



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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This fiscal impact statement is produced in compliance with the South Carolina Code of Laws and House and Senate rules. The focus of the analysis is on governmental expenditure and revenue impacts and may not provide a comprehensive summary of the legislation.

Bill Number: H. 4290 Introduced on April 6, 2023
Author: Magnuson
Subject: DEI in Higher Education
Requestor: House Education and Public Works
RFA Analyst(s): Tipton
Impact Date: February 26, 2024

Fiscal Impact Summary

This bill establishes restrictions on diversity, equity, and inclusion (DEI) requirements at state institutions of higher learning for current or prospective students, faculty, members, and employees, including the prohibition of mandatory diversity training and diversity statements for admissions or employment. The bill requires institutions of higher learning to provide an annual report to each member of the House of Representatives and the Senate detailing the total number of administrative and nonteaching positions that support or are associated with DEI initiatives at the institution. The bill establishes statutory definitions related to DEI, and states that the section does not prohibit any program or training scripted by licensed attorneys or required for compliance with federal law.

This bill will have no expenditure impact on institutions of higher learning based on responses received from the University of South Carolina (USC), Coastal Carolina University (CCU), Lander University (Lander), and Francis Marion University (FMU). Any expenses related to compliance with this bill can be managed under existing institution budgets. These institutions did not indicate that this bill would reduce expenditures related to diversity, equity, and inclusion initiatives.

This bill will have no expenditure impact on the Commission on Higher Education (CHE) or the Technical College System (Tech System). CHE anticipates no additional requirements of the agency as a result of the bill, and the Tech System anticipates any additional expenses for state technical colleges as a result of compliance with the bill will be managed with existing resources.

This bill may impact federal grant programs administered by the Medical University of South Carolina (MUSC). We have requested additional information from MUSC and will update this impact statement when the information is available.

Explanation of Fiscal Impact

Introduced on April 6, 2023

State Expenditure

This bill establishes restrictions on DEI requirements at state institutions of higher learning for current or prospective students, faculty members, and employees. This bill states “institutions of

higher learning may grant preference to any applicant for admission or employment or promotion on the basis of race, sex, color, ethnicity, or national origin.”¹ Institutions may not make diversity training, as defined by the bill, mandatory for any applicant to the institution or employee or faculty member regarding employment or a promotion. The bill specifies that public institutions of higher learning may not solicit a diversity statement as part of an admissions, hiring, contract renewal, or promotion process. The institution may not grant preferential treatment to an applicant, teacher, employee, or student for opinions expressed or action taken pertaining to another individual or a group of individuals in which the institution's consideration is based on the basis of race, sex, color, ethnicity, gender identity, or sexual orientation.

The bill also establishes the statutory definition of DEI, DEI officer, DEI training, and diversity statement. The bill further requires state institutions of higher learning to provide an annual report to each member of the House of Representatives and the Senate detailing the total number of administrative and nonteaching positions that support or are associated with DEI initiatives at the institution. The bill states that its provisions do not prohibit any program or training scripted by licensed attorneys or required for compliance with federal law.

Institutions of Higher Learning. Based on responses received from USC, CCU, Lander, and FMU, state institutions of higher learning expect to manage any expenses related to compliance with the bill under the institutions’ existing budgets. The institutions that provided a response did not indicate that this bill would reduce expenditures related to diversity, equity, and inclusion initiatives. Therefore, this bill will have no impact on state institutions of higher learning.

Commission on Higher Education. CHE indicates that this bill includes no additional requirements of the agency in its higher education oversight or regulatory capacity. Therefore, this bill will have no expenditure impact on CHE.

Technical College System. The Tech System indicates that requirements of this bill for state technical colleges will be managed with existing resources, and therefore, this bill will have no expenditure impact on the Tech System.

State Revenue

This bill establishes restrictions on DEI requirements at state institutions of higher learning for current or prospective students, faculty, members, and employees, including the prohibition of mandatory diversity training and diversity statements for admissions or employment.

This bill may impact federal grant programs administered by MUSC. We have requested additional information from MUSC and will update this impact statement when the information is available.

¹ Based on the bill summary that says “prohibit,” we anticipate this may be a scrivener’s error, which should say “may not.” However, we do not anticipate this would change the impact as we believe all institutions would comply with federal law.

Local Expenditure

N/A

Local Revenue

N/A



Frank A. Rainwater, Executive Director