

DEPARTMENT OF EDUCATION**National Institute on Disability and Rehabilitation Research; Notice of Funding Priorities**

AGENCY: Department of Education.

ACTION: Notice of final funding priorities for fiscal years 2000–2001 for new awards for the Alternative Financing Program, and the Alternative Financing Technical Assistance Program, both authorized under Title III of the Assistive Technology Act of 1998.

SUMMARY: The Assistant Secretary for the Office of Special Education and Rehabilitative Services announces final funding priorities for awards under the Alternative Financing Program (AFP) and one award under the Alternative Financing Technical Assistance Program (AFTAP) under the National Institute on Disability and Rehabilitation Research (NIDRR) for fiscal years 2000–2001. The Assistant Secretary takes this action in order to award grants or cooperative agreements to States to establish or maintain alternative financing projects to increase access to assistive technology (AT) for individuals with disabilities. Currently, major service programs such as Medicaid, Medicare, special education, and vocational rehabilitation cannot meet the growing demand for AT. Most individuals with disabilities do not have the private financial resources to purchase the AT they need. Loan programs offer individuals with disabilities attractive options that significantly enhance their access to AT.

DATES: These priorities take effect on August 4, 2000.

FOR FURTHER INFORMATION CONTACT: Donna Nangle, U.S. Department of Education, 400 Maryland Avenue, SW., Room 3414, Switzer Building, Washington, DC 20202–2645. Telephone: (202) 205–5880. Individuals who use a telecommunications device for the deaf (TDD) may call the TDD number at (202) 205–4475. Internet: Donna.Nangle@ed.gov.

Individuals with disabilities may obtain this document in an alternate format (*e.g.*, Braille, large print, audiotope, or computer diskette) on request to the contact person listed in the preceding paragraph.

Waiver of Rulemaking

Pursuant to section 437(d)(1) of the General Education Provisions Act, the Assistant Secretary has determined that these priorities are exempt from the Administrative Procedure Act (5 U.S.C. 553). Section 437(d)(1) exempts from rulemaking the first grant competition

under a new or substantially revised program authority. This is NIDRR's first grant competition under the ATAct, which replaced the Technology-Related Assistance for Individuals with Disabilities Act of 1988, as amended (Tech Act), and was signed into law on November 13, 1998.

SUPPLEMENTARY INFORMATION: This notice contains two final priorities authorized under the ATAct. The priorities are: (1) Alternative Financing Program (AFP); and (2) Alternative Financing Technical Assistance Program (AFTAP).

These final priorities support the National Education Goal that calls for all Americans to possess the knowledge and skills necessary to compete in a global economy and exercise the rights and responsibilities of citizenship.

The authority for the Secretary to fund a financing program and technical assistance (TA) program is contained in Title III of the ATAct.

Note: This notice of final priorities does not solicit applications. A notice inviting applications under this competition will be published in the **Federal Register** concurrent with or following the publication of the notice of final priorities.

Alternative Financing Program*Background*

For the first time, NIDRR is funding the Alternative Financing Program, authorized under Title III of the ATAct. The AFP will assist States to establish or maintain alternative financing projects to increase access to AT for individuals with disabilities.

The ATAct reaffirms the Federal role of promoting access to AT devices and services for individuals with disabilities and continues the AT State Grant Program, authorized under Title I of the ATAct of 1998. In 1988 Congress passed the Tech Act to assist States to identify and respond to the AT needs of individuals with disabilities. Reauthorized in 1994, the Tech Act provided Federal funds as a catalyst for permanent systemic change and as leverage within States to make AT devices and services more readily available to individuals with disabilities. All of the 56 State grantees (50 States, District of Columbia, Puerto Rico, American Samoa, Virgin Islands, Northern Mariana, Guam) have demonstrated success in increasing availability of, funding for, access to and provision of, AT devices and services. On a State level, AT State Grant Program grantees have improved delivery of AT to individuals with disabilities.

