

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1823-01  
Bill No.: HB 903  
Subject: Disabilities; Public Service Commission  
Type: Original  
Date: March 7, 2017

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Bill Summary: This proposal allows funding under the statewide telecommunications equipment distribution program to be used to provide hearing aids for certain low-income individuals.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
<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 2018	FY 2019	FY 2020
Deaf Relay Service and Equipment Distribution Program Fund	(Unknown)	(Unknown)	(Unknown)
<b>Total Estimated Net Effect on <u>Other</u> 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.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>
<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.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>
<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)** assume the proposal would require the program administrator to provide financial assistance to allow individuals whose household income is at or below seventy-five percent of the federal poverty level to obtain hearing aids.

There are an estimated 87,000 people who are both hard of hearing and household income eligible to meet the terms of this proposal. The average cost of a pair of hearing aids is \$2,000. Therefore, the potential cost can be calculated as follows:  $87,000 \times \$2,000 = \$174,000,000$

This cost represents the potential cost if full financial assistance is provided to eligibles. The proposal does not indicate the level of financial assistance; therefore, the cost is unknown.

**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 2014	\$ 2,072,714	\$ (2,159,930)	\$ 5,974,037
FY 2015	\$ 1,661,627	\$ (2,075,272)	\$ 5,560,392
FY 2016	\$ 1,402,807	\$ (2,010,515)	\$ 4,952,684

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.

ASSUMPTION (continued)

Officials from the **Department of Economic Development - Office of Public Counsel and Public Service Commission**, the **Missouri Senate**, 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 2018 (10 Mo.)	FY 2019	FY 2020
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**DEAF RELAY SERVICE AND EQUIPMENT DISTRIBUTION PROGRAM FUND**

<u>Cost - Assistive Technology Council</u> Hearing aids financial assistance	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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<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>
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<u>FISCAL IMPACT - Local Government</u>	FY 2018 (10 Mo.)	FY 2019	FY 2020
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Small Business

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

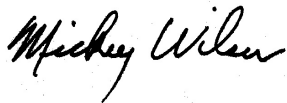
FISCAL DESCRIPTION

This bill allows the program administrator of the statewide telecommunications equipment distribution program to provide financial assistance to allow individuals whose household income is 75% of the federal poverty level, or less, to obtain hearing aids.

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 Senate  
Department of Insurance, Financial Institutions and Professional Registration  
Department of Health and Senior Services



Mickey Wilson, CPA  
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March 7, 2017

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