

**GOVERNMENT OF THE DISTRICT OF COLUMBIA**  
**Office of the Chief Financial Officer**

Natwar M. Gandhi  
Chief Financial Officer



**MEMORANDUM**

**TO:** The Honorable Linda W. Cropp  
Chairman, Council of the District of Columbia

**FROM:** Natwar M. Gandhi  
Chief Financial Officer

**DATE:** April 30, 2002

**SUBJECT:** Fiscal Impact Statement: "Surrogate Decision-Making for  
Medical Care Act of 2002"

**REFERENCE:** Draft Legislation – Bill Number Not Available

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**Conclusion**

Funds are not budgeted in FY 2002 to implement the proposed legislation. Funds are not sufficient in FY 2002 unless the Department of Human Services is able to reduce expenditures in other areas to offset spending on this program and to convert vacant positions to the three positions identified in the legislation. **The proposed legislation would result in approximately \$73,000 in unbudgeted expenditures in FY 2002 and approximately \$480,000 in additional expenditures for the District in FY 2002 through FY 2005.**

Anti-deficiency laws, 31-USCA § 1341 (2000), prohibit District officers and employees from exceeding agency appropriations in any fiscal year. Should the Department of Human Services determine that funding is available to absorb the additional costs in FY 2002, then the net impact would be zero for that year. For subsequent years, the additional expenditure would need to be included as budgeted expenditures.

**Background**

The proposed legislation would establish an office within the Department of Human Services (DHS) to create a quasi-judicial, surrogate decision-making process for medical care for the mentally retarded, developmentally disabled, and those with impaired decision-making capacity. The office would recruit and train individuals to serve as members of the Surrogate Decision-Making Committee. The bill also would require the

District to provide legal representation to all unrepresented individuals coming before the Committee for a hearing. Individuals would also be entitled to a second medical opinion if there are conflicting professional opinions about the need for or the appropriateness of major medical treatment.

**Financial Plan Impact**

The proposed legislation would result in approximately \$73,000 in unbudgeted expenditures in FY 2002 and over \$480,000 over the FY 2002 through FY 2005 period. The Department of Human Services (DHS) would incur new personal and non-personal services costs in order to implement the proposed legislation.

The proposed legislation would require DHS to hire three additional staff: a staff attorney, a recruiter/trainer, and an administrative assistant. The personal service (PS) costs are detailed in the table below and assume fringe benefits equal to 17.94 percent of base salary and 3 percent increase for inflation in each year beginning in FY 2003. Personal service costs for FY 2002 are based on the salaries that would be paid in the remaining six months of the fiscal year.

<b>Estimated Personal Services (PS) Costs</b>							
	<b>Grade</b>	<b>Salary</b>	<b>FY 2002 (1/2 year)</b>	<b>FY 2003</b>	<b>FY 2004</b>	<b>FY 2005</b>	<b>4-Year Total</b>
<b>Staff Attorney</b>	DS 13	\$59,833	\$29,917	\$61,628	\$63,477	\$65,381	\$220,402
<b>Recruiter/Trainer</b>	DS 11	38,068	19,034	39,210	40,386	41,598	140,228
<b>Administrative Assistant</b>	DS 7	\$22,260	\$11,130	\$22,928	\$23,616	\$24,324	\$81,998
<b>Total</b>			<b>\$60,081</b>	<b>\$123,766</b>	<b>\$127,479</b>	<b>\$131,303</b>	<b>\$442,628</b>

The proposed legislation would also require DHS to incur non-personal service (NPS) costs. These costs include supplies, equipment, and training materials. These costs are detailed in the table below and assume inflationary increases of 3 percent beginning in FY 2003. Non-personal services costs for FY 2002 are based on supplies and operations expenditures that would be paid in the remaining months of the fiscal year. The initial computer and technology costs are not adjusted in FY 2002 because they reflect, in part, one-time start-up and equipment costs.

<b>Estimated Non-Personal Services (NPS) Costs</b>						
	<b>Annual Cost</b>	<b>FY 2002 (1/2 year)</b>	<b>FY 2003</b>	<b>FY 2004</b>	<b>FY 2005</b>	<b>4-Year Total</b>
<b>Equipment</b>	\$0	\$8,500	\$0	\$0	\$0	\$8,500
<b>Training Materials</b>	5,000	2,500	5,150	5,305	5,464	18,418
<b>Office Supplies</b>	2,500	1,250	2,575	2,652	2,732	9,209
<b>Postage</b>	1,000	500	1,030	1,061	1,093	3,684
<b>Equipment Maintenance</b>	\$500	\$0	\$500	\$515	\$530	\$1,545
	<b>Total</b>	<b>\$12,750</b>	<b>\$9,255</b>	<b>\$9,533</b>	<b>\$9,819</b>	<b>\$41,356</b>

The proposed legislation would result in an unbudgeted expenditure of approximately \$73,000 in FY 2002, and a total of over \$480,000 over the FY 2002 through FY 2005 period.

<b>Estimated Impact to the Financial Plan</b>					
	<b>FY 2002 (1/2 year)</b>	<b>FY 2003</b>	<b>FY 2004</b>	<b>FY 2005</b>	<b>4-Year Total</b>
<b>PS</b>	\$60,081	\$123,766	\$127,479	\$131,303	\$442,628
<b>NPS</b>	12,750	9,255	9,533	9,819	41,356
<b>Net Annual Impact</b>	<b>\$72,831</b>	<b>\$133,021</b>	<b>\$137,012</b>	<b>\$141,122</b>	<b>\$483,984</b>