

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4148-02  
Bill No.: HB 1868  
Subject: Disabilities; Public Service Commission  
Type: Original  
Date: January 19, 2018

---

Bill Summary: This proposal establishes a statewide hearing aid distribution program for low-income individuals.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Deaf Relay Service and Equipment Distribution Program Fund	(Unknown)	(Unknown)	(Unknown)
<b>Total Estimated Net Effect on Other State Funds</b>	<b>(Unknown)</b>	<b>(Unknown)</b>	<b>(Unknown)</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

☐ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Department of Elementary and Secondary Education (DESE)** state based on Missouri data, Deaf and Hard of Hearing (DHH) Missourians are 10% of the entire population.

Based on 2015 Census data, 14.8% of Missourians are at or below federal poverty level.

Assuming the number of DHH Missourians living at or below the federal poverty level is proportional to the rest of the population, Missouri has around 88,800 DHH people living in poverty.

A portion of these individuals will have a hearing loss that is not mitigated by hearing aids and/or choose not to use them. It should also be noted that individuals with disabilities, in general, are more likely to be in poverty than the overall population.

The average cost of a single hearing aid is \$2,000. (88,800 DHH people living in poverty x \$2,000 = \$177,600,000). DESE estimates a one-time fund of \$5 million that will revolve until all of the funds are used. The number of individuals who will choose to participate in this program cannot be determined. This one-time appropriation would allow approximately 2,500 individuals to be served over a three-year period, the end of which will require additional funds (if the number of applicants justifies the need)."

**Oversight** assumes the hearing aids financial assistance will be paid out of the Deaf Relay Service and Equipment Distribution Program Fund (0559). Money collected by local exchange telephone companies are transferred into this fund. The table below shows the amount of receipts into this fund and ending balances over the past 3 years.

	Receipts into the fund	Disbursements/ Transfers Out	Ending Balance
FY 2015	\$ 1,661,627	\$ (2,075,272)	\$ 5,560,392
FY 2016	\$ 1,402,807	\$ (2,010,515)	\$ 4,952,684
FY 2017	\$ 1,248,734	\$ (1,902,860)	\$ 4,298,558

ASSUMPTION (continued)

Since the level of financial assistance as well as the number of individuals who might apply for hearing aids are unknown, **Oversight** will reflect a negative unknown cost to the Deaf Relay Service and Equipment Distribution Program Fund.

Officials from the **Department of Economic Development - Public Service Commission, Office of Public Counsel and Division of Energy**, the **Missouri Senate**, the **Missouri House of Representatives**, the **Department of Mental Health**, the **Department of Health and Senior Services**, the **Department of Insurance, Financial Institutions and Professional Registration** and the **Department of Social Services** each assume the proposal will have no fiscal impact on their respective organizations.

<u>FISCAL IMPACT - State Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
---	---------------------	---------	---------

**DEAF RELAY SERVICE AND  
EQUIPMENT DISTRIBUTION  
PROGRAM FUND**

<u>Cost - Statewide hearing aid distribution program</u>	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
--	------------------	------------------	------------------

<b>ESTIMATED NET EFFECT ON THE DEAF RELAY SERVICE AND EQUIPMENT DISTRIBUTION PROGRAM FUND</b>	<b><u>(Unknown)</u></b>	<b><u>(Unknown)</u></b>	<b><u>(Unknown)</u></b>
---	-------------------------	-------------------------	-------------------------

<u>FISCAL IMPACT - Local Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
---	---------------------	---------	---------

<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
-------------------	-------------------	-------------------

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

### FISCAL DESCRIPTION

This proposal requires the Missouri Commission for the Deaf and Hard of Hearing to establish a hearing aid distribution program to provide financial assistance to allow those who are deaf or hard of hearing and whose income is at or below the federal poverty level to obtain hearing aids.

The commission may promulgate rules necessary to implement the program and may enter into contracts as necessary to carry out the program.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

### SOURCES OF INFORMATION

Department of Economic Development  
Department of Elementary and Secondary Education  
Department of Social Services  
Missouri House of Representatives  
Missouri Senate  
Department of Insurance, Financial Institutions and Professional Registration  
Department of Mental Health  
Department of Health and Senior Services

Ross Strobe



Acting Director  
January 19, 2018