

Department of Planning and Budget 2004 Fiscal Impact Statement

1. Bill Number: HB 354

House of Origin	<input type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
Second House	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input checked="" type="checkbox"/> Enrolled

2. Patron: Bryant

3. Committee: Passed Both Houses

4. Title: Assistive Technology Loan Fund Authority; powers.

5. Summary/Purpose: This bill authorizes the board of directors of the Assistive Technology Loan Fund Authority (ATLFA) to borrow money to carry out its statutory purposes and to execute evidences of such indebtedness and to secure the same and to issue negotiable revenue bonds payable solely from funds pledged for that purpose and to provide for the payment of the same and for the rights of the holders thereof. The bill also adds a definition of bonds and contains technical amendments.

6. No Fiscal Impact.

7. Budget amendment necessary: No.

8. Fiscal implications: None.

9. Specific agency or political subdivisions affected: Assistive Technology Loan Fund Authority.

10. Technical amendment necessary: No.

11. Other comments: The General Assembly established the ATLFA in 1995 to make low-interest and guaranteed loans to Virginians with disabilities for the purchase of adaptive equipment, as well as for making accessibility modifications to homes and vehicles. The ATLFA program has been replicated in many other states. The ATLFA has had only two one-time appropriations from the General Assembly totaling \$900,000. The remainder of its funding has come from successful grant applications to the federal government, which are periodic in nature, and require a cash match for grant award. A review of the *Code of Virginia* by the Office of the Attorney General indicated that the ATLFA may be the only state authority in Virginia that is established by code and does not have the legal authority to borrow funds. Loans will allow the ATLFA to bring federal dollars into Virginia.

HB 354 will allow the ATLFA to obtain a 15-year - 0% loan for \$500,000 from the Virginia Housing Development Authority. The ATLFA was awarded a \$4.9 million grant award from the US Department of Education, in collaboration with the Virginia Department of Rehabilitative Services. The proceeds of this loan will be used as a cash match for a portion

of that award. Thus, the loan will bring \$1,500,000 of federal funding into Virginia to make credit financing affordable to Virginians with disabilities and their family members. Loans will be made through the ATLFA's financial partner, SunTrust Bank. With this funding, the ATLFA will enable many families to modify their homes, making them accessible for persons with disabilities. However, the timing of this loan is critical, as Virginia must provide match funds and draw down the federal award by September 30, 2004 or lose the \$1,500,000.

Any and all financial obligations incurred by the ATLFA will be the sole responsibility of the ATLFA to repay. The ATLFA plans to repay its obligations by collecting fees and charges as well as by seeking gifts, grants, and contributions in accordance with 51.5-56 of the *Code of Virginia*.

HB 354 will also allow the ATLFA to borrow other funds in the future for similar purposes. The Office of the Attorney General has recommended including language regarding the issuance of bonds in the event that the Board of Directors wished to pursue this option. However, there are no immediate plans to issue bonds, and the Board will not even consider bonds unless and until it is assured that there is both a need to do so and a method of assuring repayment.

Date: 3/16/04 / jlv

Document: G:\04-06\EFIS\DRS\HB354ER.Doc Janet Vogelgesang

cc: Secretary of Health and Human Resources