK 99501-6800

April 7, 1993

Senator Tim Kelly
Room 101
State Capitol
Juneau, 99801-1182

Dear Senator Kelly:

The Board of Trustees and the more than 700 people we serve urge passage of Senate Bill 70, "Assistive Technology Loan Guarantee and Interest Subsidy Program."

Passage of Senate Bill 70 will allow people with multiple sclerosis (MS), as well as other people with disabilities, and their families to purchase assistive devices and services through a low interest loan. These devices and services will contribute to a persons quality of life and independence.

Sincerely,

Joyce Guest,
Services Coordinator

Ski Olsonoski,
Executive Director

Alaska State Legislature

Senator Tim Kelly, Chair
Senator Steve Rieger, Vice Chair
Senator Bert Sharp
Senator Judy Salo
Senator Georgianna Lincoln



STATE CAPITOL, SUITE 101
JUNEAU, ALASKA 99801-1182
PHONE: (907) 465-3822
FAX: (907) 465-3756

SENATE LABOR AND COMMERCE COMMITTEE

716 W 4TH, SUITE 400
ANCHORAGE, AK 99501-2133
PHONE (907) 258-8180
FAX (907) 258-4524

MEMORANDUM

TO: Senator Rieger, Vice Chair
Senator Sharp
Senator Lincoln
Senator Salo

FROM: Senator Kelly, Chair

DATE: February 22, 1994

RE: Additional Backup for SB 70: Assistive Technology Loans

Attached is the following additional packet material for SB 70, "An Act establishing a loan guarantee and interest rate subsidy program for assistive technology," which will be heard before the Senate Labor & Commerce Committee today:

- * New draft CS
- * Answers to questions posed by the committee from Stan Ridgeway, Deputy Director of Vocational Rehabilitation in the Dept. of Education
- * Budget Information on federal vocational rehabilitation appropriations
- * Revised Proposal for Assistive Technology Loan & Subsidy Program
- * Testimony given last hearing by Connie Anderson, Executive Director of S.E. Alaska Independent Living

Thank you.

January 28, 1994

Roxanne

Here are our recommendations if you have questions or need anything I will be in my office Monday.

Stan #6932

Recommended changes to Senate Bill No. 70

Page 1

Section (a)

add language to allow the fund --- to receive from any legal source, including the United States, funds and support for the program.

Page 2

section (c) line 3 changes are:

- (1) the loan is made to a handicapped or disabled person or a member of the person's family;
 - (2) the loan is originated and serviced by a state or federally chartered financial institution located in the state;
 - (3) before a loan is requested from a lending institution the division or other agency receiving ATA grants must determine that the person requesting the loan guarantee or subsidy is not able to obtain the needed assistive technology from a less costly source (last dollar concept);
 - (4) the lending institution determines that the person or the family member of the person or child reasonably can be expected to repay the loan given their expected income or other resources;
 - (5) for a loan to purchase or modify a vehicle to provide transportation for a handicapped person, the applicant has been steadily employed for the 90 days immediately preceding the date of the loan application.
- (d) The director shall establish an assistive technology loan committee within the agency. The committee shall consist of not

less than three (3) and not more than five (5) members composed of: the director or his/her designee, an experienced consumer lending officer of a state or federal bank operating in the state, a person who experiences a disability, other positions should be filled with persons with disabilities. The committee shall:

(1) establish guidelines for providing loans under this section, including the maximum amounts and duration of loans;

(2) annually establish the percentage of money in the fund that may be used for subsidizing the interest rates on loans guaranteed under this section;

(3) make reports and recommendations through the commissioner to the legislature on the operation of the loan program; and

(4) establish guidelines to ensure that people with disabilities in rural and remote areas of the state have equal access to the program.

FROM STAN RIDGEWAY 2/94
Dept. Dir./Div. of Voc. Rehab
Department of Education

Senate Labor and Commerce Committee

Questions resulting from 1-25-94 hearing.

1. What is the incentive for banks and other lending institutions to participate in the program?

- 1) The loans are guaranteed at 90%.
- 2) There is an interest buy-down option.
- 3) It will allow banks to count this as part of their community reinvestment obligation.

2. What would be the bank's collateral? Will they have to reposses wheelchairs?

The bank's collateral would be the technology purchased and/or the 90% guarantee. It would seem that the division would be responsible for repossessing items.

