

Legislative Oversight Committee

Staff Study of the South Carolina First Steps to School Readiness *September 1, 2015*



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Key Dates and Actions of the Study Process

House Legislative Oversight Committee's Actions

- January 7 - Approves seven-year study recommendations for the Speaker
- January 13 - Speaker approves seven-year study recommendations, and recommendations are published in the House Journal
- February 5 - Approves the priority of the study of the agency
- February 10 - Provides agency with notification about the start of its oversight study
 - Others notified at various times during the process include: the Speaker of the House, Committee Chairs in the House, Members of the House, Joint Citizens and Legislative Committee on Children, Clerk of the Senate, and Governor

Executive Subcommittee's Actions

- February 24 - Holds introductory meeting with the agency and receives overview of the agency from the agency head
- May 12 - Holds a meeting with the agency to discuss the scope of the study

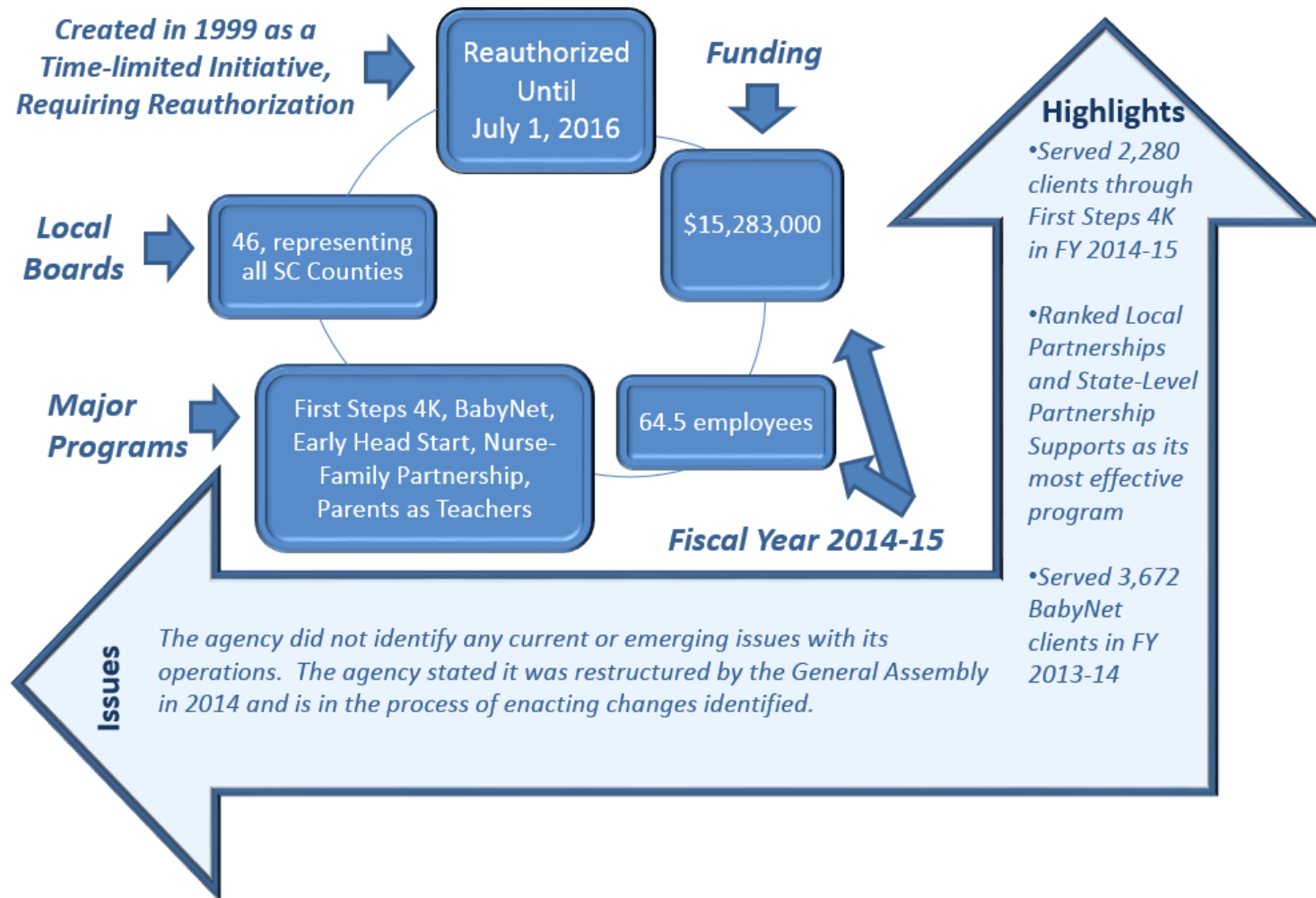
First Steps to School Readiness's Actions

- March 31 - Submits its Restructuring and Seven-Year Plan Report to the Committee; reports having spent 101 hours to complete the process and 123 hours to complete the combined report
- June 19 - Submits its Program Evaluation Report to the Committee

