

NOTE: As provided in LFC policy, this report is intended only for use by the standing finance committees of the legislature. The Legislative Finance Committee does not assume responsibility for the accuracy of the information in this report when used for other purposes.

The most recent FIR version (in HTML & Adobe PDF formats) is available on the Legislative Website. The Adobe PDF version includes all attachments, whereas the HTML version does not. Previously issued FIRs and attachments may be obtained from the LFC in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

SPONSOR: Maes DATE TYPED: 2/8/04 HB _____

SHORT TITLE: Disability Technology Purchase Financing SB 199

ANALYST: L. Baca

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY04	FY05	FY04	FY05		
	\$519.0*			Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY04	FY05			
		Significant	Recurring	Federal Funds

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

LFC files

Response Received From

Division of Vocational Rehabilitation (DVR), New Mexico Public Education Department

SUMMARY

Synopsis of Bill

Senate Bill 199 appropriates \$519 thousand from the general fund to the New Mexico Technical Assistance program of the DVR of the PED to provide state matching funds for alternative financing programs to help persons with disabilities purchase assistive technology devices and services.

Significant Issues

In its analysis, the PED-DVR states that federal matching funds have been appropriated to carry out Title III of the Technology-Related Assistance Act of 1998 for Federal Fiscal Year 1999 and

will be lost to the state if not matched by September 30, 2004.

The PED-DVR reports that funds are made available for two federal grant awards for alternative financing programs to help persons with disabilities purchase assistive technology devices and services. The Alternative Financing Federal Award of \$1.27 million and state match of \$423.7 million will provide a wide range of loans for needs such as home modifications, e.g., accessible bathrooms, expensive lift equipped vehicles and employment modifications that are not covered by ADA (Americans Disabilities Act). This program provides about 3 federal dollars for each state dollar invested.

The second program, Telework Federal award of \$862 thousand and the state match of \$95.8 thousand, will provide loans for equipment needed to start a home business or for an employee with disability to work from a remote location. This program provides about 9 federal dollars for every state dollar invested.

The PED-DVR report that these federal and state funds will establish a permanent loan-fund that will continue through investment and interest on principal and from loans allowed in the federal authorizing legislation, the Technology-Related Assistance For Individuals with Disabilities Act of 1998. Interest from loans, repaid loans and earnings from investments are to be used to continue the fund's solvency with all activities carried pursuant to the requirements of the authorizing federal legislation.

FISCAL IMPLICATIONS

The appropriation of \$519 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY05 shall revert to the general fund.

OTHER SUBSTANTIVE ISSUES

The PED-DVR state that unmatched federal funds will be returned to the U.S. Treasury and that similar funds for these programs have not been included in the U.S. Department of Education for FY05.

Continuation of the program using repaid loans, earnings from investments and interest from loans appears optimistic, given contemporary interest rates and market conditions. Unless economic conditions improve markedly, becoming self-sustaining could prove difficult for this program.

LB/lg:yr