

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4148-03
Bill No.: Perfected HCS for HB 1868
Subject: Disabilities; Public Service Commission
Type: Original
Date: March 6, 2018

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

FISCAL SUMMARY

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

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

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 6 pages.

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

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

☐ 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
Local Government	\$0	\$0	\$0

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)."

The proposal is subject to appropriation, but is silent as to the fund from which the hearing aids will be purchased. **Oversight** will assume the hearing aid financial assistance will be paid out of the Deaf Relay Service and Equipment Distribution Program Fund (0559) which is established in §209.258. 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 fiscal 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 **Office of the Secretary of State (SOS)** assume many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the Secretary of State's Office for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, we also recognize that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what our office can sustain with our core budget. Therefore, we reserve the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

Officials from the **Joint Committee on Administrative Rules** state this legislation is not anticipated to cause a fiscal impact beyond its current appropriation.

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</u> - Statewide hearing aid distribution program	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON THE DEAF RELAY SERVICE AND EQUIPMENT DISTRIBUTION PROGRAM FUND	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

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.

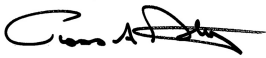
The commission may promulgate rules necessary to implement the program and may enter into contracts as necessary to carry out the program.

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
Office of the Secretary of State
Joint Committee on Administrative Rules

Ross Strobe

A handwritten signature in black ink, appearing to read "Ross Strobe", with a stylized flourish at the end.

Acting Director
March 6, 2018