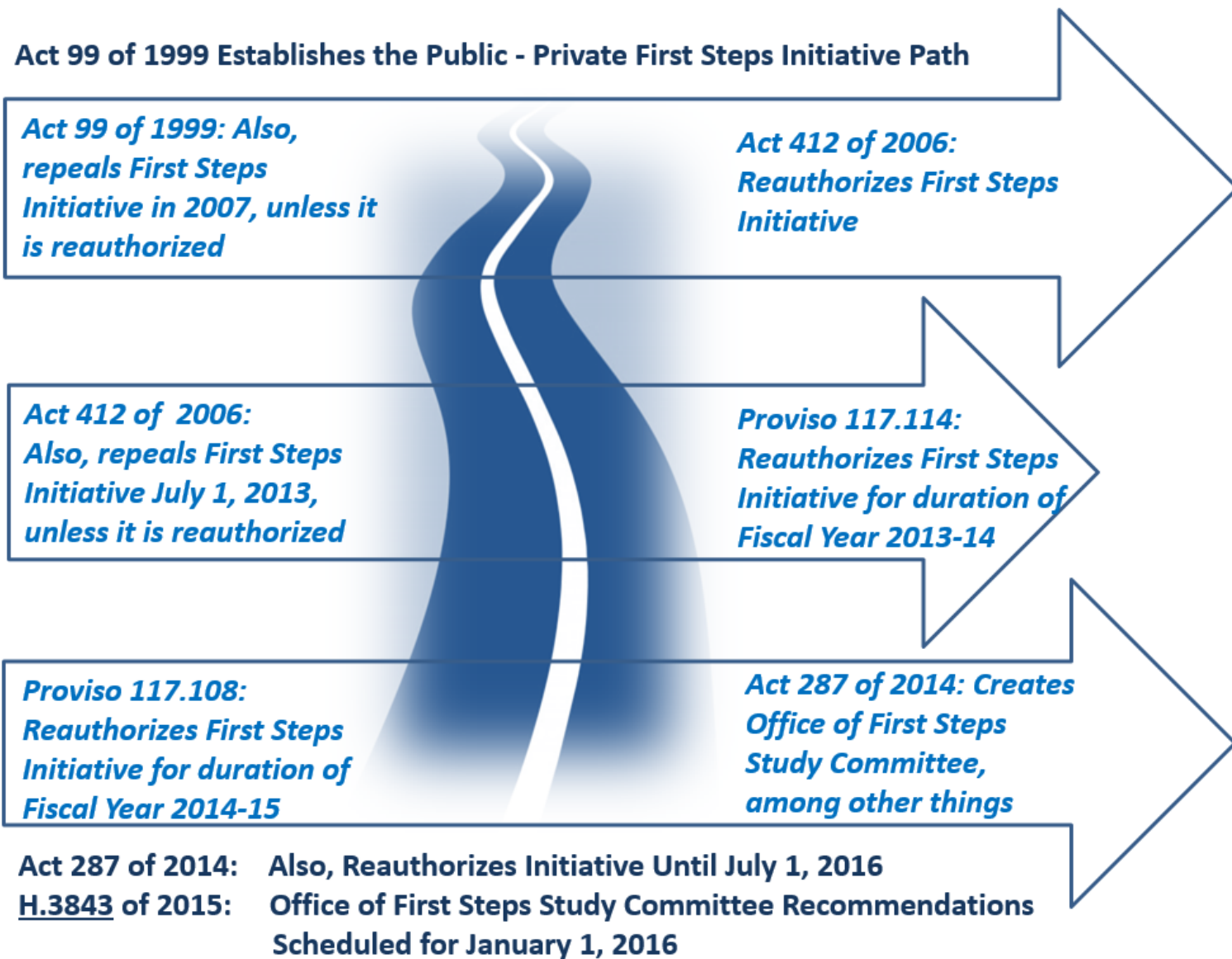
Public's Actions

- May 1 - May 31 - Survey about agency is available online for the public to provide input
- Ongoing - Public may submit written comments on the Oversight Committee's webpage on the General Assembly's website (www.scstatehouse.gov)

S.C. First Steps to School Readiness



Visual Summary Figure 1. Snapshot of the agency's history, programs, highlights, and issues¹



Visual Summary Figure 2. Timeline of reauthorization provisions

First Steps Timeline: Creation to Present

Visual Summary Figure 3. Agency timeline: Creation to Present

1999	2000	2001	2002	2003	2004
Act 99 – Creates First Steps (“FS”) Initiative for improving early childhood development by providing grants to local partnership boards to provide services and support to children and their families to enable children to reach school ready to learn - FS Initiative terminates July 1, 2007, unless it is reauthorized by the General Assembly	Part II, Section 52 (B) – Allows taxpayers to designate a contribution to FS Fund on their individual income tax return (Provisos 64.21 in FY 2004-05 and Proviso 64.19 in FY 2005-06 specify the contribution shall be used exclusively for children’s services from age 0-4)	Proviso 72.80 – Requires \$25,000,000 in Department of Education, FS Carry Forward funds to be carried forward from FY 2000-01 and be credited to the General Fund and expended on education	Proviso 1.84 – Requires FS State Office to negotiate existing contracts for financial management and accounting services through the Materials Management Office with current accounting firms to reduce contract amounts to be in line with county appropriations	January 1, 2003 - FS in depth performance audit required by law due (FS submits timely evaluation performed by Child Trends) October 2003 - Susan DeVenny hired as Director of FS State Office	Proviso 1AA.1 – Includes provisions for funds set-aside for FS to draw down lottery unclaimed prize revenue on a dollar-for-dollar basis when matched by contributions with match monies distributed through a demographic funding formula
June 1999 - Marie-Louise Ramsdale hired as first Director of FS State Office					
2006	2007	2008	2009		
January 1, 2006 - FS in depth performance audit required by law due (FS submits timely evaluation performed by High/Scope) Act 412 – Reauthorizes FS Initiative until July 1, 2013 and provides statements for basis of reauthorization Proviso 1.64 – Specifies Department of Education prohibition on implementing the Early Childhood Environment Rating Program does not apply to FS (Proviso 1.59 in FY 2008-09) Proviso 1.80 – Requires FS Initiative to convene a task force to develop quality standards for certain programs serving children 0-4 and issue a report by January 9, 2007	Proviso 1.75 – Creates SC Child Development Education Pilot Program (CDEPP), four year old kindergarten expansion program, and tasks FS Initiative with overseeing private sector providers (Proviso 1.66 in FY 2007-08; Proviso 1.64 and 1.73 in FY 2008-09; Proviso 1.62 in FY 2009-10, and Proviso 1A.49 from FY 2010-11, and Proviso 1A.45 in FY 2011-12, Proviso 1.83 and 1A.34 in FY 2013-14, Proviso 1.85 and 1A.33 in FY 2014-15, Proviso 1A.66 and 1A.60 in FY 2015-16 all relate to CDEPP) Proviso 73.14 – Appropriates unobligated FY 2005-06 General Fund revenue to FS Initiative	January 9, 2007 – Original scheduled due date for FS Initiative task force’s report on quality standards for certain programs serving children 0-4 required by Proviso 1.8 from 2006 (FS submits timely report, which states in Next Steps section of report that subcommittee of task force will develop “expanded, measurable quality standards”) -Proviso 1.69 in FY 2007-08 includes same requirement but eliminates due date	Rescission Bill – Reduction in funding for FS of \$1,781,214 FS State Board adopts 5 goals as part of strategic planning: 1. Optimize early childhood investments in SC; 2. Strengthen outcomes-based accountability; 3. Enhance collaboration across public and private sectors; 4. Support community-based planning and capacity-building; 5. Expand research-based practices and validate the efficacy of innovative approaches FS partners with General Assembly and Duke Endowment to bring Nurse-Family Partnership Program to SC	January 1, 2009 - FS in depth performance audit required by law due (FS submits in November 2010) Executive Order 2009-12 – Transfers BabyNet, an early childhood special education system, lead agency designation from DHEC to FS Initiative (Proviso 89.122 in FY 2011-12, Proviso 1A.40 in FY 2012-13, Proviso 117.108 in FY 2013-14; Provisos 1A.77 and 117.104 in FY 2014-15, Provisos 1A.68 , 1.92, 1.96 , and 117.99 in FY 2015-16 pertain to BabyNet) December 10, 2009 - FS State Board adopts complete strategic plan, “Vision 2013;” Vision statement is “Connect SC’s high-risk children to coordinated, individualized interventions designed to improve their education and development trajectories”	

