



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
 (803)734-0640 • RFA.SC.GOV/IMPACTS

Bill Number: H. 3453
 Author: Forrester
 Requestor: House Education and Public Works
 Date: April 6, 2015
 Subject: Higher Education
 RFA Analyst(s): Fulmer and Kincaid

Estimate of Fiscal Impact

	FY 2015-16	FY 2016-17
State Expenditure		
General Fund	\$22,400,000*	N/A
Other and Federal	See below	N/A
Full-Time Equivalent Position(s)	0.00	0.00
State Revenue		
General Fund	N/A	N/A
Other and Federal	N/A	N/A
Local Expenditure	N/A	N/A
Local Revenue	N/A	N/A

*: This estimated impact does not include any expenditures on awards for students or student organizations that may prevail in an appeal. See the state expenditure discussion below.

Fiscal Impact Summary

This bill would increase expenditures by \$22,400,000 in FY 2015-16. The impact on the public institutions of higher learning will include General Fund and Other Fund expenditures, but a precise breakout of the impact on each fund is undeterminable.

Explanation of Fiscal Impact

State Expenditure

This bill adds Section 59-101-295 to provide that a student enrolled at a public institution of higher learning and a student organization may be represented by an attorney or a non-attorney advocate at certain disciplinary hearings before the institution. Currently, public institutions are not required to allow participation of attorneys in student conduct hearings. The bill requires that if a student or student organization obtains representation, the student or the student organization shall bear the cost of the attorney or non-attorney advocate. In addition, the bill provides that under certain conditions a student or student organization may appeal the decision of the institution to the court of common pleas.

Commission of Higher Education. The commission surveyed all public universities. The institutions responses indicated that they would also need to engage legal counsel to represent the institution. The institutions estimate an annual cost of approximately \$22,400,000 based on the number of cases last year and additional attorney fees. For information, Clemson and the

University of South Carolina estimate this affects 4,800 cases. If a student or student organization prevails in its appeal to the court of common pleas, the institutions may incur costs that the court may consider appropriate. While we do not estimate an expenditure impact from appeals the higher education institutions may lose, it is estimated that for every 100 cases appealed and won by students or student organizations statewide each year, there would be an annual expenditure impact of approximately \$2,300,000 to cover such costs as attorney fees, court costs, expert witness fees, cost of tuition and fees paid by the student, and the loss of any scholarship funding. In total, this bill would increase expenditures by \$22,400,000 in FY 2015-16, plus any awards from appeals. The impact on the public institutions of higher learning will include General Fund and Other Fund expenditures, but a precise breakout of the impact on each fund is undeterminable.

State Revenue

N/A

Local Expenditure

N/A

Local Revenue

N/A



Frank A. Rainwater, Executive Director