



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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Bill Number: H. 4440 Introduced on January 9, 2018
Author: G. R. Smith
Subject: Forming Open and Robust University Minds (FORUM) Act
Requestor: House Education and Public Works
RFA Analyst(s): Powell
Impact Date: February 20, 2018

Estimate of Fiscal Impact

	FY 2018-19	FY 2019-20
State Expenditure		
General Fund	See Below	\$0
Other and Federal	Undetermined	\$0
Full-Time Equivalent Position(s)	1.00	0.00
State Revenue		
General Fund	\$0	\$0
Other and Federal	Undetermined	\$0
Local Expenditure	\$0	\$0
Local Revenue	\$0	\$0

Fiscal Impact Summary

This bill designates outdoor areas of college campuses as public forums and lists a series of requirements that must be met by the colleges and universities as a result of this designation. Most institutions indicated that they did not anticipate a net increase in expenditures as a result of this bill, especially as they are allowed to charge reasonable fees.

Aside from costs associated with security and insurance, which are specifically allowed to be recovered via fees, the University of South Carolina estimates this bill will increase its expenditures by \$156,000, which will fund one FTE to manage the program, provide training for students and employees, and provide additional liability insurance. Depending on implementation, this expenditure could be funded from General Funds or Other Funds. A portion of these expenditures may be offset by revenues collected from fees.

Lander University provided a specific estimate of its revenues and expenditures resulting from this bill. Lander estimates that recurring expenditures will increase by \$868 to provide security for expressive events. As the bill allows these costs to be reimbursed by fees, we expect a corresponding Other Funds revenue increase. Other institutions will see similar revenue and expenditure increases, but these will depend on the number of events held. As such, the Other Funds expenditure and revenue impacts from this bill are undetermined.

This bill has no impact on General Fund revenues or Federal Funds expenditures or revenues.

Explanation of Fiscal Impact

Introduced on January 9, 2018

State Expenditure

This bill states that the outdoor areas of campuses of public institutions of higher learning (institutions) in this state are considered traditional public forums. It puts restrictions on an institution's ability to restrict the use of such space and to restrict the privileges of student organizations based on a list of criteria. Institutions could see a non-recurring expenditure increase associated with the development of such policies. However, no institution indicated that the development of such policies would require additional appropriations or authorizations. Several institutions, including Francis Marion University, indicated that their policies already specifically allow for spontaneous and contemporaneously held counter demonstrations as contemplated by the FORUM Act, so any changes needed would be minimal.

Institutions are required to make policies regarding free expression on campus available in their handbooks, on their websites, and in their student orientation programs. Institutions may adopt reasonable policies and procedures for collecting fees if extra security precautions must be undertaken, additional liability insurance must be procured, or both, in preparation for a campus event. Most institutions indicated that there would be no net impact from this requirement, especially as the institutions are specifically allowed to charge reasonable fees. Lander University estimated that, if security were required, the cost would be approximately \$36.25 per hour, depending on the nature of the event. For example, six expressive events of four hours each would result in an increase in expenditures of approximately \$868. The University of South Carolina estimates that one FTE will be needed, resulting in increased expenditures of \$54,000 (including fringe), to track and document activities that fall under the purview of this bill. While the university is allowed to charge for additional insurance, the University of South Carolina believes it would be more timely and cost effective to increase its liability coverage at an estimated cost of approximately \$100,000 annually rather than obtaining separate coverage for each possible event. Whether this would be offset by corresponding revenues from fees is undetermined, as no estimate of the number of events was provided. The University of South Carolina also estimates recurring expenditures of \$2,000 for training and training materials.

The institution must prepare and publish on its website before January 15th each year a report detailing the actions taken to comply with these requirements. The bill specifies how the report is to be produced and published. It also specifies that, if an institution is sued for an alleged violation of First Amendment rights, the institution must within thirty days post a supplementary report with a copy of the complaint. This report must be forwarded to the Commission on Higher Education, which must post the information to its website within ten days. It also provides the timing and method by which a person may bring suit for violations of these provisions. The institutions, with the exception of the University of South Carolina as noted above, indicated that the costs associated with reporting would be minimal and could be managed within existing appropriations. Several institutions indicated the largest potential impact would be from litigation, but that this impact could not be quantified. Lander University estimated that such litigation would cost \$80 per hour.

Commission on Higher Education. The Commission on Higher Education reports that the cost for posting the reports on its website would be minimal and can be absorbed within its existing appropriations. The Commission on Higher Education surveyed the colleges and universities to provide the estimates used above. Estimates were not provided by Clemson University, The Citadel, Coastal Carolina University, or the College of Charleston.

State Board for Technical and Comprehensive Education. Any additional expenditures by the technical colleges resulting from this bill would be minimal and could be managed within existing appropriations.

State Revenue

Lander University estimates that it will incur costs of \$868 annually to provide security for expressive events. As the bill allows these costs to be reimbursed by student fees, we expect increased Other Funds revenues of \$868. We expect other institutions will see similar revenue increases, but these will depend on the number of events held. As such, the Other Funds expenditure and revenue impacts from this bill are undetermined.

Local Expenditure

N/A

Local Revenue

N/A



Frank A. Rainwater, Executive Director