Assessment of School Readiness of Young Children: 1979-2001 - Cognitive Skills Assessment Battery (CSAB); 2001-2008 - SC Readiness Assessment (SCRA); 2008-2013 - No statewide assessment; 2014 - Readiness Assessment focused on literary competencies with math, social emotional development and physical development to be added no later than 2016-17 school year. All administered by the State Department of Education.

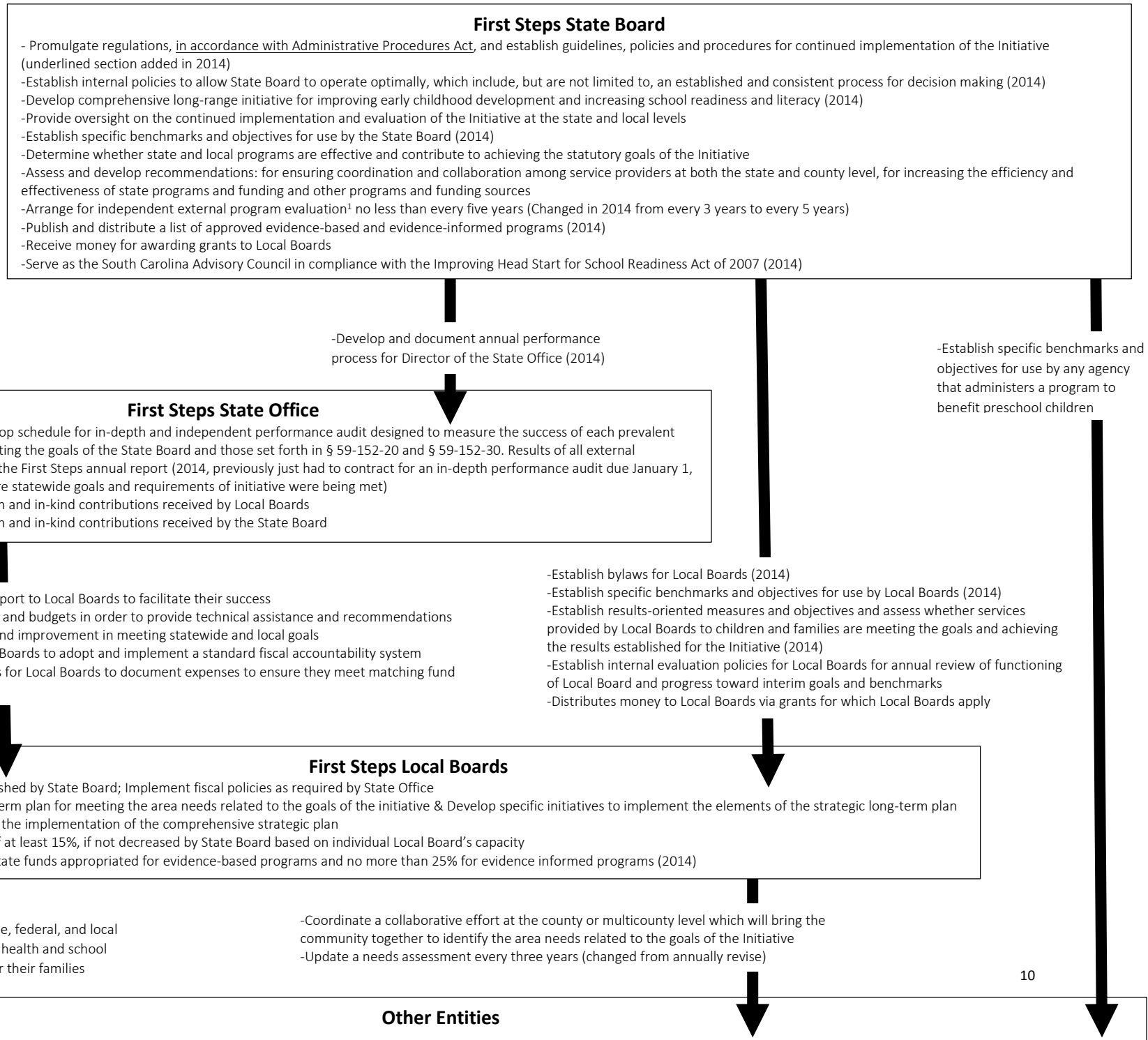
First Steps Timeline: Creation to Present