Most often, these efforts involve increased and measurable responsiveness on the part of public purchasing systems to provide AT devices and services for individuals with disabilities. Public systems include, but are not limited to, Medicaid, Medicare, special education and vocational rehabilitation. These public systems have, to varying degrees, acknowledged and met the AT needs of individuals with disabilities who qualify for the particular program.

The Rehabilitation Act of 1973, as amended, includes several provisions requiring inclusion of AT devices and services among the range of available services offered by the vocational rehabilitation system. The Individuals with Disabilities Education Act (IDEA) has included AT devices and services since 1990. IDEA requires school districts to take AT into account in their evaluations and planning for students with disabilities. For eligible recipients, Medicaid offers a viable though often unpredictable funding source. Some States have investigated ways to increase the responsiveness of private insurance companies to the AT needs of privately insured individuals with disabilities. For individuals who qualify, the aforementioned public and private agencies should, and typically would be, approached to fund AT devices and services.

In 1998, NIDRR sponsored five regional hearings on issues affecting appropriate and timely access to AT devices and services. (Blueprint for the Millennium: An Analysis of Regional Hearings, 1998) In each of the hearings, financing of AT was cited as a persistent barrier as was a general lack of knowledge about public and private financing options. Testimony from consumers, families, service providers, and developers referenced a need for financial incentives for both individuals and businesses to improve AT use. The hearings also identified the need for new funding strategies and models to expand funds for AT purchases. Public testimony also indicated that AT users want maximum autonomy in identifying their technology needs and the devices and services that will best meet these needs.

Moreover, testimony emphasized that separately, or in combination, the major service programs do not have sufficient resources to meet the growing demand for AT and that there also is a lack of private financial resources for the purchase of AT. As the number of individuals with disabilities increases and the elderly population expands, and as consumers and their families become increasingly aware of the role and

benefits of AT, the demand for AT will increase; the result will continue to be a tremendous strain on public and private third party funding sources. A significant recommendation of the hearings was that the AT State Grant Program grantees continue to work with other entities such as consumer organizations, community-based groups, and private lending institutions to establish alternative financing projects for the purchase of AT devices and services. Alternative financing projects offer individuals with disabilities attractive options and can serve as financing alternatives for individuals with disabilities who do not qualify for public financing programs. Loan programs enhance access to AT devices and services in a way that underscores independence and inclusion.

Currently, a total of 32 AT State Grant Program grantees operate alternative financing projects under Title I. The success of these Title I alternative financing projects has stimulated interest in creating opportunities for additional States to establish alternative financing projects and for States that have an existing projects to expand available resources. Currently, individuals who apply for loans under the Title I AT State Grant Program alternative financing projects obtain loans that range from \$250 to \$50,000. The estimated average loan is between \$5,000 and \$7,500. (Wallace, J., Assistive Technology Loan Financing: A Funding Alternative of Increasing Importance. *Tech Express*, 1998). The Title I AT State Grant Program alternative financing projects include various types of activities, such as revolving, guaranteed, interest buy-down, traditional or combination program models. States typically enter into an agreement with a private lending institution such as a bank or credit union and involve consumers in the selection and approval procedures.

In establishing the AFP, the Assistant Secretary recognizes that significant challenges and barriers continue to face individuals with disabilities and their families. A pervasive barrier is the absence of funding and information about funding opportunities for AT devices and services. The AFP will enable individuals with disabilities to access a funding alternative to public assistance programs. NIDRR has \$3.9 million available for awards under this program in fiscal year 2000 and the President has requested \$15 million for fiscal year 2001.

Description of the Alternative Financing Program

The AFP creates a new Federal program to pay a share of the cost of establishment or expansion, and administration of, an alternative AT financing program. The program features one or more alternative financing mechanisms to allow individuals with disabilities and their family members, guardians, advocates, and others to purchase AT devices and services.

Priorities

Under 34 CFR 75.105(c)(3) and Title III of the ATAct, the Assistant Secretary gives an absolute preference to applications that meet the following priorities. The Assistant Secretary will fund under this competition only applications that meet one of the following priorities.

