

84.224C ASSISTIVE TECHNOLOGY ACT ALTERNATIVE FINANCING PROGRAM

TITLE III OF THE ASSISTIVE TECHNOLOGY ACT OF 1998

PL 105-394

[Title III of the AT Act of 1998](#)

**TITLE III--ALTERNATIVE FINANCING MECHANISMS**

**SEC. 301. GENERAL AUTHORITY.**

(a) **IN GENERAL-** The Secretary shall award grants to States to pay for the Federal share of the cost of the establishment and administration of, or the expansion and administration of, an alternative financing program featuring one or more alternative financing mechanisms to allow individuals with disabilities and their family members, guardians, advocates, and authorized representatives to purchase assistive technology devices and assistive technology services (referred to individually in this title as an `alternative financing mechanism').

(b) **MECHANISMS-** The alternative financing mechanisms may include--

(1) a low-interest loan fund;

(2) an interest buy-down program;

(3) a revolving loan fund;

(4) a loan guarantee or insurance program;

(5) a program operated by a partnership among private entities for the purchase, lease, or other acquisition of assistive technology devices or assistive technology services; or

(6) another mechanism that meets the requirements of this title and is approved by the Secretary.

(c) **REQUIREMENTS-**

(1) **PERIOD-** The Secretary may award grants under this title for periods of 1 year.

(2) **LIMITATION-** No State may receive more than one grant under this title.

(d) **FEDERAL SHARE-** The Federal share of the cost of the alternative financing program shall not be more than 50 percent.

(e) **CONSTRUCTION-** Nothing in this section shall be construed as affecting the authority of a State to establish an alternative financing program under title I.

**SEC. 302. AMOUNT OF GRANTS.**

(a) **IN GENERAL-**

(1) **GRANTS TO OUTLYING AREAS-** From the funds appropriated under section 308 for any fiscal year that are not reserved under section 308(b), the Secretary shall make a grant in an amount of not more than \$105,000 to each eligible outlying area.

(2) **GRANTS TO STATES-** From the funds described in paragraph (1) that are not used to make grants under paragraph (1), the Secretary shall make grants to States from allotments made in accordance with the requirements described in paragraph (3).

(3) **ALLOTMENTS-** From the funds described in paragraph (1) that are not used to make grants under paragraph (1)--

(A) the Secretary shall allot \$500,000 to each State; and

(B) from the remainder of the funds--

(i) the Secretary shall allot to each State an amount that bears the same ratio to 80 percent of the remainder as the population of the State bears to the population of all States; and

(ii) the Secretary shall allot to each State with a population density that is not more than 10 percent greater than the population density of the United States (according to the most recently available census data) an equal share from 20 percent of the remainder.

(b) **INSUFFICIENT FUNDS-** If the funds appropriated under this title for a fiscal year are insufficient to fund the activities described in the acceptable applications submitted under this title for such year, a State whose application was approved for such year but that did not receive a

grant under this title may update the application for the succeeding fiscal year. Priority shall be given in such succeeding fiscal year to such updated applications, if acceptable.

(c) DEFINITIONS- In subsection (a):

(1) OUTLYING AREA- The term `outlying area' means the United States Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands.

(2) STATE- The term `State' does not include the United States Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands.

#### SEC. 303. APPLICATIONS AND PROCEDURES.

(a) ELIGIBILITY- States that receive or have received grants under section 101 and comply with subsection (b) shall be eligible to compete for grants under this title.

(b) APPLICATION- To be eligible to compete for a grant under this title, a State shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require, including--

(1) an assurance that the State will provide the non-Federal share of the cost of the alternative financing program in cash, from State, local, or private sources;

(2) an assurance that the alternative financing program will continue on a permanent basis;

(3) an assurance that, and information describing the manner in which, the alternative financing program will expand and emphasize consumer choice and control;

(4) an assurance that the funds made available through the grant to support the alternative financing program will be used to supplement and not supplant other Federal, State, and local public funds expended to provide alternative financing mechanisms;

(5) an assurance that the State will ensure that--

(A) all funds that support the alternative financing program, including funds repaid during the life of the program, will be placed in a permanent separate account and identified and accounted for separately from any other fund;

(B) if the organization administering the program invests funds within this account, the organization will invest the funds in low-risk securities in which a regulated insurance company may invest under the law of the State; and

(C) the organization will administer the funds with the same judgment and care that a person of prudence, discretion, and intelligence would exercise in the management of the financial affairs of such person;

(6) an assurance that--

(A) funds comprised of the principal and interest from the account described in paragraph (5) will be available to support the alternative financing program; and

(B) any interest or investment income that accrues on or derives from such funds after such funds have been placed under the control of the organization administering the alternative financing program, but before such funds are distributed for purposes of supporting the program, will be the property of the organization administering the program; and

(7) an assurance that the percentage of the funds made available through the grant that is used for indirect costs shall not exceed 10 percent.