3. How will Bush areas gain access to the program?

Through a series of services providers located in hub communities. The loan committee is also charged with establishing guidelines that ensure that people in rural and remote areas have equal access to the program.

4. Why doesn't the fiscal note reflect the ongoing commitment of \$100.0 annually in federal funds?

The federal funds are based on a grant received by the division. When this bill was first introduced we were not sure of ongoing funding for this project. Congress has reauthorized the program and additional funding is available as long as we meet the conditions of the grant.

5. Should there be a maximum loan amount? If so, how much?

Yes there should be a maximum loan amount established by the loan committee. This would be based on the amount of money in the fund on a yearly basis. The person who is requesting the loan will also only be able to borrow as much as they can repay which will be determined by the lending institution.

6. How much money will the \$100.0 leverage?

Various tables in our study show that the amounts vary from 10% to 33%. If 10% were used \$1,000.0 worth of loans could be leveraged.

7. What are the loan parameters in other states?

Please refer to the appendix section of the study.

SB70

COUNCIL OF STATE ADMINISTRATORS OF VOCATIONAL REHABILITATION

Post Office Box 3776
Washington, D.C. 20007

202-638-4634

TITLE I

VOCATIONAL REHABILITATION INCREASES IN FINAL APPROPRIATIONS
COMPARED TO PRESIDENTS' BUDGETS AND PREVIOUS YEAR'S APPROPRIATIONS

FISCAL YEAR PERCENT INCREASE PERCENT INCREASE OF PRESIDENT'S BUDGET
FINAL APPROPRIATION OVER REVIOUS YEAR'S APPROPRIATION

1981	+	4.6%	+	4.57%
1982	-	10.1%	+	1.03%
1983	-	33.0%	+	9.37%
1984	0%	+	9.95%	
1985	-	4.0%	+	5.99%
1986	0%	+	4.1%	
1987	-	4.0%	+	11.87%
1988	-	5.0%	+	7.69%
1989	+	2.0%	+	5.11%
1990	+	4.2%	+	5.41%
1991	+	4.5%	+	6.81%
1992	0%	+	9.52%	
1993	+	2.8%	+	5.13%
1994	+	3.2%	+	5.03%

COUNCIL OF STATE ADMINISTRATORS OF VOCATIONAL REHABILITATION

PRESIDENT'S FY 1995 BUDGET RECOMMENDATIONS
REHABILITATION PROGRAMS

(in millions)

PROGRAM FY 1994 FINAL FY 1995 CLINTON DIFFERENCE
APPROPRIATION BUDGET REQUEST

Voc. Rehab.				
State Grants	\$1,974.145	\$2,029.421	+\$55.276	
Supp. Employ.				
Services	34.536	37.403	+ 2.867	
Rehab. Training	39.629	39.629	----	
Independent Living				
Services	18.003	18.525	+ .522	
Independent Living				
Centers	36.818	39.068	+ 2.25	
Independent Living				
Older Blind	8.131	8.131	----	
Special Demonstrations	19.942	21.942	+ 2.00	
Projects with Industry	22.071	22.071	-----	
NIDRR	68.146	66.146	- 2.00	
Technology	37.744	40.744	+ 3.00	ATH FUNDING
Protect. & Advocacy	5.500	5.500	----	
Client Assistance	9.547	9.824	+ .277	
Migratory Workers	1.171	1.421	+ .25	
Evaluation	1.600	1.600	----	
Helen Keller	6.741	6.936	+ .195	
Special Recreation	2.596	2.596	----	

House OKs \$68 million to aid disabled

WASHINGTON — The House approved by voice vote Tuesday \$68 million in federal aid for devices and services for people with disabilities.

The bill is a compromise between versions the House and the Senate passed in August. It authorizes the new funds for the Technology-Related Assistance for Individuals with Disabilities Act of 1988. It consists of:

- \$50 million for grants to states to establish programs to help disabled people by providing them information on, and access to, such devices, as mouth sticks to operate computers.
- \$10 million for grants to states and private bodies for training and demonstration projects, including centers where disabled people can examine devices and for development of technologies.
- \$8 million for one-time federal matching grants to states to establish loan funds to help disabled people buy devices and services. (AP)

Arkansas Democrat - Gazette
Feb. 10, 1994

PROPOSAL FOR THE ASSISTIVE TECHNOLOGY
LOAN GUARANTEE AND INTEREST SUBSIDY PROGRAM
PREPARED BY THE
DIVISION OF VOCATIONAL REHABILITATION
January 25, 1994

A. INTRODUCTION:

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B. PARTICIPATION:

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5. The loan would be guaranteed to 90% of the principal amount and, if needed, would subsidize the loan interest.

