



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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Bill Number: H. 3865 Signed by Governor on May 17, 2018
Author: Bernstein
Subject: SC Pregnancy Accommodations Act
Requestor: House of Representatives
RFA Analyst(s): Heineman and Mitchell
Impact Date: June 1, 2018

Estimate of Fiscal Impact

	FY 2018-19	FY 2019-20
State Expenditure		
General Fund	\$140,808	\$0
Other and Federal	\$0	\$0
Full-Time Equivalent Position(s)	1.00	0.00
State Revenue		
General Fund	\$0	\$0
Other and Federal	\$0	\$0
Local Expenditure	\$0	\$0
Local Revenue	\$0	\$0

Fiscal Impact Summary

This bill is expected to increase General Fund expenditures for the Commission on Human Affairs (the Commission) by \$140,808 in FY 2018-19 and \$70,708 each year thereafter. This amount includes recurring expenditures of \$70,708 in FY 2018-19 to hire a Program Coordinator I, cell phone expenses, printing expenses for brochures and training materials, and in-state travel. Non-recurring expenses for the Commission are expected to total \$70,100 in FY 2018-19 to hire the services of an outside consultant and purchase IT equipment.

In addition, based on the seven counties and four municipalities that responded to our information request, the Revenue and Fiscal Affairs Office (RFA) anticipates that this bill may increase expenditures for some local governments for additional supplies and equipment. However, these additional expenses can be managed within existing budgets. Therefore, this bill will not have an expenditure impact on local governments.

Explanation of Fiscal Impact

Signed by Governor on May 17, 2018

State Expenditure

This bill adds lactation to the definition of related medical conditions for women. This bill makes it illegal for employers to fail or refuse to provide reasonable accommodations for medical needs related to pregnancy, childbirth, or related medical conditions for job applicants and current employees, unless the employer can demonstrate that the accommodation would impose an undue hardship on the employer. This bill also defines what employers are not required to provide, unless the employer does or would do so for other employees or classes of employees

that are not medically affected by pregnancy or childbirth that need a reasonable accommodation.

In addition, employers cannot deny employment opportunities to a job applicant based on the need of the employer to make reasonable accommodations for medical needs related to pregnancy or childbirth. It is unlawful for employers to require job applicants or employees to accept accommodations related to pregnancy or childbirth that the applicant or employee does not accept. In addition, it is unlawful for employers to require employees to take leave under any leave of absence policy if reasonable accommodations can be provided regarding pregnancy, childbirth, or related medical conditions. Employers cannot take adverse action against an employee in the terms, conditions, or privileges of employment because the employee requested or used reasonable accommodations for medical needs related to pregnancy or childbirth.

This bill amends previous law by requiring employers to provide written notice of the right to be free from discrimination for medical needs arising from pregnancy, childbirth, or related medical conditions to new employees at the start of their employment and to existing employees within one hundred and twenty days after the effective date of this bill. This notice also must be conspicuously posted at an employer's place of business in an area accessible to employees. The Commission must develop courses of instruction and conduct ongoing public education to inform employers, employees, applicants for employment, and employment agencies of their rights and responsibilities under this bill. The Commission may promulgate regulations to carry out this bill, provided that the regulations do not exceed the definition of reasonable accommodation required for employers under federal or state law.

Commission on Human Affairs. The Commission indicates that recurring General Fund expenditures will increase by \$54,240 for salary and fringe to add one Program Coordinator I FTE position. This program coordinator will provide instruction and ongoing public education efforts to facilitate non-discriminatory practices by employers. In addition, recurring General Fund other operating expenses will increase by \$16,468 for cell phone expenses, printing costs of brochures and training materials, and in-state travel. The total recurring cost to the General Fund would be \$70,708 in FY 2018-19 and each year thereafter. Non-recurring General Fund expenditures will increase by \$70,100 in FY 2018-19 to hire the services of an outside consultant and purchase IT equipment. In total, General Fund expenditures will increase by \$140,808 in FY 2018-19 and \$70,708 each year thereafter.

Department of Administration. The department indicates that the bill will not materially or fiscally impact agency expenditures, as the department is in compliance with federal laws, such as the Americans with Disabilities Act, the Family and Medical Leave Act, and the Pregnancy Discrimination Act. As such, this bill will have no expenditure impact to the General Fund, Other Funds, or Federal Funds.

State Revenue

N/A

Local Expenditure

The Revenue and Fiscal Affairs Office (RFA) contacted forty-six county governments and the Municipal Association of South Carolina (MASC) regarding the expenditure impact of this bill.

Barnwell, Charleston, Clarendon, Florence, Horry, and Saluda counties indicate they are complying with the requirements of this bill, since they all already comply with the Pregnancy Discrimination Act and the Americans with Disabilities Act. Therefore, this bill does not have an expenditure impact on these counties.

Lancaster County indicates there would be potential operational expenses to find private space for mothers to pump breast milk, and they would likely need to purchase small refrigerators for each lactation space. Lancaster County indicates they have 15 separate office locations. It is anticipated that the county would likely need six separate refrigerators to meet the needs of persons affected by this bill. The county has estimated that the cost per refrigerator is approximately \$200 per unit. Therefore, the total cost to Lancaster County would be \$1,200.

The MASC indicated this bill does not have an expenditure impact on municipalities since they already comply with the same federal laws cited above.

In summary, based on the seven counties and four municipalities that responded to our information request, RFA anticipates that this bill may increase expenditures for some local governments for additional supplies and equipment. However, these additional expenses can be managed within existing budgets. Therefore, this bill will not have an expenditure impact on local governments.

Local Revenue

N/A



Frank A. Rainwater, Executive Director