Priority 1: Alternative Financing Program

The Assistant Secretary establishes the AFP in order to provide assistance to States so that individuals with disabilities of all ages and their family members, guardians, advocates, and authorized representatives will have increased access to funding for AT devices and services through alternative financing mechanisms (loans). Consistent with statutory requirements:

(a) The State must enter into a contract with a community-based organization (including a group of such organizations), such as Centers for Independent Living, that has individuals with disabilities involved in organizational decision making at all organizational levels, to administer the alternative-financing program. 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 provisions for oversight and evaluation to protect Federal financial interests; and (3) require the community-based organization to enter into a contract with a commercial lending institution or State financing agency.

(b) The State that receives a grant and any community-based organization that enters into a contract with the State, must annually submit, 12 months after receipt of the fiscal year 2000 award, each of the following policies, procedures, data, and information: (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 AT device or service to be financed through the project; (2) A policy and procedure to assure that access to the AFP shall be given to consumers regardless of type of disability, age, income level, location of residence in the State, or type of AT device or AT service for which financing is requested through the program; and (3) A procedure to assure consumer-controlled oversight of the program.

(c) The State must provide the following information: (1) The ratio of funds provided by the State for the AFP to funds provided by the Federal Government; (2) the type of alternative financing mechanism used and the community-based organization with which the State entered into a contract; (3) the following information concerning each disabled individual served by the project: The amount of assistance, type of AT device or AT service financed through the project, type of disability, age, gender, race, ethnicity, socioeconomic status, primary language, geographic location within the State, employment status, whether the consumer is part of an underrepresented population or rural population, and whether the consumer tried to secure financial support from other sources and, if so, a description of those sources.

(d) The State must provide one or a combination of the following: (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 AT devices or AT services; or (6) another mechanism that meets the requirements of this program and is described in an application, peer reviewed and approved by the Assistant Secretary.

(e)(1) The State must provide matching funds so that the Federal share of the cost of the AFP is not more than 50 percent. Because section 302 (a)(3)(A) of the ATAct requires each State to receive a minimum award of \$500,000, the State match must be at least \$500,000; and (2) The State must provide the non-Federal share of the cost of the AFP in cash, from State, local, or private sources;

(f) The State must provide an assurance that the State will continue the AFP after Federal funding has terminated on a permanent basis or for as long as the mechanisms exist to support such a program;

(g) The State must provide an assurance that, and information describing the manner in which, the program will expand and emphasize consumer choice and control;

(h) The State must provide an assurance that the State will supplement and not supplant other Federal, State, and local public funds expended to provide any currently operating AFP in the State;

(i) The State must provide an assurance that the State will place all funds that support the AFP, including funds repaid during the life of the program, in a permanent separate account, apart from any other fund;

(j) The State must provide an assurance that the State's community-based organization will invest funds in low-risk securities in which a regulated insurance company may invest under the law of the State if the organization administering funds invests funds within this account;

(k) The State must provide an assurance that the State's community-based organization will administer the funds with the same judgement and care that a person of prudence, discretion, and intelligence would exercise in the management of the financial affairs of such person;

(l) The State must provide an assurance that funds comprised of the principal and interest from the State account for this activity will be available to support the AFP;

(m) The State must provide an assurance that 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 AFP, but before such funds are distributed for purposes of supporting the program, will be the property of the organization administering the program; and

(n) The State must provide an assurance that the State will limit the indirect costs of the total amount available for the AFP to 10 percent, including both the Federal and State funds.

In addition to the statutory requirements, each project must:

(a) Provide in accessible formats materials that can be used by potential loan applicants and lending institutions to obtain, share and disseminate information on loan availability, eligibility requirements and procedures and general loan related updates; and

(b) Coordinate and share information, resources and with the State ATAct projects.

