

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0192-02
Bill No.: Perfected SCS for SB 101
Subject: Boards, Commissions, Committees and Councils; Disabilities; Elderly; Health Care
Type: Original
Date: March 12, 2019

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

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND				
FUND AFFECTED	FY 2020	FY 2021	FY 2022	Fully Implemented (FY 2023)
General Revenue	\$0 to (\$5,000,000)	\$0	\$0	\$0 to (\$5,000,000)
Total Estimated Net Effect on General Revenue	\$0 to (\$5,000,000)	\$0	\$0	\$0 to (\$5,000,000)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS				
FUND AFFECTED	FY 2020	FY 2021	FY 2022	Fully Implemented (FY 2023)
Statewide Hearing Aid Distribution	Could exceed \$3,333,334	\$0 to (\$1,666,666)	\$0 to (\$1,666,667)	Could exceed \$3,333,334
Total Estimated Net Effect on Other State Funds	Could exceed \$3,333,334	\$0 to (\$1,666,666)	\$0 to (\$1,666,667)	Could exceed \$3,333,334

Numbers within parentheses: () indicate costs or losses. This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS				
FUND AFFECTED	FY 2020	FY 2021	FY 2022	Fully Implemented (FY 2023)
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)				
FUND AFFECTED	FY 2020	FY 2021	FY 2022	Fully Implemented (FY 2023)
Total Estimated Net Effect on FTE	0	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 2020	FY 2021	FY 2022	Fully Implemented (FY 2023)
Local Government	\$0	\$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).

Oversight will assume the hearing aid financial assistance will be paid out of the Statewide Hearing Aid Distribution Fund. **Oversight** will utilize DESE's estimate of \$5 million over a three year period being transferred from General Revenue to the Statewide Hearing Aid Distribution Fund as well as possible gifts, bequest and contributions into the fund. Therefore, **Oversight** will reflect a three-year even spending of the \$5 million (\$1.67 million per year). Since it is subject to appropriation, Oversight will reflect the transfer from \$0 to the \$5 million estimate.

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

Oversight notes that the Department of Insurance, Financial Institutions and Professional Registration, the Department of Economic Development, the Department of Social Services, the Missouri House of Representatives, the Missouri Senate, the Department of Mental Health and the Department of Health and Senior Services has stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note.

<u>FISCAL IMPACT -</u> <u>State Government</u>	FY 2020 (10 Mo.)	FY 2021	FY 2022	Fully Implemented (FY 2023)
GENERAL REVENUE				
<u>Transfer Out - to</u> Statewide Hearing Aid Distribution Fund	\$0 to <u>(\$5,000,000)</u>	<u>\$0</u>	<u>\$0</u>	\$0 to <u>(\$5,000,000)</u>
ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND	\$0 to <u>(\$5,000,000)</u>	<u>\$0</u>	<u>\$0</u>	\$0 to <u>(\$5,000,000)</u>

<u>FISCAL IMPACT -</u>				Fully
<u>State Government</u>	FY 2020			Implemented
(continued)	(10 Mo.)	FY 2021	FY 2022	(FY 2023)

**STATEWIDE
 HEARING AID
 DISTRIBUTION
 FUND**

<u>Transfer In - from</u>	\$0 to			\$0 to
General Revenue	\$5,000,000	\$0	\$0	\$5,000,000

<u>Income - Gifts,</u> bequests and contributions	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
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<u>Costs - Statewide</u> Hearing Aid distribution program	\$0 to <u>(\$1,666,666)</u>	\$0 to <u>(\$1,666,666)</u>	\$0 to <u>(\$1,666,667)</u>	\$0 to <u>(\$1,666,666)</u>
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**ESTIMATED NET
 EFFECT TO THE
 STATEWIDE
 HEARING AID
 DISTRIBUTION
 FUND**

	Could exceed <u>\$3,333,334</u>	\$0 to <u>(\$1,666,666)</u>	\$0 to <u>(\$1,666,667)</u>	Could exceed <u>\$3,333,334</u>
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<u>FISCAL IMPACT -</u>				Fully
<u>Local Government</u>	FY 2020			Implemented
	(10 Mo.)	FY 2021	FY 2022	(FY 2023)

	<u>\$0</u>	<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 act requires the Missouri Commission for the Deaf and Hard of Hearing to establish, subject to appropriations, a statewide hearing aid distribution program to provide financial assistance to certain low-income individuals who are deaf or hard of hearing to obtain hearing aids. All assessment for need and distribution of hearing aids shall be performed by licensed audiologists or hearing instrument specialists or licensed physicians. This act creates a dedicated "Statewide Hearing Aid Distribution Fund", which shall not include any funds from the Assistive Technology Trust Fund or the Deaf Relay Service and Equipment Distribution Program Fund. The Commission may accept gifts, donations, grants, and bequests for 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 Elementary and Secondary Education
Department of Social Services
Missouri House of Representatives
Missouri Senate
Department of Insurance, Financial Institutions and Professional Registration
Department of Economic Development
Department of Mental Health
Department of Health and Senior Services
Joint Committee on Administrative Rules
Office of the Secretary of State

Kyle Rieman
Director
March 12, 2019



Ross Strobe
Assistant Director
March 12, 2019