2010	2011	2012	2013	
Exec. Order 2010-06 – Taps FS State Board as SC’s Early Childhood Advisory Council Proviso 1A.45 – Education Oversight Committee transfers EOC 4 Yr Old Eval. funds to FS May 2010 - 14 Senators request LAC audit FS (approved March 2012) November 2010 - FS submits evaluation required by statute, 23 months late (External panel asserts lateness resulted from delays in receiving data from partner agencies)	Legislative Audit Council (“LAC”) issues a report on BabyNet administered by FS Initiative Note: Proviso 117.99 in FY 2015-16 requires quarterly reports posted online and reports to legislative committees about implementation of LAC’s BabyNet recommendations Proviso 1A.46 – Provides for FS Initiative representative on the SC Reading Achievement Systemic Initiative	January 1, 2012 - FS in depth performance audit required by law every 3 years due (FS does not submit; FS considered it due November 2013 since FS published last one November 2010) March 22, 2012 - LAC Board approves audit of FS requested in 2010 September 1, 2012- Scheduled due date for development of common reporting format for BabyNet per Proviso 89.125 of FY 2012-13 September 15, 2012- Scheduled due date for FS to develop recommendation to implement LAC’s recommendations regarding BabyNet and to publish quarterly the timelines of its progress per Proviso 89.125 in FY 2012-13	June 2013 - LAC issues report on operations of FS. LAC finds need for programming to address school readiness remains; FS has made significant improvements in collecting data but has reported questionable statistics to the public; State Board Members not attending meetings; in FY 11-12 FS, as permitted by law, grants waivers to 21 Local Boards to exceed 8% overhead limit set in statute; FY 12-13 errors in funding calculations led to over and under funding of Local Boards; Alternatives to placement of FS within state government exist. FS disagrees with some of LAC’s findings and asserts it did not report questionable statistics to the public.	Proviso 117.114 – Reauthorizes FS Initiative for the duration of FY 2013-14 Proviso 118.17 Nonrecurring Revenue provided to FS Initiative July 1, 2013 – Repeal date of FS Initiative, unless reauthorized per Act 412 of 2006 November 2013 - Due date, claimed by FS, for 3 year in depth performance audit required by law (FS did not submit; asserts it wanted to avoid duplication since in LAC audit)
2014		2015		2016
Act 287 – Reauthorizes FS Initiative until July 1, 2016, and codifies some suggestions from June 2013 LAC report - Establishes new accountability provisions, new qualification requirements for grants awarded to Local Boards - Provides as a condition of receiving state funds, each Local Board must be subject to performance reviews - Requires FS State Board to report annually to the General Assembly on activities and progress to include recommendations for changes and legislative initiatives and results of program evaluations -Reduced State Board from 37 members (voting and non-voting) to 25 members (all voting)	- Authorizes Local Boards to enter multi-county arrangements - Establishes Office of FS Study Committee Proviso 1.74 – Requires FS State Board to incorporate findings of LAC Report in scope of its next evaluation due November 14, 2014 Proviso 1A.76 – FS Initiative input on prekindergarten assessments (Proviso 1A.77 of FY 2015-16 relates to assessments) Proviso 118.16 - Nonrecurring Revenue provided to FS Initiative September 2014 - Ken Wingate designated new Chair of State Board November 14, 2014 – Scheduled due date for external evaluation incorporating finding of the LAC (FS submits March 2015)	January 1, 2015 – Scheduled due date for FS State Board’s report to General Assembly on results of program evaluations, etc. March 15, 2015 –Scheduled due date for Office of FS Study Committee recommendations per Act 287 of 2014 (extension provided per H.3843) March 16, 2015 - FS submits external evaluation (originally due November 14, 2014) H.3843 – Extends deadline for Office of FS Study Committee to complete review and present recommendations to January 1, 2016 Provisos 1.66 and 1A.31 – Provides that FS is responsible for collection and maintenance of data on state funded programs provided to private providers for full-day four-year old kindergarten	Proviso 1.84 – Includes provisions for FS Initiative four-year old kindergarten technology with reports on its expenditures to legislative committees scheduled no later than January 15, 2016 November 1, 2015 – Scheduled due date for report to various legislative committees about acquiring unique student identifiers for students enrolled in the CDEPP Program per Proviso 1A.66 Scheduled report to legislative committees no later than December 31, 2015, about federal compliance Scheduled quarterly reports to legislative committees about compliance with provisions relating to BabyNet per Proviso 1A.68	January 1, 2016 – Scheduled date for Office of FS Study Committee recommendations per H.3843 July 1, 2016 – Scheduled FS Initiative repeal date, unless reauthorized per Act 287 of 2014

Visual Summary Figure 4.1

Downward Flow of Information & Responsibilities

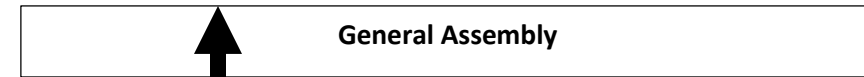
(If there is "2014" or "underlined portion added in 2014" at the end of any responsibility, this means the General Assembly added the responsibility into statute with Act 287 of 2014. Act 287 amended the original statutes which created First Steps.)



Visual Summary Figure 4.2

Upward Flow of Information & Responsibilities

(If there is “2014” or “underlined portion added in 2014” at the end of any responsibility, this means the General Assembly added the responsibility into statute with Act 287 of 2014. *Act 287 amended the original statutes which created First Steps.*)



- Conduct formal review of the membership categories for Local Boards, and submit statement to General Assembly verifying the continued use of the categories or recommend changes (2014)
- Conduct a formal review of the grant qualification requirements and funding process for Local Board grants, and submit statement to General Assembly verifying the continued use of the requirements and process or recommend changes (2014)
- Submit annual report to General Assembly by January first on activities and progress to include recommendations for changes and legislative initiatives and results of program evaluations related to FS
- Submit annual report to Governor and General Assembly to report on its actions as SC Advisory Council in compliance with the Improving Head Start for School Readiness Act of 2007 (2014)



- Consult with State Board of Education and, with their advice and consent, adopt a description of school readiness (2014)



- Evaluate each program funded by the State Board on a regular cycle to determine its effectiveness and whether it should continue to receive funding (2014)
- Submit an annual report to the State Board that includes the statewide needs and resources available to meet the goals and purposes of the Initiative, a list of risk factors the office considers to affect school readiness, identification of areas where client-level data is not available, an explanation of how First Steps programs reach the most at-risk children, the ongoing progress and results of the Initiative statewide and locally, fiscal information on the expenditure of funds, and recommendations and legislative proposals to further implement the Initiative statewide (underlined portions added in 2014)
- Provide the State Board information on best practice, successful strategies, model programs, and financing mechanisms
- Recommend to the State Board the applicants meeting the criteria for Local Boards and the grants to be awarded

- Keep accurate records of Local Board's meetings, board member's attendance, programs, and activities for annual submission to the State Board (underlined portions added in 2014)
- Collect information and submit an annual report by October first to the State Board, and otherwise participate in the annual review and three-year evaluation of operations and programs.



How Agency Spends its Money

The agency's goals, which should be in line with the agency's mission and assist it accomplish its vision, are presented below. The goals are in order from largest to smallest, based on the percentage of total money the agency spent toward accomplishment of each. The data in this table **highlight how the agency is investing the money it receives from taxpayers** (state appropriations, state fees, federal aid, etc.) and other sources (private donations, interest, etc.). Further details about the amounts spent on the individual objectives within each goal as well as the **performance measures, which should show the return the State is receiving on its investment**, are provided on pages 34-39.

