



**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.*

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**Bill Number:** H. 4289 Amended by House Education and Public Works Higher Education Subcommittee on March 7, 2024  
**Author:** McGinnis  
**Subject:** Public Institutions of Higher Learning  
**Requestor:** House Education and Public Works  
**RFA Analyst(s):** Tipton  
**Impact Date:** March 19, 2024

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### **Fiscal Impact Summary**

This bill as amended specifies that a public institution of higher learning may not promote differential treatment or expend any funds appropriated or authorized to promise any benefit to an applicant for admission or the hiring or promotion of a faculty member upon the applicant or faculty member's commitment or declaration of personal support or disagreement with a political ideology or movement, including a statement regarding diversity, equity, and inclusion. The amended bill prohibits institutions of higher learning from mandating diversity training and requires that each institution report to the Commission on Higher Education (CHE) annually on the total number of administrative positions and operating costs related to diversity, equity, and inclusion. Nothing in the amended bill prohibits an institution of higher learning from complying with terms of accreditation or an application for a grant, and the bill further requires that each public institution of higher learning submit an electronic copy of the section to each student, employee, and faculty member.

This bill as amended is not expected to have an expenditure impact on institutions of higher learning based on previous responses received from the University of South Carolina (USC), Coastal Carolina University (CCU), Lander University (Lander), and Francis Marion University (FMU). We anticipate any expenses related to the reporting requirements or other compliance with the amended bill can be managed under existing institution budgets. The responding institutions did not indicate that this bill would reduce expenditures related to diversity, equity, and inclusion initiatives. We will update this fiscal impact statement if any additional information to the contrary is received.

This bill as amended is not expected to have an expenditure impact on CHE or the Technical College System (Tech System). We anticipate that the reporting requirements of the bill will be managed with existing resources for CHE, and the Tech System anticipates any additional expenses for state technical colleges as a result of compliance with the bill will also be managed with existing resources. We will update this fiscal impact statement if any additional information to the contrary is received.

## Explanation of Fiscal Impact

### Amended by House Education and Public Works Subcommittee on March 7, 2024 State Expenditure

This bill specifies that a public institution of higher learning may not promote differential treatment or expend any funds to promise any other benefit to an applicant for admission or the hiring or promotion of a faculty member upon the applicant or faculty member's commitment or declaration of personal support or disagreement with a political ideology or movement, including a statement regarding diversity, equity, and inclusion. The amended bill prohibits institutions of higher learning from mandating diversity training and requires that each institution report to CHE annually on the total number of administrative positions and operating costs related to diversity, equity, and inclusion. Nothing in the amended bill prohibits an institution of higher learning from complying with terms of accreditation or an application for a grant.

**Institutions of Higher Learning.** This bill requires institutions of higher learning to annually submit information to CHE regarding the number of administrative positions and description of programs that support or are associated with diversity, equity, and inclusion. The bill further requires that each public institution of higher learning submit an electronic copy of the language in the section to each student, employee, and faculty member. Based on previous responses received from USC, CCU, Lander, and FMU, state institutions of higher learning expect to manage any expenses related to compliance with the bill, including the reporting requirements and dissemination of information, can be managed under the institutions' existing budgets. Therefore, this bill will have no impact on state institutions of higher learning. We will update this fiscal impact statement if any additional information to the contrary is received.

**Commission on Higher Education.** This bill requires CHE to provide an annual report to the Chairmen of the House Education and Public Works Committee, Senate Education Committee, Senate Finance Committee, and House Ways and Means Committee on the information received from the institutions of higher learning regarding positions or programs related to diversity, equity, and inclusion. We anticipate that the reporting requirements of the bill will be managed with existing resources for CHE. Therefore, this bill will have no expenditure impact on CHE. We will update this fiscal impact statement if any additional information to the contrary is received.

**Technical College System.** The Tech System indicated 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

N/A

### Local Expenditure

N/A

## Local Revenue

N/A

## Introduced on April 6, 2023

### State Expenditure

This bill specifies that a public institution of higher learning may not promote differential treatment or promise any other benefit to an applicant for admission or the hiring or promotion of a faculty member upon the applicant or faculty member's commitment or declaration of personal support or disagreement with a political ideology or movement, including a statement regarding diversity, equity, and inclusion. The bill further states that if any such declaration or statement is received, the institution may not promote differential treatment as a result. Nothing in the bill may prohibit an institution of higher learning from complying with federal or state law, including antidiscrimination laws.

**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 states that a public institution of higher learning may not promote differential treatment or promise any other benefit to an applicant for admission or the hiring or promotion of a faculty member upon the applicant or faculty member's commitment or declaration of personal support or disagreement with a political ideology or movement, including a statement regarding diversity, equity, and inclusion.

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.

### Local Expenditure

N/A

### Local Revenue

N/A



Frank A. Rainwater, Executive Director