



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE

STATEMENT OF ESTIMATED FISCAL IMPACT

WWW.RFA.SC.GOV • (803)734-3793

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. 3927	Amended by House Education and Public Works on March 20, 2025
Subject:	Diversity, Equity, and Inclusion	
Requestor:	House Education and Public Works	
RFA Analyst(s):	Vesely	
Impact Date:	March 25, 2025	

Fiscal Impact Summary

This bill specifies that every state agency or quasi-state agency, including institutions of higher education, school districts, charter schools, and all political subdivisions of this state, may not establish or support any office, unit, or division that is established or exists for the promotion of diversity, equity, and inclusion (DEI) as defined in the bill, with exemptions for requirements imposed by state and federal law. Each department, office, and subdivision is obligated to ensure all rules, policies, employment practices, use of state funds, and all other official actions treat people equally. Entities may not discriminate and must adhere to the Equal Protection Clauses of the Constitution of South Carolina and Constitution of the United States. The bill provides additional specifics with regard to students and faculty members of intuitions of higher learning.

The Attorney General (AG) is directed to enforce these provisions and may bring an action in any court. Further, all entities must report to the Department of Administration (Admin) by August first of each year the number and nature of complaints made regarding a violation of this bill's provisions during the prior fiscal year. Admin will provide a summary report to the Speaker of the House of Representatives and the President of the Senate by October first of each year.

Revenue and Fiscal Affairs (RFA) requested input from all state agencies, counties, school districts, and the Municipal Association of South Carolina (MASC) on behalf of municipalities regarding the potential fiscal impact of the bill as introduced on their personnel policies. Of the 64 responding entities, no agency indicated that the bill would have an impact on their internal operations as they do not any have personnel practices that would need to be changed. Therefore, the bill as amended is not expected to impact any agency's internal operations.

Admin anticipates the need to hire 2.0 FTEs, a program coordinator and a program manager, to provide a summarized report of the provided information from all other entities to the Speaker of the House of Representatives and the President of the Senate by October first of each year. Admin anticipates an increase in non-recurring expenses of approximately \$4,000 and recurring expenses totaling \$235,000 in FY 2025-26. Non-recurring expenses include initial operating expenses, and recurring expenses include operating expenses of \$11,000, and salary and fringe for the 2.0 FTEs totaling \$224,000. Admin indicates that the agency will request a General Fund appropriation increase to cover these expenses.

RFA has contacted the AG's Office regarding the impact of the requirements in the amended bill. The fiscal impact of this bill on the AG is pending, contingent upon further analysis by the agency.

Explanation of Fiscal Impact

Amended by House Education and Public Works on March 20, 2025

State Expenditure

This bill specifies that every state agency or quasi-state agency, including institutions of higher education, school districts, charter schools, and all political subdivisions of this state, may not establish or support any office, unit, or division that is established or exists for the promotion of DEI as defined in the bill, with exemptions for requirements imposed by state and federal law. Each department, office, and subdivision is obligated to ensure all rules, policies, employment practices, use of state funds, and all other official actions treat people equally. Entities may not discriminate and must adhere to the Equal Protection Clauses of the Constitution of South Carolina and Constitution of the United States. The bill provides additional specifics with regard to students and faculty members of intuitions of higher learning.

The AG must enforce these provisions and may bring an action for injunctive or declaratory relief in any court of competent jurisdiction to do so. All entities that qualify under this bill must report to Admin by August first of each year the number and nature of complaints made regarding a violation of this bill's provisions during the prior fiscal year. Admin must provide a summary report to the Speaker of the House of Representatives and the President of the Senate by October first of each year.

RFA requested input from all state agencies, counties, school districts, and MASC on behalf of municipalities regarding the potential fiscal impact of the bill as introduced on their personnel policies. Of the 64 responding entities, no agency indicated that the bill would have an impact on their internal operations as they do not any have personnel practices that would need to be changed. Therefore, the bill as amended is not expected to impact any agency's internal operations.

Additionally, Admin expects more than 500 entities may be required to report information to the agency annually by August first. Admin anticipates the need to hire 2.0 FTEs, a program coordinator and a program manager, to provide a summarized report to the Speaker of the House of Representatives and the President of the Senate by October first of each year. Admin estimates a salary and fringe for the program manager will total approximately \$122,000 and salary and fringe for the program coordinator will total approximately \$102,000. The agency also anticipates recurring operating expenses to increase by approximately \$11,000 and non-recurring operating expenses by \$4,000. Therefore, Admin anticipates an increase in non-recurring expenses of approximately \$4,000 and recurring expenses of approximately \$235,000 in FY 2025-26. Admin indicates that the agency will request a General Fund appropriation increase to cover these expenses.

The fiscal impact of this bill on the AG is pending, contingent upon further analysis by the agency.

State Revenue

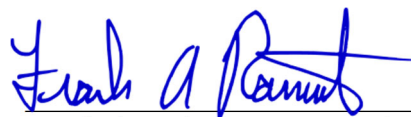
N/A

Local Expenditure

N/A

Local Revenue

N/A



Frank A. Rainwater, Executive Director