Mission: The agency states that its **mission** is to "(1) provide parents with access to the support they might seek and want to strengthen their families and to promote the optimal development of their preschool children; (2) increase comprehensive services so children have reduced risk for major physical, developmental, and learning problems; (3) promote high quality preschool programs that provide a healthy environment that will promote normal growth and development; (4) provide services so all children receive the protection, nutrition, and health care needed to thrive in the early years of life so they arrive at school ready to learn; and (5) mobilize communities to focus efforts on providing enhanced services to support families and their young children so as to enable every child to reach school healthy and ready to learn."³

Vision: The agency states that its **vision** is to "[c]onnect South Carolina's high-risk children to coordinated, individualized interventions designed to improve their educational and developmental trajectories."⁴

Goal	Description	\$ Spent on Goal			
		2013-14		2014-15 (as of 3/30/15)	
		% of total	Amount Spent	% of total	Amount Spent
Goal 3	Promote high-quality preschool programs that provide a healthy environment that will promote normal growth and development ⁵	29.8%	\$11,042,888	37.1%	\$12,364,967
Goal 4	Provide services so all children receive the protection, nutrition, and health care needed to thrive in the early years of life so they arrive at school ready to succeed ⁶	36.2%	\$13,400,385	34.5%	\$11,503,275
Goal 1	Provide parents with access to the support they might seek and want to strengthen their families and to promote the optimal development of their preschool children ⁷	18.8%	\$6,947,436	13.6%	\$4,523,672
Goal 2	Increase comprehensive services so children have reduced risk for major physical, developmental, and learning problems ⁸	9.6%	\$3,562,870	7.7%	\$2,560,262
Goal 5	Mobilize communities to focus efforts on providing enhanced services to support families and their young children so as to enable every child to reach school healthy and ready to succeed ⁹	5.6%	\$2,054,905	7.2%	\$2,414,681

Summary of Recommendations: Opportunities to Continuously Improve

Opportunities to assist the agency in accomplishing its mission of providing “services so all children receive the protection, nutrition, and health care needed to thrive in the early years of life” as effectively and efficiently as possible include:

Agency’s Recommendations*

General

- The agency reported that it does not presently have any operational recommendations due to recent changes in its organization, but that it may have recommendations in the future
- The agency recommends deleting two provisos as well as modifying five others and further the agency has provided the bases for its suggestions in its Program Evaluation Report

Committee Staff’s Recommendations

Spending and How Performance is Measured

- Discuss how the agency currently uses performance measures and regional benchmarks, and how that use could be expanded to demonstrate to the public that it generates substantive results
- Discuss collection and utilization of data, including who performs the analysis, to help focus resources on the most effective programs
- Continue analysis of agency’s strategic spending

Collaboration and Potential Negative Impacts

- Examine actions regarding First Steps collaboration with other agencies and data which shows First Steps is linking high-risk clients to the services of partner agencies
- Discuss the levels at which the agency should notify the General Assembly about potential negative impacts

Laws and Other Studies

- Consider the agency’s recommendations for revisions to provisos
- Receive and review the comprehensive governance study of First Steps being conducted by the First Steps Study Committee scheduled for release January 1, 2016

*Note: The Committee specifically requested recommendations from the agency. The agency’s response to this request can be found in the agency’s Restructuring and Seven-Year Plan Report on page 13.

LEGISLATIVE OVERSIGHT - OVERVIEW

Foundation

The **South Carolina State Constitution** requires the General Assembly to provide for appropriate agencies in the areas of health, welfare, and safety and to determine their activities, powers, and duties.¹⁰ Stated **public policy** provides that this “continuing and ongoing obligation of the General Assembly is best addressed by periodic review of the programs of the agencies and their responsiveness to the needs of the state's citizens”.¹¹ The periodic reviews are accomplished through the legislative oversight process.¹² Specific statutes relating to legislative oversight are included in South Carolina Code of Laws § 2-2-5 *et seq.*

Purpose and Schedule

The stated **purpose of legislative oversight** is to determine if agency laws and programs are being implemented and carried out in accordance with the intent of the South Carolina General Assembly and whether or not they should be continued, curtailed, or even eliminated.¹³ The South Carolina House of Representatives’ Legislative Oversight Committee (“House Oversight Committee” or “Committee”) recognizes that a legislative oversight study informs the public about an agency.¹⁴ To accomplish legislative oversight, the specific task of the Committee is to conduct a study on each agency at least once every seven years.¹⁵ To guide the work of the Committee in completing its task, a **seven-year study schedule** is published in the House Journal the first day of each legislative session.¹⁶

Information Considered

Oversight **studies must consider**: (1) the application, administration, execution, and effectiveness of **laws and programs**; (2) the **organization and operation of agencies**; and (3) any conditions or circumstances that may indicate the **necessity or desirability of enacting new or additional legislation**.¹⁷ **Evidence or information relating to a study may be acquired by any lawful means**, including: serving a request for information on an agency; deposing witnesses; issuing subpoenas that require the production of documents; and, with certain exceptions, requiring the agency to prepare and submit a program evaluation report by a specified date.¹⁸ Testimony given to the investigating committee must be under oath.¹⁹ All witnesses are entitled to counsel, and they shall be given the benefit of any privilege which they may claim in court as a party to a civil action.²⁰ Certain criminal provisions are applicable during the legislative oversight process, including contempt of the General Assembly.²¹ Joint investigations with the South Carolina Senate (“Senate”) or with other committees in the South Carolina House of Representatives (“House”) are authorized.²²

AGENCY STUDY - ACTIONS

House Oversight Committee's Actions

On January 7, 2015, the House Oversight Committee approved a proposed seven-year study schedule for the Speaker of the House.²³ The Speaker approved the recommendations, which were published in the House Journal on January 13, 2015.²⁴ The **Committee approved First Steps for School Readiness ("agency" or "First Steps" or "initiative") as the third agency to be studied** on February 5, 2015.²⁵ While not an agency in the traditional sense, the Committee has determined First Steps for School Readiness is an agency for purposes of legislative oversight.²⁶

The **Committee notified the agency** about the study on February 10, 2015. As the Committee encourages **collaboration in its legislative oversight process**, the Speaker, standing committee chairs in the House, members of the House, Clerk of the Senate, Joint Citizens and Legislative Committee Children, and the Governor were also notified about the agency study. The Honorable Mia S. McLeod serves on both the House Oversight Committee and the Joint Citizens and Legislative Committee on Children.