C. ROLE OF THE BANKING INSTITUTIONS:

1. The individuals or their representatives will make application for the loan to a participating bank. The bank will determine a specific interest rate. If a person applying for a loan cannot afford the payback because of the interest rate, the bank will recommend that ATA buy down on the interest rate.
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3. The banks will serve as the lenders using their loan funds.
4. The bank will determine that the applicant has the ability to repay the loan and would not generally be eligible for a regular commercial loan. A monthly payment will be determined that can be reasonably expected of the borrower.
5. The banks will determine if the loan is reasonably secure due to the financial position of the applicant including the offering of collateral or the use of a cosigner.
6. The loan guarantee component of this model may involve a loan insurance component which could replace the need for a set-aside reserve.
7. The bank will collect all payments from the borrower and will bill the loan program for the interest rate buy down if there is one. This may be done on a quarterly or semi-annual basis.
8. The banks will provide loan terms that meet the individual's needs and the program criteria. They will:
 - 1) conduct credit checks for applicants,
 - 2) disseminate coupon (payment) books to borrowers;
 - 3) post payments,
 - 4) report on total amount loaned, received, and in arrears;
 - 5) send notification of late payment to borrowers; and
 - 6) process default arrangements which could include loan restructuring, collection agency, etc.

D. LOAN MINIMUM & MAXIMUM:

1. This proposal does not include set amounts for either a minimum or maximum loan. This will be determined by the Assistive Technology Loan Committee and may change annually, depending upon the ability of the loan fund.
2. An expedited loan process is intended for mini-loans under \$1,000.

E. ASSISTIVE TECHNOLOGY PROGRAM:

1. The Assistive Technology Program will make payments from the fund to the banks for interest buy down or, in the event of default, for 90% of the outstanding principal.
2. A loan fund reserve amount (10% - 20%) of outstanding loans will be negotiated with the participating banks for loan guarantee purposes. Loan fund insurance could replace this reserve.

F. ADMINISTRATION OF THE PROGRAM:

1. The Assistive Technology Loan Program is administered by an Assistive Technology Loan Committee established in the Division of Vocational Rehabilitation. This committee shall consist of not more than five individuals appointed by the Division director.
2. The committee shall:
 1. Establish the guidelines for providing loans to individuals, including the maximum and minimum amount of loans.
 2. Write regulations which govern all aspects of the activities allowed under the statute.
 3. Approve or disapprove applications for the program to buy-down the interest for any given loan. To do this they must establish a fixed percentage of the total loan funds which will be available for subsidizing interest. This percentage may be modified yearly.
 4. Make recommendations for ways to improve the program, ensure continuation of the program (which could include grants, endowments, appropriations, recovery of funds from loans,

etc.).

5. Make an annual report to the legislature on all aspects of the program. (Number of loans made, number of defaults, default rate on loans, funds used for interest buy-down, balance in the loan fund, etc.).



ASSISTIVE TECHNOLOGY LOAN GUARANTEE AND INTEREST SUBSIDY PROGRAM

What Is This Program? It is a emerging public-private sector partnership to establish a loan guarantee and interest subsidy program which will enable persons with disabilities to purchase assistive technologies necessary to their independence now known as Senate Bill 70 and House Bill 139!

Who Will Be Affected? Persons with disabilities, their families, employers and businesses

Explain The Term Assistive Technologies (AT)? Simply put, these are devices and services that can help people live, learn, work and play within their communities. These tools range from simple eyeglasses, hearing aids and walkers to computers that talk and lift-equipped vans.

Why Do We Need This Fund? From a '91 study by the University of Alaska, over half of all persons with disabilities (58%) in the state do not have access to the equipment which can help them live more sufficient lives.

What Are The Benefits?