(c) Conduct and submit to NIDRR and the AFTAP an annual evaluation of its

activities using the data collection instrument to be developed the AFTAP described in Priority 2.

Priority 2: Alternative Financing Technical Assistance Program

The Assistant Secretary establishes AFTAP in order to assist States in meeting the objectives of the AFP. Consistent with the statutory requirements, the AFTAP project must:

(a) Provide assistance to States preparing applications for the AFP;

(b) Assist States to develop and implement the AFP; and

(c) Provide any other information and TA the Assistant Secretary determines to be appropriate to assist States to achieve the objectives of AFP.

In addition to the statutory requirements, the AFPTA project must:

(a) Develop and implement a self-assessment instrument to determine the effectiveness of the AFPTA;

(b) Provide in accessible formats materials that contains useful and replicable information on loan projects and can be used by States under the AFP and States planning to apply under the AFP to improve the efficiency and effectiveness of their loan projects working closely with the National Internet Project located at the Georgia Institute on Technology;

(c) Develop a uniform data collection instrument for use by the AFP that includes, at a minimum, data on features of loan programs and unique characteristics and outcomes in order to comply with annual reporting requirements; and

(d) Share information and collaborate with the TA programs funded under Section 104 of the AT Act.

Electronic Access to This Document

You may review this document, as well as all other Department of Education documents published in the **Federal Register**, in text or Adobe Portable Document Format (PDF) on the Internet at either of the following sites: <http://ocfo.ed.gov/fedreg.htm>
<http://www.ed.gov/news.html>

To use the PDF you must have the Adobe Acrobat Reader, which is available free at either of the previous sites. If you have questions about using the PDF, call the U.S. Government Printing Office (GPO), toll free, at 1-888-293-6498; or in the Washington, D.C., area at (202) 512-1530.

Note: The official version of this document is the document published in the **Federal Register**. Free Internet access to the official edition of the **Federal Register** and the Code of Federal Regulations is available on GPO access at: <http://www.access.gpo.gov/nara/index.html>.

(Catalog of Federal Domestic Assistance Number 84.224C, Assistive Technology Act Alternative Loan Financing, Title III)

Program Authority: 29 U.S.C. 3051-3058

Dated: May 31, 2000.

Judith E. Heumann,

Assistant Secretary for Special Education and Rehabilitative Services.

[FR Doc. 00-13945 Filed 6-2-00; 8:45 am]

BILLING CODE 4000-01-U

DEPARTMENT OF EDUCATION

[CFDA No.: 84.224C]

Office of Special Education and Rehabilitative Services National Institute on Disability and Rehabilitation Research; Notice Inviting Applications for New Awards in Fiscal Years 2000-2001 for the Alternative Financing Program (AFP), and the Alternative Financing Technical Assistance Program (AFTAP), Both Authorized Under Title III of the Assistive Technology Act (ATAct)

Note to Applicants: This notice is a complete application package. Together with the statute authorizing the program and the Education Department General Administrative Regulations (EDGAR), this notice contains information, application forms, and instructions needed to apply for a grant under these competitions.

These programs support the National Education Goal that calls for all Americans to possess the knowledge and skills necessary to compete in a global economy and exercise the rights and responsibilities of citizenship.

The estimated funding levels in this notice do not bind the Department of Education to make awards in any of these categories, or to any specific number of awards or funding levels, unless otherwise specified in statute.

Applicable Regulations: The Education Department General Administrative Regulations (EDGAR), 34 CFR parts 74, 75, 77, 80, 81, 82, 85, and 86 and the Notice of Final Priority published elsewhere in this issue of the **Federal Register**.

Absolute Priorities: These competitions focus on projects designed to meet the absolute priorities in the notice of final priority for these programs, published elsewhere in this issue of the **Federal Register**. Under 34 CFR 75.105(c)(3), we consider only applications that meet one of the absolute priorities.

Pre-Application Meeting: Interested parties are invited to participate in a pre-application meeting to discuss the funding priorities for the AFP and the AFTAP and to receive technical