

AG Watch: Ohio Targets DEI Policies

By **Albert Lin and Ethan Garvin** (March 11, 2026)

This article is part of a regular column in which each installment features observations on one state's attorney general enforcement news and trends, and the compliance implications.

On June 29, 2023, the U.S. Supreme Court issued its decision in *Students for Fair Admissions Inc. v. President and Fellows of Harvard College* that effectively ended affirmative action at higher education institutions.[1]

One day later, Ohio Attorney General Dave Yost sent a letter to Ohio colleges and universities telling them to end any "disguised race-conscious admissions" or risk legal consequences.[2] Yost later expanded this admonition to cover race-based scholarships, something not expressly prohibited by the *Students for Fair Admissions* decision.[3]

Ohio and its attorney general's opposition to diversity, equity and inclusion programs has continued. S.B. 1, signed into law on March 28, 2025, made sweeping changes to public higher education institutions, ranging from the elimination of DEI offices and departments to the regulation of what can be taught in classrooms.[4]

The anti-DEI efforts were not limited to the public sphere, however. Yost took action against the DEI policies of both Costco Wholesale Corp. and Target Corp. in 2025.[5] Entities in Ohio must carefully navigate this constantly evolving, highly contentious topic to avoid litigation and other consequences while also not forfeiting their core principles.

Public Sector

Public institutions of higher education in Ohio have been the epicenter of the fight over DEI in the state. First, the *Students for Fair Admissions* decision led to reevaluations of admissions criteria that took race into account.[6] Months later, Yost informed universities that the decision also applied to scholarships, which led to universities reviewing scholarships and updating their language.[7] However, the most drastic changes were spurred by the enactment of S.B. 1 in March 2025.[8]

The bill, which took effect on June 27, 2025, does away with any vestiges of DEI in state universities. It eliminates orientation and training on DEI, prohibits the existence of DEI offices or departments, outlaws using DEI in job descriptions, and bans any "new institutional scholarships that use diversity, equity, and inclusion in any manner." [9]

The new law goes far beyond simple anti-DEI legislation, however. It requires public institutions to ensure that "intellectual diversity," defined as "multiple, divergent, and varied perspectives on an extensive range of public policy issues," exists to "the fullest degree." [10] Public universities must also prohibit "political and ideological litmus tests" in all hiring, promotion and admissions decisions, which includes diversity statements.[11]

The most notable — and to universities, their faculties and their students, cryptic[12] —



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provisions relate to "controversial belief[s] or polic[ies]."[13] The phrase "means any belief or policy that is the subject of political controversy, including issues such as climate policies, electoral politics, foreign policy, diversity, equity, and inclusion programs, immigration policy, marriage, or abortion."[14]

Public higher education institutions must "allow and encourage students to reach their own conclusions about all controversial beliefs or policies and shall not seek to indoctrinate any social, political, or religious point of view."[15] They must also not endorse or oppose any controversial belief or policy.[16]

Private Sector

The debate over DEI is not limited to the public sphere, as Yost has directly targeted corporations that promote diversity initiatives.

In January 2025, Yost joined 18 other state attorneys general in writing a letter to Costco, urging it to abandon its DEI policies in the wake of the Students for Fair Admissions decision.[17]

Costco's board of directors had unanimously recommended that shareholders vote against requiring the company to study and report on the risks of its diversity-focused policies.[18] The shareholders listened, with 98% of them voting to keep the policies.[19]

Despite this, the letter referred to DEI policies as "unlawful discriminatory practices" and implied that such policies were harmful to shareholders.[20] The letter ultimately requested that Costco either remove the policies or explain itself to the attorneys general.[21]

In April 2025, Yost filed a motion to lead a class action against Target, alleging that the company prioritized social beliefs over shareholder value.[22] Target suffered a 5% loss in sales after facing backlash over its Pride Month merchandise in 2023.[23] Target's stock price decreased significantly following this reduction in sales.[24]

In resulting litigation, the complaint asserted that Target artificially inflated its stock value by not considering or communicating the probability of backlash over the products.[25] Yost echoed this allegation, stating, "Target knew about significant risks but kept the information hidden from investors, and that puts the company on the hook for these losses." [26]

On July 24, 2025, three actions against Target were consolidated as In re: Target Corp. Securities Class Action Litigation.[27] In November 2025, the case was transferred to the U.S. District Court for the District of Minnesota.[28] Yost's motion to be lead plaintiff in the matter is pending.

