



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: S. 0965 Introduced on January 17, 2024
Author: Massey
Subject: Vaccination Discrimination Prevention Act
Requestor: Senate Medical Affairs
RFA Analyst(s): Boggs
Impact Date: February 13, 2024

Fiscal Impact Summary

This bill declares that neither the State nor any political subdivision, including school districts, may require a COVID-19 vaccine mandate for any employee or student and provides procedures to follow if a federal requirement will result in the forfeiture of federal funds for not requiring vaccination. The Department of Public Health (DPH) and the Medical University of South Carolina (MUSC) will partner with the State and local government employers to provide COVID-19 testing in lieu of vaccination to meet a federal requirement when allowed. The bill also extends unemployment benefits to employees who are fired for failure to comply with a vaccine mandate when an employer has no alternatives to terminate the employee or forfeit federal funds. An employer may submit an affidavit to the Department of Employment and Workforce (DEW) stating the employer is subject to a federal vaccine mandate if an employee is terminated for failure to be vaccinated.

DEW states that this bill will have no expenditure impact for the agency. While any mandates that may be in place and the number of affidavits that may be received are unknown, DEW anticipates being able to absorb these costs within existing staff and appropriations.

This bill will have no expenditure impact for the Department of Health and Human Services (DHHS), the Department of Alcohol and Other Drug Abuse Services (DAODAS), and the Department of Disabilities and Special Needs (DDSN). These agencies anticipate being able to manage any additional responsibilities required by this bill within existing appropriations.

Beginning July 1, 2024, DHEC is abolished and DPH and the Department of Environmental Services (DES) are established. This bill states that DPH and MUSC will partner with the State and local government employers to provide COVID-19 testing in lieu of vaccination when allowed to meet a federal requirement. As testing costs are no longer eligible for federal reimbursement following the end of COVID-19's public health emergency declaration, DPH would have to cover testing costs for state and local government employees with state funding. DHEC estimates the average cost per test is \$63.99. This estimate is based on actual contract pricing for polymerase chain reaction (PCR) tests and antigen tests. The total expenditure impact will depend upon the number of employees that are tested and the frequency of the testing. DHEC is unsure how these costs will be covered among DHEC and MUSC. Therefore, the expenditure impact for this bill is undetermined.

The potential impact on MUSC is pending, contingent upon a response from the agency.

The potential local expenditure impact of this bill is undetermined, as it depends upon whether a local government implements a vaccine mandate in violation of the bill. Based on information provided, no county or school district currently has a vaccine mandate in place.

Explanation of Fiscal Impact

Introduced on January 17, 2024

State Expenditure

This bill declares that neither the State nor any political subdivision, including school districts, may require a COVID-19 vaccine mandate for any employee or student. If there is a federal requirement for a COVID-19 vaccine for employees that would lead to the forfeiture of federal funds for noncompliance, then an employer may require testing in lieu of the vaccine if allowed under the federal requirements. DPH and MUSC will partner with the State and local government employers to provide this COVID-19 testing. Additionally, an employee who is fired for failure to get vaccinated may receive unemployment benefits if the employer has no alternative than to terminate the employee or forfeit federal funds.

Also, this bill specifies that employees of any private employer who terminates, suspends, or otherwise reduces compensation to an employee for failure to be vaccinated, are eligible for unemployment benefits. However, this does not include employers who submit an affidavit to DEW stating the employer is subject to a federal vaccine mandate.

Further, this bill specifies all persons are entitled to the full and equal enjoyment of the goods, services, and accommodations of any place of public accommodation regardless of the person's vaccine status. A place of public accommodation includes inns, hotels, restaurants, hospitals, retail shops, and other such entities.

Department of Disabilities and Special Needs. Currently, DDSN does not require employees or guests to be vaccinated. Therefore, DDSN anticipates this bill will have no fiscal impact on the agency.

Department of Alcohol and Other Drug Abuse Services. Currently, DAODAS does not require employees or guests to be vaccinated. Therefore, DAODAS anticipates this bill will have no fiscal impact on the agency.

Department of Employment and Workforce. This bill states that an employer may submit an affidavit to DEW stating the employer is subject to a federal vaccine mandate. The cost to implement this bill is unknown since any mandates that may be in place and the number of affidavits that may be received are unknown. However, DEW anticipates being able to absorb these costs within existing staff and appropriations. Therefore, this bill will have no expenditure impact for DEW.

Department of Health and Environmental Control. Beginning July 1, 2024, DHEC is abolished and DPH and DES are established. This bill states that DPH and MUSC will partner with the State and local government employers to provide COVID-19 testing in lieu of vaccination when allowed. As testing costs are no longer eligible for federal reimbursement following the end of COVID-19's public health emergency declaration, DPH would have to cover testing costs for state and local government employees with state funding. DHEC estimates the average cost per test is \$63.99. This estimate is based on actual contract pricing for PCR tests and antigen tests. The total expenditure impact will depend upon the number of employees that are tested and the frequency of the testing. DHEC is unsure how these costs will be covered among DHEC and MUSC. Therefore, the expenditure impact for this bill is undetermined.

Medical University of South Carolina. This bill requires DPH and MUSC to partner with state and local government employers to provide COVID-19 testing when the employer is under a federal vaccine mandate with an alternative option for testing. The fiscal impact on MUSC is pending, contingent upon a response.

Department of Health and Human Services. Currently, DHHS does not require its employees to be vaccinated. Therefore, DHHS indicates that this bill will have no fiscal impact on the agency.

State Revenue

N/A

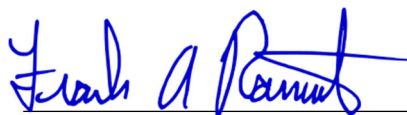
Local Expenditure

This bill declares that neither the State nor any political subdivision, including school districts, may require a COVID-19 vaccine mandate for any employee or student, and provides procedures to follow if a federal requirement will result in the forfeiture of federal funds for not requiring vaccination.

Based on information provided, no county or school district currently has a vaccine mandate in place. Based on previous responses, SCAC has expressed concern that this bill may conflict with the home rule for local governments. However, the potential local expenditure impact of this bill is undetermined, as it depends upon any legal actions taken by either the State or the local governments.

Local Revenue

N/A



Frank A. Rainwater, Executive Director