

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2170-01
Bill No.: SB 477
Subject: Children and Minors; Disabilities; Health Care; Public Assistance; Public Service Commission; Telecommunications
Type: Original
Date: March 14, 2017

Bill Summary: This proposal modifies the Statewide Telecommunications Equipment Distribution Program to provide financial assistance for hearing aids as well as support service providers for deaf-blind children and adults.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Deaf Relay Service and Equipment Distribution Program Fund	(Unknown, greater than \$503,243)	(Unknown greater than \$539,007)	(Unknown greater than \$541,425)
Total Estimated Net Effect on <u>Other</u> State Funds	(Unknown, greater than \$503,243)	(Unknown greater than \$539,007)	(Unknown greater than \$541,425)

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 pages.

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

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Deaf Relay Service And Equipment Distribution Program	3	3	3
Total Estimated Net Effect on FTE	3	3	3

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 2018	FY 2019	FY 2020
Local Government	\$0	\$0	\$0

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 have 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.

In addition, the proposal would require the program administrator to provide financial assistance for the use of communication facilitators and support service providers for deaf-blind children and adults for the purpose of telecommunications services.

Missouri Assistive Technologies (MoAT) would require 2.0 FTE supervisors (\$47,472/annually) and the Commission for the Deaf and Hard of Hearing (CFDHH) would require 1.0 FTE supervisor (\$47,472/annually) to administer the support services requirement. CFDHH will require an estimated \$300,000 to provide supports.

Oversight assumes the hearing aids financial assistance and the 3 required FTE and other fund cost estimated by the DESE 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

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 for the Assistive Technology Council hearing aids financial assistance cost.

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**, the **Missouri House of Representatives**, **Department of Mental Health** 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
DEAF RELAY SERVICE AND EQUIPMENT DISTRIBUTION PROGRAM FUND			
<u>Cost - MoAT & CFDHH</u>			
Personal Service	(\$118,680)	(\$143,840)	(\$145,279)
Fringe Benefits	(\$60,573)	(\$73,112)	(\$73,540)
Equipment and Expense	(\$23,990)	(\$22,055)	(\$22,606)
Other Fund Cost	<u>(\$300,000)</u>	<u>(\$300,000)</u>	<u>(\$300,000)</u>
<u>Total Cost - MoAT & CFDHH</u>	<u>(\$503,243)</u>	<u>(\$539,007)</u>	<u>(\$541,425)</u>
FTE Change - MoAT & CFDHH	3 FTE	3 FTE	3 FTE
<u>Cost - Assistive Technology Council</u>			
Hearing Aids Financial Assistance	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON THE DEAF RELAY SERVICE AND EQUIPMENT DISTRIBUTION PROGRAM FUND			
	<u>(Unknown, greater than \$503,243)</u>	<u>(Unknown, greater than \$539,007)</u>	<u>(Unknown, greater than \$541,425)</u>
Estimated Net FTE Change to the Deaf Relay Service and Equipment Distribution Program Fund	3 FTE	3 FTE	3 FTE

<u>FISCAL IMPACT - Local Government</u>	FY 2018 (10 Mo.)	FY 2019	FY 2020
	<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.

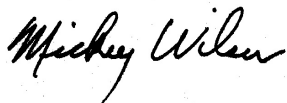
FISCAL DESCRIPTION

Modifies the Statewide Telecommunications Equipment Distribution Program to provide financial assistance for hearing aids as well as support service providers for deaf-blind children and adults.

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



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