



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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Bill Number:	H. 3099	Introduced on January 8, 2019
Author:	G. R. Smith	
Subject:	Forming Open and Robust University Minds (FORUM) Act	
Requestor:	House Education and Public Works	
RFA Analyst(s):	A. Martin and Gardner	
Impact Date:	March 25, 2019	

Fiscal Impact Summary

This bill will increase General Fund expenditures by \$68,500 beginning in FY 2019-20 for documentation, reporting, and training requirements for public institutions of higher learning.

This bill will increase General Fund expenditures by at least \$100,000 beginning in FY 2019-20 for additional liability insurance for public institutions of higher learning. This bill will increase General Fund expenditures by an undetermined amount for additional litigation fees incurred by public institutions of higher learning.

This bill will have no expenditure impact to the Judicial Department because any increase in caseloads will be managed within existing appropriations.

This bill may increase Other Funds expenditures by an undetermined amount beginning in FY 2019-20 for additional security measures at public institutions of higher learning. In addition, this bill may increase Other Funds revenue of institutions of higher learning for reimbursement of additional security for events resulting from this bill.

Explanation of Fiscal Impact

Introduced on January 8, 2019

State Expenditure

This bill creates the Forming Open and Robust University Minds (FORUM) Act. This bill establishes that outdoor areas of public institutions of higher learning are public forums for the campus community and provides guidelines for the uses and restrictions of such areas. Institutions are required to make policies regarding free expression on campus available in their handbooks, on their websites, and in their student orientation programs. In addition, institutions will be required to ensure that personnel understand the policies, regulations, and duties of the institution regarding free expression on campus. Institutions must also prepare and publish annually on their websites a report detailing the actions taken to comply with these requirements. Information concerning suits for an alleged violation of First Amendment rights must also be posted in a timely manner by the institution and the Commission on Higher Education (CHE).

The public institutions of higher learning were surveyed by CHE for the impact of similar bills. Most institutions indicated that the costs associated with these requirements would be minimal and could be managed within existing appropriations. The University of South Carolina (USC) estimated that 1 additional FTE will be needed for the purposes of tracking and documenting

events as well as extensive training and education of the campus community. This will result in increased expenditures of \$54,000 for salary and fringe for 1 additional FTE. In addition, the university will need \$2,000 annually for training materials and room reservation fees. USC Upstate anticipated additional annual expenditures of \$10,000 for staff time for reporting, and \$2,500 for training. Therefore, this portion of the bill will increase expenditures by \$68,500, beginning in FY 2019-20 for USC.

Institutions would not be immune from suit or liability for violations of this act. Furthermore, this bill establishes a minimum award of \$5,000 for a violation of this chapter. Institutions may experience increased expenditures due to added liability insurance and litigation fees. USC anticipated it would need to increase its liability coverage at an estimated cost of approximately \$100,000 annually beginning in FY 2019-20. Lander estimated their cost of litigation to be \$125 per hour. Colleges and universities are unable to estimate the number of lawsuits that may arise as a result of this bill. Therefore, the total increase in expenditures is unknown.

Several institutions indicated that security was a concern when surveyed concerning similar bills. While certain institutions indicated there would be an increase in expenditures due to additional security, the number of events to be held is unknown. In addition, the level and cost of security needed varies based on the type of event and the location. The Citadel noted it incurred an additional \$35,000 in security costs for an event it hosted in November 2017. Lander estimates the added security cost per event would average \$150. Because the number and type of events to be held are unknown, the increase in expenditures as a result of this bill is undetermined.

Commission on Higher Education. CHE reports that the cost for posting the reports on its website would be minimal and can be absorbed within its existing appropriations. Therefore, this bill will have no expenditure impact on CHE.

State Board for Technical and Comprehensive Education. SBTCE indicates that any additional expenditures by the technical colleges resulting from this bill would be minimal and could be managed within existing appropriations. Therefore, this bill will have no expenditure impact on SBTCE or the technical colleges.

Judicial Department. This bill creates a new cause of action for persons or student organizations aggrieved by a violation. An individual could chose to bring a suit in magistrates court. However, it is much more likely that an action brought pursuant to this Act would be brought in the Court of Common Pleas and would, therefore, increase the caseload of the court. As this bill creates a new cause of action, there is no data upon which to estimate the number of hearings and trials that may be initiated due to this bill. However, the department anticipates that the increased expenditures incurred from the additional caseload in common pleas will be managed within existing appropriations.

State Revenue

This bill could cause public institutions of higher learning to increase revenues through increased student fees. It is anticipated that institutions would offset any additional costs that result from this bill by increasing student fees in future years. However, any increases would depend on the number of events held and costs incurred to hold the events. Therefore, the increase in Other Funds revenue as a result of this bill is undetermined.

Local Expenditure

N/A

Local Revenue

N/A



Frank A. Rainwater, Executive Director