- *Through this program, low-interest, longterm loans will be repaid and funds will continue to stimulate economic growth for years to come.
- *Businesses will be enabled to improve accessibility of their facilities through these loans and expand customer and labor markets.
- *Employment and re-employment of disabled or injured workers will be promoted, reducing workers' compensation costs and developing additional work force that can be tapped.
- *Through the use and development of technology to improve independence and productivity of persons who are disabled, need for public support will be reduced.
- *Inclusion of persons with disabilities will occur allowing all Alaskans to make a valuable contribution to their community.

(see next page)

FACT SHEET

How Will The Program Work? The State of Alaska will guarantee up to 90% of the loan principal amount or subsidize the interest of a loan to a state or federally chartered financial institution. Persons with disabilities, their families and employers will be able to make direct application to their local bank for an assistive technology loan.

What About The Costs? Anticipated Federal funding of \$100,000 is will "seed" this initiative with no immediate impact on the current state budget.

What Can I Do To Help?

**Call your regional Independent Living Program for more information below:*

Southcentral Alaska	248-4777, voice/text type
Northern Alaska	479-7940, voice/text type
Kenai Peninsula	235-7911, voice/text type
Southeast Alaska	789-9665, voice/text type

**TALK, WRITE, OR SEND A PUBLIC OPINION MESSAGE TO YOUR STATE REPRESENTATIVE AND SENATOR NOW IN SUPPORT OF SENATE BILL 70 AND HOUSE BILL 139. Call your local Legislative Affairs Office listed under the State of Alaska for more information.*

**SHARE THIS FLYER WITH OTHERS AND ENCOURAGE THEM TO ACT NOW!!!*



How Will "Tools" Work? The State of Alaska will guarantee up to 90% of the loan principal amount or subsidize the interest of a loan to a state or federally chartered financial institution. Persons with disabilities, their families and employers will be able to make direct application to their local bank for a "Tools" loan.

What About The Costs? Anticipated Federal funding of \$100,000 is will "seed" this initiative with no immediate impact on the current state budget.

What Can I Do To Help?

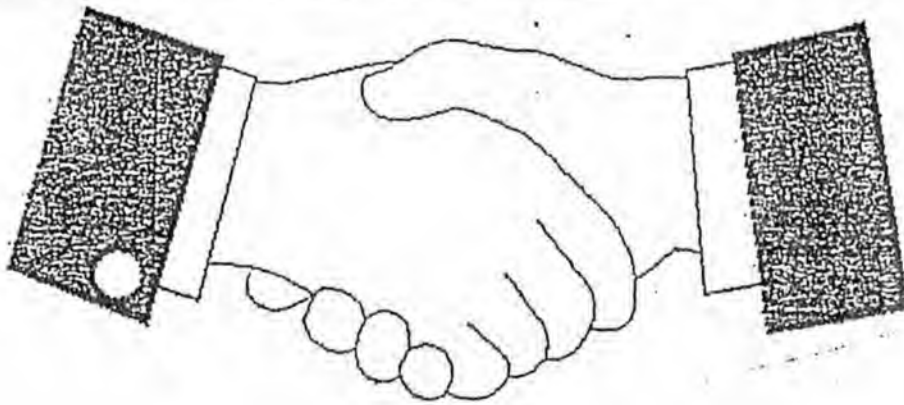
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"TOOLS FOR LIFE" FACT SHEET

What is "Tools for Life"? It is an emerging public-private sector partnership to establish a guaranteed loan fund, "Tools for Life", which will enable persons with disabilities to purchase assistive technologies necessary to their independence now known as Senate Bill 70 and House Bill 139!

Who Will Be Affected? Persons with disabilities, their families, employers and businesses

Explain The Term Assistive Technologies (AT)? Simply put, these are devices and services that can help people live, learn, work and play within their communities. These tools range from simple eyeglasses, hearing aids and walkers to computers that talk and lift-equipped vans.

Why Do We Need This Fund? From a '91 study by the University of Alaska, over half of all persons with disabilities (58%) in the state do not have access to the equipment which can help them live more sufficient lives.

What Are The Benefits?

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*Businesses will be enabled to improve accessibility of their facilities through these loans and expand customer and labor markets.

*Employment and re-employment of disabled or injured workers will be promoted, reducing workers' compensation costs and developing additional work force that can be tapped.

*Through the use and development of technology to improve independence and productivity of persons who are disabled, need for public support will be reduced.

