

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4148-04  
Bill No.: SCS for HCS for HB 1868  
Subject: Boards, Commissions, Committees and Councils; Disabilities; Elderly; Health Care  
Type: Original  
Date: May 8, 2018

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Bill Summary: This proposal establishes a statewide hearing aid distribution program.

**FISCAL SUMMARY**

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

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Statewide Hearing Aid Distribution Fund*	\$0	\$0	\$0
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

\*Income, Transfer-In and Cost will net to zero.

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
<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** will assume the hearing aid financial assistance will be paid out of the Statewide Hearing Aid Distribution Fund. Since the level of financial assistance as well as the number of individuals who might apply for hearing aids are unknown, **Oversight** will assume a potential transfer-in from the General Revenue Fund and gifts, bequest and contributions will cover the cost of the program. Therefore, **Oversight** will reflect a net balance of \$0 to the Statewide Hearing Aid Distribution 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.

ASSUMPTION (continued)

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 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.

In response to a previous version, officials from the **Missouri House of Representatives** assume the proposal will have no fiscal impact on their organization.

<u>FISCAL IMPACT - State Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
<b>GENERAL REVENUE FUND</b>			
<u>Transfer-Out - to Statewide Hearing Aid Distribution Fund</u>	<u>\$0 or</u> <u>(Unknown)</u>	<u>\$0 or</u> <u>(Unknown)</u>	<u>\$0 or</u> <u>(Unknown)</u>
Statewide hearing aid distribution program			
<b>ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND</b>	<b><u>\$0 or</u></b> <b><u>(Unknown)</u></b>	<b><u>\$0 or</u></b> <b><u>(Unknown)</u></b>	<b><u>\$0 or</u></b> <b><u>(Unknown)</u></b>

<u>FISCAL IMPACT - State Government</u> (continued)	FY 2019 (10 Mo.)	FY 2020	FY 2021
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**STATEWIDE HEARING AID  
DISTRIBUTION FUND**

<u>Income</u> Gifts, bequest and contributions	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
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<u>Transfer-In</u> - From General Revenue Fund	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
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<u>Cost</u> - Statewide hearing aid distribution program	<u>\$0 or</u> (Unknown)	<u>\$0 or</u> (Unknown)	<u>\$0 or</u> (Unknown)
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<b>ESTIMATED NET EFFECT ON THE STATEWIDE HEARING AID DISTRIBUTION FUND</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
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<u>FISCAL IMPACT - Local Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
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	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
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FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

This bill 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 also creates the Statewide Hearing Aid Distribution Fund.

FISCAL DESCRIPTION (continued)

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



Acting Director  
May 8, 2018