

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: January 23, 2003

SUBJECT: Fiscal Impact Statement: "Surrogate Decision-Making for
Medical Care Act of 2003"

REFERENCE: Draft Legislation – Bill Number Not Available

Conclusion

Funds are not budgeted in FY 2003 to implement the proposed legislation. **The proposed legislation would result in approximately \$73,000 in unbudgeted expenditures in FY 2003 and approximately \$480,000 in additional expenditures for the District in FY 2003 through FY 2006.**

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 2003, 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 2003 and over \$480,000 over the FY 2003 through FY 2006 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 2003 are based on the salaries that would be paid in the remaining six months of the fiscal year.

Estimated Personal Services (PS) Costs							
Item	Grade	Salary	FY 2003 (1/2 year)	FY 2004	FY 2005	FY 2006	4-Year Total
Staff Attorney	DS 13	\$59,833	\$29,917	\$61,628	\$63,477	\$65,381	\$220,402
Recruiter/Trainer	DS 11	38,068	19,034	39,210	40,386	41,598	140,228
Administrative Assistant	DS 7	\$22,260	\$11,130	\$22,928	\$23,616	\$24,324	\$81,998
Total			\$60,081	\$123,766	\$127,479	\$131,303	\$442,628

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 2003 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 2003 because they reflect, in part, one-time start-up and equipment costs.

Estimated Non-Personal Services (NPS) Costs						
Item	Annual Cost	FY 2003 (1/2 year)	FY 2004	FY 2005	FY 2006	4-Year Total
Equipment	\$0	\$8,500	\$0	\$0	\$0	\$8,500
Training Materials	5,000	2,500	5,150	5,305	5,464	18,418
Office Supplies	2,500	1,250	2,575	2,652	2,732	9,209
Postage	1,000	500	1,030	1,061	1,093	3,684
Equipment Maintenance	\$500	\$0	\$500	\$515	\$530	\$1,545
Total		\$12,750	\$9,255	\$9,533	\$9,819	\$41,356

The proposed legislation would result in an unbudgeted expenditure of approximately \$73,000 in FY 2003, and a total of over \$480,000 over the FY 2003 through FY 2006 period.

Estimated Impact to the Financial Plan					
Item	FY 2003 (1/2 year)	FY 2004	FY 2005	FY 2006	4-Year Total
PS	\$60,081	\$123,766	\$127,479	\$131,303	\$442,628
NPS	12,750	9,255	9,533	9,819	41,356
Net Annual Impact	\$72,831	\$133,021	\$137,012	\$141,122	\$483,984