Subcommittee Studying the Agency

The **Education and Cultural Subcommittee ("Subcommittee")** of the House Oversight Committee is studying the agency. The chair of the Subcommittee is the Honorable James E. Smith, Jr., the primary sponsor of the legislation that established the agency.²⁷ Other members are: the Honorable Gary E. Clary, the Honorable Joseph H. Jefferson, Jr., and the Honorable Tommy M. Stringer.²⁸

Meetings with the Agency

At this point in its study, the **Subcommittee has met with the agency on two occasions**. Executive Director Susan DeVenny ("agency head") and First Step's Board of Trustees Chair Ken Wingate provided the Subcommittee with a brief overview of the agency during an introductory meeting on February 24, 2015.²⁹ On May 12, 2015, the agency head and other agency staff met with the Subcommittee and provided testimony under oath in response to questions from the Subcommittee.³⁰

Information from the Public

From May 1, 2015, until May 31, 2015, the Committee posted an **online survey to solicit comments from the public about First Steps** and other agencies. There were 1,788 responses, with at least one coming from each of the 46 South Carolina counties.³¹ These comments are not considered testimony.³² As noted in the survey, "input and observations from those citizens who [chose] to provide responses are very important . . . because they may help direct the Committee to potential areas for improvement with these agencies."³³ The **public may continue to submit written comments online**.³⁴

Information from the Agency

The **Committee asked the agency to conduct a self-analysis** by completing and submitting a Restructuring Report, Seven-Year Plan for cost savings and increased efficiencies, and Program Evaluation Report. The agency submitted its Restructuring Report and Seven-Year Plan, which were combined into a single report

this year, on March 31, 2015.³⁵ The agency did not provide the number of hours required to complete the process since its “Board’s strategic plan is ongoing”, but it reported that 40 hours were required to complete the combined report.³⁶ The agency submitted its Program Evaluation Report on June 19, 2015, after being granted a thirty day extension by the Committee.³⁷ Both reports are available online.³⁸

Committee Staff’s Actions

Committee staff obtain, review, and provide highlights of relevant information in the staff study.³⁹

Relevant information may include: an agency restructuring report; an agency seven-year plan for cost savings and increased efficiencies; an agency program evaluation report; another submission to a legislative or executive entity, such as an agency accountability report; comments from the public concerning the agency; any information submitted by a legislative standing committee in the House of Representatives; and any information submitted by individual Members of the House.

Committee staff may also make recommendations to the Subcommittee based on the staff study.⁴⁰ **The Subcommittee may follow some, all, or none of the staff’s recommendations and conduct any further study it desires.** The staff study is intended for the internal use and benefit of Members of the House, and it does not reflect the views of the House, House Oversight Committee, or any subcommittees.⁴¹

Next Steps

The staff study **will be shared with the agency.**⁴² The agency has the option to provide a written response within ten business days for inclusion in the study.⁴³ **This staff study, and any agency response, will be shared with the Subcommittee** and legislative standing committees in the House of Representatives that share subject matter jurisdiction.⁴⁴

The **Subcommittee may review the staff study and, if one has been submitted, the agency’s written response in order to determine what other tools of legislative oversight should be used** to evaluate (1) the application, administration, execution, and effectiveness of the agency’s laws and programs, (2) the organization and operation of the agency, and (3) any conditions or circumstances that may indicate the necessity or desirability of enacting new or additional legislation pertaining to the agency.⁴⁵

AGENCY STUDY - INFORMATION HIGHLIGHTS

Agency Organization and Operation

Creation and Reauthorization

The First Steps Initiative was created by Act 99 of 1999.⁴⁶ At the time it was the nation’s third public-private early childhood initiative.⁴⁷ Since its inception in 1999, over 20 states have developed similar models.⁴⁸

The First Steps initiative is a “broad range of innovative early childhood development and education, family support, health services, and prevention efforts to meet critical needs of South Carolina’s children through the awarding of grants to partnerships at the county level”.⁴⁹ The initiative consists of a Board of

Trustees (“State Board”), the Office of South Carolina First Steps (“State Office”), and Local First Steps Partnership Boards (“Local Board”).

First Steps was originally created as a time-limited initiative, and it remains one under current reauthorization provisions. Act 99 of 1999 included a sunset provision that was to end First Steps on July 1, 2007, unless it was reauthorized by the General Assembly.⁵⁰ The General Assembly reauthorized First Steps until July 1, 2013, with Act Number 412 of 2006.⁵¹ Reauthorization provisions were included in the General Appropriation Act for Fiscal Year 2013-14 and Fiscal Year 2014-15.⁵² In June of 2014, **the General Assembly reauthorized the First Steps Initiative again until July 1, 2016.** Visual Summary Figure 2 provides a timeline of First Steps’ reauthorization provisions.

In 2014, the Office of First Steps Study Committee was established and tasked with, among other things, making recommendations about the agency’s structure.⁵³ **The Office of First Steps Study Committee is scheduled to provide recommendations to the General Assembly by January 1, 2016.**⁵⁴ The Honorable Raye Felder serves on both the House Oversight Committee and the Office of First Steps Study Committee.

General Responsibilities

The agency’s website describes First Steps as **“the state’s comprehensive early childhood education initiative.”**⁵⁵ A number of agencies provide a variety of services to children in South Carolina, including: Children’s Trust of South Carolina, Continuum of Care, Department of Alcohol and Other Drug Abuse Services, Department of Disabilities and Special Needs, Department of Education, Department of Health and Environmental Control, Department of Juvenile Justice, Department of Mental Health, Department of Social Services, Developmental Disabilities Council, Foster Care Review Board, Guardian ad Litem Program, John de la Howe School, Department of Health and Human Services, School for the Deaf and Blind, and Wil Lou Gray Opportunity School.⁵⁶

In its Restructuring and Seven-Year Plan Report, the agency was asked to provide its mission. The agency states that its **mission** is to “(1) provide parents with access to the support they might seek and want to strengthen their families and to promote the optimal development of their preschool children; (2) increase comprehensive services so children have reduced risk for major physical, developmental, and learning problems; (3) promote high quality preschool programs that provide a healthy environment that will promote normal growth and development; (4) provide services so all children receive the protection, nutrition, and health care needed to thrive in the early years of life so they arrive at school ready to learn; and (5) mobilize communities to focus efforts on providing enhanced services to support families and their young children so as to enable every child to reach school healthy and ready to learn.”⁵⁷ The legal foundations for the agency’s mission are found in statute.⁵⁸

