

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION**

**April 12, 2023**

**TO:** Honorable Brandon Creighton, Chair, Senate Committee on Education

**FROM:** Jerry McGinty, Director, Legislative Budget Board

**IN RE: SB17** by Creighton (relating to the powers and duties of the governing boards of public institutions of higher education.), **Committee Report 1st House, Substituted**

<b>No significant fiscal implication to the State is anticipated.</b>
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The bill prohibits an institution of higher education from establishing or maintaining a diversity, equity, and inclusion office or hire or assign an employee of the institution, or contract with a third party, to perform the duties of a diversity equity, and inclusion office. The bill prohibits an institution from compelling, requiring, inducing, or soliciting any person to provide a diversity, equity, and inclusion statement or give preferential consideration to any person based on the provision of a diversity, equity, and inclusion statement. The bill prohibits an institution from requiring any person at the institution to participate in a training on diversity, equity, inclusion, bias, oppression, or gender identity.

The bill requires an institution to adopt policies and procedures for disciplining an employee or contractor of the institution in violation of the provisions of the bill and requires an institution to submit to the legislature and the Texas Higher Education Coordinating Board a report certifying such policies and procedures have been adopted before it may spend appropriated funds.

The bill requires the state auditor to periodically conduct a compliance audit of each institution of higher education to determine if the institution has spent state money in violation of the prohibition. The bill requires the state auditor to adopt an audit schedule that audits each institutions once every four years. A student or employee may bring an action against the institution for injunctive or declaratory relief if required to participate in training in violation of the provisions of this bill.

It is assumed that any costs associated with the bill could be absorbed using existing resources.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 781 Higher Education Coordinating Board

**LBB Staff:** JMc, SD, LLO