Analysis and Compliance Implications

The debate over DEI and Yost's stance on it puts Ohio entities in a difficult position. Public institutions of higher education have implemented major changes to their admissions processes, scholarships and curricula, partially because of a bill requiring drastic changes with limited guidance. This could have significant effects on certain groups in higher education.

Despite being the majority of college students,[29] women are greatly outnumbered in science, technology, engineering and mathematics fields. Only 16% of engineers in the U.S. are women,[30] and only 23% of graduates attaining a bachelor's degree in engineering are women.[31]

The statutory prohibition on DEI offices, coupled with restrictions on scholarships focused on women in STEM fields, may widen this gender gap.

Additionally, the bill's approach to "controversial belief[s] and polic[ies]" can contrast with the definitive nature of some academic disciplines. For example, 97% of climate scientists believe that humans are contributing to climate change.[32]

The bill requires that faculty "allow and encourage students to reach their own conclusions about all controversial beliefs or policies," a phrase that explicitly includes climate policies.[33]

An instructor may be required to give equal credibility to climate change denial, despite the near unanimity among scientists finding that it exists. If the instructor does not do so, they could face student complaints and investigations.[34]

Similarly, companies must think carefully about their approach to social values and their core principles. Target's case is a clear example of how precarious a situation companies are in. Not only did the boycott over selling the products hurt its sales, but its subsequent removal of the merchandise also led to backlash from LGBTQ+ and human rights groups.[35]

This reputational damage is now compounded by a lawsuit endorsed by state attorneys general. Entities in Ohio, whether public or private, must now balance the defense of their principles and goals with the practicalities of avoiding litigation and public outcry.

Conclusion

There is likely no risk-free path in this area for Ohio public universities and companies, but it can be managed. Public universities must comply with Yost's warnings and S.B. 1 while maintaining their academic principles.

Companies must decide on the "right" amount of advocacy in the face of possible litigation, public backlash or, as in the case of Target, both.

Yost's actions in relation to DEI indicate that consistent, frequent review of policies, along with adaptability, will be crucial for Ohio entities to withstand scrutiny.

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[1] Students for Fair Admissions, Inc. v. President and Fellows of Harvard College, 600 U.S. 181, 230–31 (2023).

[2] Sarah Donaldson, "Ohio Reviewing Race-Based Scholarships After Supreme Court

Affirmative Action Ruling," NPR (May 18, 2024), <https://www.npr.org/2024/05/18/1252172578/ohio-affirmative-action-diversity-university-scholarships>.

[3] Sarah Donaldson, "Race-Based Scholarships Under Review at Ohio Public Colleges After Affirmative Action Reversal," Statehouse News Bureau (Feb. 26, 2024), <https://www.statenews.org/government-politics/2024-02-26/race-based-scholarships-under-review-at-ohio-public-colleges-after-affirmative-action-reversal>.

[4] See generally R.C. 3345.0217.

[5] Letter from 19 state AGs to Ron Vachris, president and CEO of Costco Wholesale Corp., (Jan. 26, 2025), <https://www.oag.state.tx.us/sites/default/files/images/press/Multistate%20Letter%20to%20Costco%20Sent.pdf>; "Yost Seeks to Lead Lawsuit Claiming Target Cost Investors Billions," Yost News Release (Apr. 2, 2025), <https://www.ohioattorneygeneral.gov/Media/News-Releases/April-2025/Yost-Seeks-to-Lead-Lawsuit-Claiming-Target-Cost-In>.

[6] See Megan Henry, "Ohio Universities Review Admission Policies After Supreme Court Ends Affirmative Action," Ohio Cap. J. (Jul. 25, 2023), <https://ohiocapitaljournal.com/2023/07/25/ohio-universities-review-admission-policies-after-supreme-court-ends-affirmative-action/>.