*Inclusion of persons with disabilities will occur allowing all Alaskans to make a valuable contribution to their community.

(see next page)

"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.

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 "graying" 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

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.

January 25, 1994

Good afternoon. My name is Connie Anderson. I am the Executive Director of Southeast Alaska Independent Living, an independent living center with offices in Juneau, Sitka, and Ketchikan. In addition, I am the current Chair of the State of Alaska Independent Living Council. In my testimony today, I am representing both groups. Southeast Alaska Independent Living is a private non-profit organization that provides consumer directed independent living services to people with severe disabilities throughout Southeast Alaska. Our services are provided at or near an individual's home community whenever possible, and are provided at no cost to consumers. The State Independent Living Council, appointed by Governor Hickel, meets the federal requirements for Alaska to be able to receive federal funds for independent living services. The Council is charged with, among other things, the responsibility of jointly developing and submitting the State plan for independent living services, coordinating activities with the State Department of Vocational Rehabilitation Advisory Council. Both of these entities have an interest in assistive technology as a vehicle for expanding and insuring independent living for those Alaskans who are disabled.

Senate Bill 70 and House Bill 139, which would establish the Assistive Technology Loan Guarantee and Interest Subsidy Program, should be fully supported by anyone concerned about persons with disabilities in Alaska. The intent of the Assistive Technology Loan Guarantee and Interest Subsidy program is to enable persons with disabilities, their families, or their employers to purchase assistive technology equipment which is

necessary to their employment and/or their independence. This loan guarantee and interest subsidy program will obviously be of great benefit not only to persons with disabilities, but also to their families and their employers.

Assistive technology devices or equipment are items that help people with disabilities fully participate in all of the spectrum of life activities that many people take for granted. Assistive technology does not always mean high technology. Simple assistive devices may have as much or more impact on the employment or the independence of a disabled person as the more sophisticated "high-tech" devices. However, with the advent of technology in the workplace and in the community, it has become more critical that people with disabilities have the same opportunities to purchase and utilize whatever assistive or adaptive technology necessary to assist them with daily living and with employment. For example, personal computers are standard equipment in many offices. A visually impaired person may need speech synthesizers or other assistive technology to perform his or her job duties that involve the use of a personal computer. For the disabled person to fund the purchase of this equipment, the costs of purchasing some types of assistive technology could be out of reach without the benefits of affordable loan payments and a length of time to repay the loan. The same could be true for a small business owner wishing to employ a disabled individual. This example illustrates the intent of the loan guarantee program.

The need in Alaska for this type of loan guarantee program is considerable. According to the Institute of Social and Economic Research (ISER)

Assessment of the Needs of Alaska Residents Who Are Disabled, a survey conducted from November 1990 to January 1991 under the auspices of the University of Alaska, Anchorage, the number of persons in Alaska who experience a disability is approximately 22,000. This figure did not include those who are disabled and live in institutional settings. Also, this study did not include those disabled individuals without telephones or those who are deaf. The study estimated that over fourteen thousand of these people could benefit from the use of assistive technology equipment especially designed or adapted to make daily life easier and more fruitful for individuals with disabilities. One third of this group specified that they lacked funding to purchase needed assistive technology devices. The assistive technology loan guarantee program may specifically aid these individuals in purchase of assistive technology.

Newly adapted technologies enable people to significantly increase their independence. The most important information related to assistive technologies in the ISER study is that **the most common reason why this assistive technology equipment is not used is that people cannot afford the cost of the assistive technology equipment.** This is unacceptable, and again, Senate Bill 70 will provide an appropriate mechanism to address this issue. Cost should not be the primary factor in preventing persons with disabilities from benefiting from readily available assistive technology. In addition, the survey documented that Alaska natives with disabilities and rural Alaskans with disabilities not only expressed a greater need for all types of assistive technology, but that this

represents the largest unmet need. Lack of funding for equipment is common for all types of equipment. Assistive technology may be as simple as remote switches for someone with a mobility disability to operate other types of equipment to more complex equipment such as a reader/scanner with a voice synthesizer which enables a visually impaired person to read printed material. Without assistive technology in the form of a TDD (telecommunications device for the deaf), I would be unable to carry out my duties as Executive Director, because I would be unable to use the telephone. As we all know, using the telephone is a vital part of our working environment. Fortunately, I work for an employer who is able to fund the cost of this equipment. And also fortunately, I am able to fund the cost of this equipment for myself at home. But lack of funds for this type of equipment should not be a factor for disabled individuals, their families, or their employers to enable someone with a disability similar to mine to live and work independently.

