

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. NO.: 2918-04
BILL NO.: Perfected SCS for SB 721
SUBJECT: Utilities; Telecommunications
TYPE: Original
DATE: February 25, 2000

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Deaf Relay Service & Equipment Distribution	(\$650,000)	(\$650,000)	(\$650,000)
Total Estimated Net Effect on <u>All</u> State Funds	(\$650,000)	(\$650,000)	(\$650,000)

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
None	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses
 This fiscal note contains 4 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Economic Development - Public Service Commission (PSC)** assume the proposed legislation would result in the need to purchase additional equipment, resulting in total costs of approximately \$2.5 million. The PSC assumes these costs would be spread over three years, for a total of \$737,634 in FY 01 and \$885,172 in both FY 02 and FY 03. These costs are based on the assumption that the proposal would broaden the scope of the clientele served and the potential expenditures by: substituting "telephone" with "telecommunications"; including computer input and output adaptations necessary for telecommunications access; redefining eligible subscriber; and requiring development of procedures to match disabled individuals with adaptive equipment.

The PSC has assumed the scope would be expanded to include the blind and those with other disabilities. Based on an estimated blind population in Missouri of 103,876, the PSC has assumed 105 would utilize the program at a cost of \$21,485 per person. Additionally, the PSC has assumed 72 individuals with other disabilities would take advantage of the program, at a cost of \$1,195 each. Other costs would include consumer support and outreach for a cost of \$306,056 for the three year time period.

To implement the proposal, officials from the **Department of Labor and Industrial Relations (DOL)** assume it would be necessary to hire two additional staff, including one Disability Program Specialist and one Administrative Secretary. In addition, the DOL estimates \$400,000 equipment expenditures in FY 01, \$650,000 in FY 02 and \$675,000 in FY 03. There would also be associated contractual expenses of approximately \$200,000 per year. Total annual costs are estimated at approximately \$1 million per year.

Oversight assumes the program would be placed under the Department of Labor and Industrial Relations and therefore, has reflected costs to the DOL in the fiscal impact specifications below. Additionally, Oversight has adjusted the fiscal impact to annual equipment costs of \$650,000, which reflects the result of a Legislative Research Oversight Subcommittee vote on February 1, 2000.

Officials from the **Department of Economic Development - Office of Public Counsel (OPC)** and the **Department of Natural Resources (DNR)** assume the proposed legislation would have either minimal or no fiscal impact on their agencies.

<u>FISCAL IMPACT - State Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
DEAF RELAY SERVICE AND EQUIPMENT DISTRIBUTION FUND			
<u>Costs - Department of Labor and Industrial Relations - (DOL)</u>			
Equipment	(\$650,000)	(\$650,000)	(\$650,000)
ESTIMATED NET EFFECT TO DEAF RELAY SERVICE AND EQUIPMENT DISTRIBUTION FUND	<u>(\$650,000)</u>	<u>(\$650,000)</u>	<u>(\$650,000)</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
	0	0	0

FISCAL IMPACT - Small Business

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

DESCRIPTION

The proposed legislation would require the Missouri Assistive Technology Council to provide a statewide telecommunications equipment distribution program to basic telecommunications service to those eligible subscribers who are unable to use traditional telecommunications equipment due to disability. The act would add definitions to expand the scope of the program to all telecommunications equipment, including voice and text.

The program administrator would be required to provide consumer support and outreach; provide a full range of adaptive telecommunications equipment to meet the needs of individuals with all types of disabilities; and expend no less than 10% of total expenditures for consumer support and outreach and no more than 20% of total expenditures for program administration in any fiscal year. The Missouri Assistive Technology Advisory Council would be the program administrator for the statewide telecommunications equipment distribution program.

DESCRIPTION (continued)

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The Council would adopt procedures to limit eligibility based on factors deemed appropriate by the program administrator.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

This proposal would not affect Total State Revenues.

SOURCES OF INFORMATION

Department of Economic Development - Public Service Commission
Department of Labor and Industrial Relations
Department of Economic Development - Office of Public Counsel
Department of Natural Resources



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Director
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