[7] See Sarah Szilagyi, "Ohio Universities Review Race-Based Scholarships After Affirmative Action Ruled Unconstitutional," NBC4i (Mar. 6, 2024), <https://www.nbc4i.com/news/politics/ohio-universities-review-race-based-scholarships-after-affirmative-action-ruled-unconstitutional/>.

[8] Sheridan Hendrix, "As SB 1 Impacts Ripple Across Ohio College Campuses, Students, Faculty Say 'The Chill Is Real,'" The Columbus Dispatch (Oct. 26, 2025), <https://www.dispatch.com/story/news/education/campus/2025/10/26/ohio-state-other-ohio-college-grapple-with-senate-bill-1-impacts/86064377007/e-grapple-with-senate-bill-1-impacts/86064377007/>.

[9] R.C. 3345.0217(B)(1)(a).

[10] R.C. 3345.0217(A)(2); R.C. 3345.0217(B)(3).

[11] R.C. 3345.0217(B)(8).

[12] See Hendrix, *supra* note 8.

[13] R.C. 3345.0217(A)(1).

[14] R.C. 3345.0217(A)(1).

[15] R.C. 3345.0217(B)(4).

[16] R.C. 3345.0217(B)(6).

[17] Letter from 19 state AGs, *supra* note 5.

[18] *Id.*

[19] "Costco Shareholders Reject an Anti-DEI Measure, After Walmart and Others End Diversity Programs," CBS News (Jan. 24, 2025), <https://www.cbsnews.com/news/costco-dei-policy-board-statement-shareholder-meeting-vote/>.

[20] Letter from 19 state AGs, *supra* note 5.

[21] *Id.*

[22] "Yost Seeks to Lead Lawsuit Claiming Target Cost Investors Billions," *supra* note 5; see generally Notice of Motion and Memorandum of Law in Support of State Teachers Retirement System of Ohio's Motion for Consolidation of Related Actions, Appointment as Lead Plaintiff, and Approval of Selection of Lead Counsel, City of Riviera Beach Police Pension Fund v. Target Corp., No. 2:25-cv-00085-JLB-KCD (M.D. Fla. Apr. 1, 2025).

[23] Danielle Kaye, "Target Says Backlash Against LGBTQ+ Pride Merchandise Hurt Sales," NPR (Aug. 16, 2023), <https://www.npr.org/2023/08/16/1194176045/target-sales-lgbtq-pride-bud-light>.

[24] Notice of Motion, *supra* note 22, at 4.

[25] "Yost Seeks to Lead Lawsuit Claiming Target Cost Investors Billions," *supra* note 5.

[26] *Id.*

[27] Order at 4, City of Riviera Beach Police Pension Fund v. Target Corp., 2:25-cv-85-JLB-KCD (M.D. Fla. Jul. 24, 2025).

[28] Order at 1, In re Target Corp. Shareholder Class Action Lit., 2:25-cv-00135-KCD-DNF (M.D. Fla. Nov. 14, 2025).

[29] Michael T. Nietzel, "Women Continue To Outpace Men In College Enrollment And Graduation," Forbes (Aug. 7, 2024), <https://www.forbes.com/sites/michaelt Nietzel/2024/08/07/women-continue-to-outpace-men-in-college-enrollment-and-graduation/>.

[30] "Percentage of Women Workers in Science, Technology, Engineering, and Math (STEM)," Dept. of Lab., <https://www.dol.gov/agencies/wb/data/occupations-stem> (last accessed Feb. 6, 2026).

[31] "U.S. Degree Attainment," Soc'y Women Eng'rs, <https://swe.org/research/2025/us-degree-attainment/> (last accessed Feb. 6, 2026).

[32] "Do Scientists Agree on Climate Change?," NASA, <https://science.nasa.gov/climate-change/faq/do-scientists-agree-on-climate-change/> (last accessed Feb. 6, 2026).

[33] R.C. 3345.0217(B)(4); R.C. 3345.0217(A)(1).

[34] R.C. 3345.0215(C).

[35] Kaye, *supra* note 23.