It is thought-provoking to realize that the study documents that nearly **sixty percent of all persons with disabilities in the state of Alaska do not have access to assistive technology equipment which can help them live more inclusive and productive lives.**

This initiative has no immediate impact on the current state budget. It is anticipated that federal funding of approximately \$100,000 will serve as seed money to this program. These federal monies will guarantee up to 90% of the loan principal amount or subsidize the interest of the loan to a

state or federally chartered financial institution. Persons with disabilities, their families, and their employers will be able to make a direct application to their local bank for an assistive technology loan. Through this program, low-interest, long term loans will be repaid and funds will continue to stimulate economic growth. The seed monies would only be used in a loan default or to make up for the subsidized interest rate. Employment of disabled workers will be promoted. Through the use of already available assistive technology, independence and productivity of disabled Alaskans will be ensured.

With these facts in mind, I ask your support for Senate Bill 70 which would establish the Assistive Technology Loan Guarantee and Interest Subsidy Program in the State of Alaska. Thank you very much for this opportunity to testify to the Labor and Commerce Committee.

8-LS04040 ✓
Lauterbach
2/18/94

CS FOR SENATE BILL NO. 70(L&C)
IN THE LEGISLATURE OF THE STATE OF ALASKA
EIGHTEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE LABOR AND COMMERCE COMMITTEE

Offered:
Referred:

Sponsor(s): SENATORS DUNCAN, Ellis, Little

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. INTENT. It is the intent of the legislature to fund the program established
5 under this Act only with money from federal and private sources. It is not the intent of the
6 legislature to provide money for the program from the state's general fund.

7 * Sec. 2. AS 23.15 is amended by adding a new section to read:

8 Sec. 23.15.125. ASSISTIVE TECHNOLOGY LOAN GUARANTEE AND
9 INTEREST SUBSIDY PROGRAM. (a) An assistive technology loan guarantee fund
10 is established in the agency. The fund consists of money appropriated to it. The
11 agency may solicit and accept available federal and private money for distribution from
12 the fund. The agency may not solicit money from the state's general fund.

13 (b) Subject to (c) and (d) of this section, the agency may use money in the
14 fund established under this section to guarantee 90 percent of the principal amount of

1 a loan or to subsidize the interest rate of a loan guaranteed by the agency for
2 appropriate assistive technology that is best suited for enabling

3 (1) a handicapped individual to obtain or maintain employment; or
4 (2) an individual having a physical or mental disability to live more
5 independently.

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

8 (1) the loan is made to a handicapped or disabled person or a member
9 of the person's family;

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

12 (3) before a loan guarantee or subsidy is requested from a lending
13 institution, the agency determines that the person requesting the loan guarantee or
14 subsidy is not able to obtain the needed assistive technology from a less costly source;

15 (4) the lending institution determines that the person or the family of
16 a child reasonably can be expected to repay the loan given their expected income or
17 other resources; and

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

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

25 (1) establish guidelines for providing loans under this section, including
26 guidelines relating to the maximum amounts and duration of loans and guidelines to
27 ensure that persons with disabilities who live in rural or remote areas of the state have
28 adequate access to loans under this section;

29 (2) annually establish the percentage of money in the fund that may be
30 used for subsidizing the interest rates on loans guaranteed under this section; and

31 (3) make reports and recommendations to the legislature on the

1 operation of the loan program.

2 (e) In this section, "assistive technology" means durable equipment, adaptive
3 aids, and assistive devices.

4 * Sec. 3. AS 23.15.125, enacted by sec. 2 of this Act, is repealed one year after the
5 effective date of the repeal of the grant program for assistive technology under 29 U.S.C. 2211
6 - 2217 unless the federal grant program is replaced by a successor program that provides
7 federal funds for assistive technology loans; in that case, AS 23.15.125, enacted by sec. 2 of
8 this Act, is repealed one year after the effective date of the repeal of the successor program.
9 The director of the division of vocational rehabilitation shall inform the revisor of statutes of
10 any repeal of the grant program for assistive technology under 29 U.S.C. 2211 - 2217 or a
11 successor program.

