

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0192-02  
Bill No.: Truly Agreed To and Finally Passed SCS for SB 101  
Subject: Boards, Commissions, Committees and Councils; Disabilities; Elderly; Health Care  
Type: Original  
Date: June 13, 2019

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 2020	FY 2021	FY 2022	Fully Implemented (FY 2023)
General Revenue	\$0 to (\$5,000,000)	\$0	\$0	\$0 to (\$5,000,000)
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0 to (\$5,000,000)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0 to (\$5,000,000)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>				
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
<b>Total Estimated Net Effect on Other State Funds</b>	<b>Could exceed \$3,333,334</b>	<b>\$0 to (\$1,666,666)</b>	<b>\$0 to (\$1,666,667)</b>	<b>Could exceed \$3,333,334</b>

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

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>				
<b>FUND AFFECTED</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>Fully Implemented (FY 2023)</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</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 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>Fully Implemented (FY 2023)</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</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 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>Fully Implemented (FY 2023)</b>
<b>Local Government</b>	<b>\$0</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. **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 require additional resources.

Officials from 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 organization.

Officials from the **Department of Insurance, Financial Institutions and Professional Registration** state that this bill is anticipated to have no fiscal impact to the department. However, should the extent of the work be more than anticipated, the department would request additional appropriation and/or FTE through the budget process.

**Oversight** notes that the above mentioned agencies have 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 for these agencies.

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

<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

<u>Costs - Statewide</u>				
Hearing Aid	\$0 to	\$0 to	\$0 to	\$0 to
distribution program	<u>(\$1,666,666)</u>	<u>(\$1,666,666)</u>	<u>(\$1,666,667)</u>	<u>(\$1,666,666)</u>

<b>ESTIMATED NET          EFFECT TO THE          STATEWIDE          HEARING AID          DISTRIBUTION          FUND</b>	<b>Could exceed  <u>\$3,333,334</u></b>	<b>\$0 to  <u>(\$1,666,666)</u></b>	<b>\$0 to  <u>(\$1,666,667)</u></b>	<b>Could exceed  <u>\$3,333,334</u></b>
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<u>FISCAL IMPACT -</u>				Fully
<u>Local Government</u>	FY 2020			Implemented
	(10 Mo.)	FY 2021	FY 2022	(FY 2023)
	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

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  
June 13, 2019

Ross Strobe  
Assistant Director  
June 13, 2019