



# 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. 4738 Introduced on January 13, 2026  
**Subject:** Commission on Higher Education  
**Requestor:** House Education and Public Works  
**RFA Analyst(s):** Tipton  
**Impact Date:** January 23, 2026

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### Fiscal Impact Summary

This bill modifies or repeals numerous sections in Title 59 and others related to the Commission on Higher Education (CHE) and other education related entities.

This bill will have no impact on CHE, the South Carolina Department of Education (SCDE), or the Department of Administration (Admin), as these agencies report that implementing the changes in the bill will be managed under normal operations. The bill will also have no impact on scholarship funding, as it maintains the requirement that all LIFE, Palmetto Fellows, and HOPE Scholarships will be maintained in the event that Lottery revenue falls below the appropriated amount. The bill is also not expected to have an impact on state institutions of higher learning, based on responses from the University of South Carolina (USC), the Medical University of South Carolina (MUSC), Coastal Carolina University (CCU), the College of Charleston (CofC) as well as the Technical College System (Tech System).

### Explanation of Fiscal Impact

#### Introduced on January 13, 2026

##### State Expenditure

This bill modifies or repeals numerous sections in Title 59 and others related to CHE and other education related entities. The bill requires SCDE to be the primary agency responsible for the creation of the South Carolina Educator Preparation Report card, with the assistance of CHE. The bill also states that annual net Lottery proceeds and investment earnings must be used and carried forward to ensure that all LIFE, Palmetto Fellows, and HOPE Scholarships are fully funded annually. Additionally, the bill specifies that if lottery revenue received is less than the amounts appropriated, other projects and programs will be reduced on a pro rata basis and that this reduction may not be applied to the funding of the scholarships. The bill removes CHE from the review and approval process for the performance appraisal procedure for teaching and research faculty, professional librarians, academic administrators, and all other faculty at a post-secondary institution, leaving Admin as the sole entity responsible for reviewing and approving these procedures.

The bill further repeals a number of sections related to the Governor's Teaching Scholarship Loan Program, the implementation of a metric system, a state occupational training advisory committee, allocation of cutting edge research funds, distribution of catalog sales tax revenue for

one fiscal year, a private college presidents advisory council, chiropractic college accreditation requirements, oversight of manufacturing extension partnership, a competitive undergraduate education grants program, endowed professorship funding, a research investment fund, criteria for research fund use, research reporting and review requirements, allocation of research funds, a model campus sexual assault policy, a National Guard college loan program, authority to rename an institution, formula funding for a laboratory school, and Lottery-funded teaching scholarship grants.

This bill is not expected to have an impact on CHE, SCDE, or Admin, as these agencies report that implementing the changes in the bill will be managed under normal operations. The bill will also have no impact on scholarship funding, as it maintains the requirement that all LIFE, Palmetto Fellows, and HOPE Scholarships will not be reduced in the event that Lottery revenue falls below the appropriated amount. The bill is also not expected to have an impact on state institutions of higher learning based on responses from USC, MUSC, CCU, CofC, and the Tech System.

**State Revenue**

N/A

**Local Expenditure**

N/A

**Local Revenue**

N/A



Frank A. Rainwater, Executive Director