*limit on loan
* Fed \$'s available than for more
* Make sure just 1 year period?
federal loans
* What bank would foreclose on this loan
* Any restrictions in federal law for limits on amounts on loans interest i. be*

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

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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.

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8-LS0404NO ✓
Lauterbach
2/18/94

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IN THE LEGISLATURE OF THE STATE OF ALASKA
EIGHTEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE LABOR AND COMMERCE COMMITTEE

Offered:
Referred:

Sponsor(s): SENATORS DUNCAN, Ellis, Little

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Alaska State Legislature

Senator Tim Kelly, Chair
Senator Steve Rieger, Vice Chair
Senator Bert Sharp
Senator Judy Salo
Senator Georgianna Lincoln



STATE CAPITOL, SUITE 101
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SENATE LABOR AND COMMERCE COMMITTEE

716 W. 4TH, SUITE 400
ANCHORAGE, AK 99501-2133
PHONE: (907) 258-8180
FAX: (907) 258-4524

SENATE LABOR & COMMERCE COMMITTEE COMMITTEE SCHEDULE

PLACE: FAHRENKAMP ROOM

Tuesday, February 22nd at 1:30 p.m.

SB 70

Loan Guarantee & Interest Rate Subsidy for
Assitive Technology

Hold Over // *SB 315

Education for Exceptional Children

Hold Over // *SJR 45

Bilateral Trade Talks with Japan Regarding Alaska
Seafood Products

Bills Previously Heard

Thursday, February 24th, at 1:30 p.m.

SB 213

Extend the A.P.U.C. & R.C.C.

*SB 266

Extend Board of Certified Direct-Entry Midwives
& Affect Scope of Practice

Bills previously heard

*Bills first hearing notice

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 R. Johnson for* Date December 14, 1993

Commissioner/Deputy Mike Maher

Signature _____ Date _____

DOE POSITION PPR.

continued from page 1

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.
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 institutions.

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
1994 LEGISLATIVE SESSION

BILL NO. SB 70

Revision Date: February 22, 1994
 Title: An Act establishing a loan guarantee and interest rate subsidy program for Assistive Technology
 Sponsor: Senator Duncan
 Requestor: Senator Duncan

Dept. Affected: Education
 BRU: Vocational Rehabilitation
 Component: Assistive Technology
 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	100.0	100.0	0	0	0
TOTAL OPERATING	100.0	100.0	100.0	0	0	0

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

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

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
 Division: Vocational Rehabilitation
 Approved by Commissioner: [Signature]
 Agency: Department of Education

Phone: 465-6922
 Date: February 22, 1994
 Date: 2-22-94

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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.

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continued on page 2

APPROVED:

Director Keith J. Anderson Division Vocational Rehabilitation

Signature *Keith J. Anderson* Date December 14, 1993 REVISSED: February 22, 1994

Commissioner/Deputy Mike Maher

Signature *Mike Maher* Date 2-22-94

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 commends 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.

FISCAL NOTE

#2

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL NO. SB 70

Revision Date: February 22, 1994 Dept. Affected: Education
 Title: An Act establishing a loan guarantee and interest rate subsidy program for assistive BRU: Vocational Rehabilitation
technology Component: Assistive Technology
 Sponsor: Senator Duncan
 Requestor: 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	100.0	100.0	0	0	0
TOTAL OPERATING	100.0	100.0	100.0	0	0	0
CAPITAL EXPENDITURES						
CHANGE IN REVENUES ()						

FUND SOURCE	(Thousands of Dollars)					
002 Federal Receipts	100.0	100.0	100.0	0	0	0
003 GF Match						
004 GF						
005 GF; Program Receipts						
006 GF; MHTIA						
Other						
TOTAL	100.0	100.0	100.0	0	0	0

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

POSITIONS						
FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

See attached

Changes in CSB 70 (L&C) reflect NO FISCAL CHANGE from the original fiscal note. This fiscal note is appropriate.
2/22/94 ADT
 date Comte Aide (initial)

Prepared by: Keith J. Anderson, Director Phone: 465-6922
 Division: Vocational Rehabilitation Date: February 22, 1994
 Approved by Commissioner: [Signature] Date: 2-22-94
 Agency: Department of Education

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