(c) LIMIT- The interest and income described in subsection (b)(6)(B) shall not be taken into account by any officer or employee of the Federal Government for purposes of determining eligibility for any Federal program.

#### SEC. 304. CONTRACTS WITH COMMUNITY-BASED ORGANIZATIONS.

(a) IN GENERAL- A State that receives a grant under this title shall enter into a contract with a community-based organization (including a group of such organizations) that has individuals with disabilities involved in organizational decisionmaking at all organizational levels, to administer the alternative financing program.

(b) PROVISIONS- The contract shall--

- (1) include a provision requiring that the program funds, including the Federal and non-Federal shares of the cost of the program, be administered in a manner consistent with the provisions of this title;
- (2) include any provision the Secretary requires concerning oversight and evaluation necessary to protect Federal financial interests; and
- (3) require the community-based organization to enter into a contract, to expand opportunities under this title and facilitate administration of the alternative financing program, with--
  - (A) commercial lending institutions or organizations; or
  - (B) State financing agencies.

#### SEC. 305. GRANT ADMINISTRATION REQUIREMENTS.

A State that receives a grant under this title and any community-based organization that enters into a contract with the State under this title, shall submit to the Secretary, pursuant to a schedule established by the Secretary (or if the Secretary does not establish a schedule, within 12 months after the date that the State receives the grant), each of the following policies or procedures for administration of the alternative financing program:

- (1) A procedure to review and process in a timely manner requests for financial assistance for immediate and potential technology needs, including consideration of methods to reduce paperwork and duplication of effort, particularly relating to need, eligibility, and determination of the specific assistive technology device or service to be financed through the program.
- (2) A policy and procedure to assure that access to the alternative financing program shall be given to consumers regardless of type of disability, age, income level, location of residence in the State, or type of assistive technology device or assistive technology service for which financing is requested through the program.
- (3) A procedure to assure consumer-controlled oversight of the program.

#### SEC. 306. INFORMATION AND TECHNICAL ASSISTANCE.

(a) IN GENERAL- The Secretary shall provide information and technical assistance to States under this title, which shall include--

- (1) providing assistance in preparing applications for grants under this title;
- (2) assisting grant recipients under this title to develop and implement alternative financing programs; and
- (3) providing any other information and technical assistance the Secretary determines to be appropriate to assist States to achieve the objectives of this title.

(b) GRANTS, CONTRACTS, AND COOPERATIVE AGREEMENTS- The Secretary shall provide the information and technical assistance described in subsection (a) through grants, contracts, and cooperative agreements with public or private agencies and organizations, including institutions of higher education, with sufficient documented experience, expertise, and capacity to assist States in the development and implementation of the alternative financing programs carried out under this title.

#### SEC. 307. ANNUAL REPORT.

Not later than December 31 of each year, the Secretary shall submit a report to the Committee on Education and the Workforce of the House of Representatives and the Committee on Labor and Human Resources of the Senate describing the progress of each alternative financing program funded under this title toward achieving the objectives of this title. The report shall include information on--

- (1) the number of grant applications received and approved by the Secretary under this title, and the amount of each grant awarded under this title;

- (2) the ratio of funds provided by each State for the alternative financing program of the State to funds provided by the Federal Government for the program;
- (3) the type of alternative financing mechanisms used by each State and the community-based organization with which each State entered into a contract, under the program; and
- (4) the amount of assistance given to consumers through the program (who shall be classified by age, type of disability, type of assistive technology device or assistive technology service financed through the program, geographic distribution within the State, gender, and whether the consumers are part of an underrepresented population or rural population).

SEC. 308. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL- There are authorized to be appropriated to carry out this title \$10,000,000 for fiscal year 1999 and such sums as may be necessary for fiscal year 2000.

(b) RESERVATION- Of the amounts appropriated under subsection (a) for a fiscal year, the Secretary shall reserve 2 percent for the purpose of providing information and technical assistance to States under section 306.