Additionally, in its Restructuring and Seven-Year Plan Report, the agency was asked to provide its vision. The agency states that its **vision** is to “[c]onnect South Carolina’s high-risk children to coordinated, individualized interventions designed to improve their educational and developmental trajectories.”⁵⁹

Tasks for which the agency states it has a responsibility include:

- Sponsoring the **Nurse-Family Partnership**, Parents as Teachers, and other evidence-based supports to high-risk families;

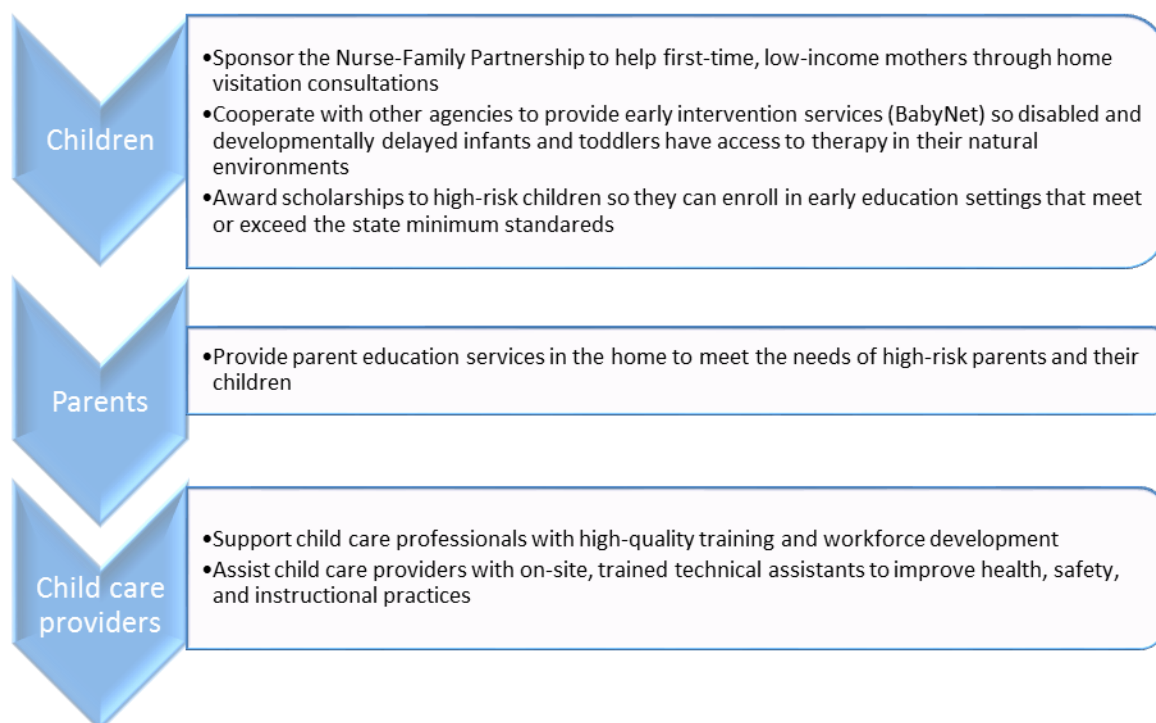
- Providing services through **BabyNet**, which is an early intervention program for disabled and developmentally delayed infants and toddlers;
- Providing **First Steps 4K and Early Head Start** services, mostly within private preschool settings;
- Providing trained technical assistants to work on-site with child care providers;
- **Awarding scholarships** that give high-risk children the option to be enrolled in early education settings that exceed the minimum state standards; and
- Operating a six-week **summer home visitation program** that links the families of high-risk, rising kindergarteners with their child's future kindergarten teacher.⁶⁰

To assist in understanding First Steps responsibilities as it relates to BabyNet, a review of these definitions may be helpful:

- **"IDEA"** is an abbreviation for a federal law, the Individuals with Disabilities Education Act (20 USC § 1400, *et seq.*)⁶¹
- **"Part C program"** means a program of early intervention services to infants and toddlers with disabilities required in each state by IDEA and for which First Steps is designated as the lead agency to administer the Part C program in South Carolina⁶²
- **"BabyNet"** is the interagency early intervention system that is the Part C program in South Carolina⁶³
- **"Maintenance of effort"** means the requirement of Part C program that relevant state and local agencies maintain a specified level of financial support for early intervention services in compliance with federal regulations (34 CFR 303.124)⁶⁴

First Steps is required to ensure that BabyNet complies with the maintenance of effort requirement by coordinating with all agencies that provide early intervention services in this State to make certain they properly document all Part C expenditures annually.⁶⁵

Table 3. Services and products the agency states it has a responsibility to provide⁶⁶



A South Carolina Legislative Audit Council (“LAC”) review of the First Steps Initiative in 2013 identified several operational problems.⁶⁷ Some identified problems were:

- The Trustees on the Board had not properly been attending meetings, and the Board had made significant corporate decisions without a quorum present;
- The agency used questionable statistics to support a claim that a decrease in the number of students who repeated first grade as an indicator of its success (First Steps disputes this finding by LAC);
- The agency had reported expenditure amounts in its annual report that differed from the amounts in the Governor’s Detail Base Budget to a significant extent (First Steps asserts the issue has been addressed in partnership with the Comptroller General by clearly distinguishing First Steps funding from the Department of Education funding); and
- The state appropriations acts did not specifically delineate appropriations for Local Boards in the line item for early childhood services since the State Office was also providing some of the same services.⁶⁸

Act 287 of 2014 addressed concerns identified in the 2013 LAC audit and enacted new accountability provisions for the initiative “to assess student progress, evaluate the performance of programs, and require state funds to be spent only on programs that are considered proven or promising according to research and evidence.”⁶⁹

An explanation of the agency’s structure may be helpful in understanding how it provides services.

The State Board

The **State Board oversees, and is accountable for, the entire First Steps initiative.**⁷⁰

The **Board has a total of 25 members,**⁷¹ all of whom serve a four-year term and may not serve more than two terms or eight years, whichever is longer.⁷² The Board is chaired by the Governor or his designee;⁷³ and is comprised of:

- (1) Six individuals appointed by the Governor from different sectors identified in statute,
- (2) Four individuals appointed by the President Pro Tempore of the Senate from different sectors identified in statute,
- (3) Four individuals appointed by the Speaker of the House of Representatives from different sectors identified in statute,
- (4) The Chairman of the Senate Education Committee or his designee,
- (5) The Chairman of the House Education and Public Works Committee or his designee,⁷⁴
- (6) The State Superintendent of Education or his designee,
- (7) The CEO of the Department of Social Services,
- (8) The CEO of the Department of Health and Environmental Control,
- (9) The CEO of the Department of Health and Human Services,
- (10) The CEO of the Department of Disabilities and Special Needs,
- (11) The State Head Start Collaboration Officer, and
- (12) The CEO of the Children's Trust of South Carolina.⁷⁵

State Board members are listed in Figure 5, and Table 4 provides information about the State Board’s responsibilities and activities.

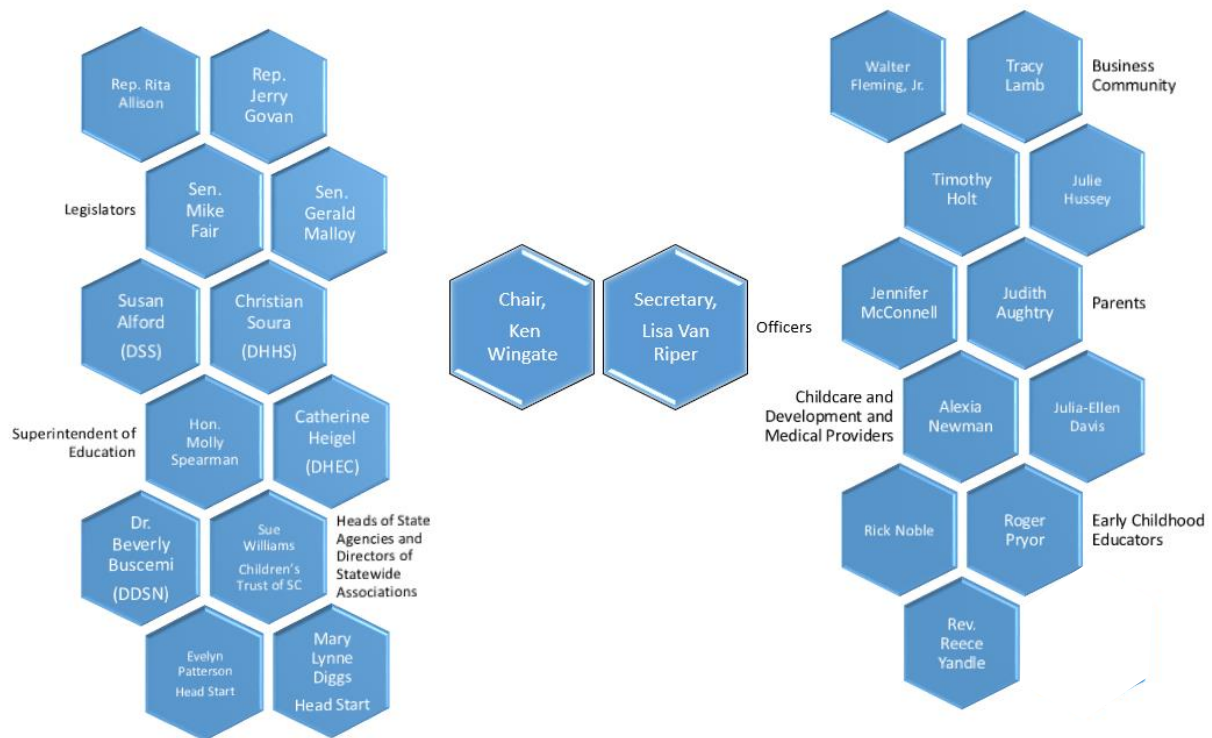


Figure 5. State Board Members⁷⁶

Table 4. Responsibilities of the State Board

Responsibilities of the State Board	
<i>Set general policies and procedures</i>	
Establish and circulate internal policies and procedures to allow the State Board to operate optimally, which shall include an established and consistent process for decision-making ⁷⁷	
Circulate regulations and establish guidelines, policies, and procedures for the continued implementation of the Initiative ⁷⁸	
Establish and promulgate bylaws for adoption by Local Boards ⁷⁹	
<i>Set financial policies and procedures</i>	
Establish and promulgate grant qualification requirements and a formula by which allocations for qualifying Local Board grants shall be calculated, ⁸⁰ and publish them on the First Steps website. ⁸¹ The factors used in the funding formula, and the weight given to each factor, must reflect that the intent of the General Assembly is to ensure that the money allocated to each Local Board is in proportion to the following: (a) population of eligible children; (b) population of at-risk children; and (c) population with below average income ⁸²	
Receive gifts, bequests, and devises for deposit for awarding grants to Local Boards ⁸³	
<i>Set and continually update evaluation criteria</i>	
Establish specific benchmarks and objectives for use by the State Board ⁸⁴	
Establish specific benchmarks and objectives for use by Local Boards ⁸⁵	
Establish and circulate results-oriented measures and objectives and assess whether services provided by Local Boards to children and families are meeting the goals and achieving the results established for the Initiative pursuant to Chapter 152, Title 59 ⁸⁶	
Establish specific benchmarks and objectives for use by any agency that administers a program to benefit preschool children ⁸⁷	
Review the description, benchmarks and objectives to determine any revisions necessary by December 31, 2019 and every five years afterward ⁸⁸	
Establish and circulate internal evaluation policies and procedures for Local Boards for annual review pursuant to Chapter 152, Title 59 ⁸⁹	
Develop, implement, and document an annual performance process for the Director of the State Office ⁹⁰	
<i>Evaluate performance and report findings</i>	
Provide oversight on the continued implementation and evaluation of the Initiative at the state and local levels ⁹¹	

Assess and develop recommendations: for ensuring coordination and collaboration among service providers at both the state and county level, for increasing the efficiency and effectiveness of state programs and funding and other programs and funding sources, as allowable, as necessary to carry out the First Steps to School Readiness initiative ⁹²
Determine whether state and local programs and activities are effective and contribute to achieving the statutory goals of the Initiative ⁹³
Arrange for the conduction of an independent external program evaluation pursuant to Chapter 152, Title 59 ⁹⁴ no less than every five years. In addition to the independent evaluation, an evaluation of the progress on the agency's goals and purpose must be completed by November 1, 2014, and every five years thereafter by an independent, external evaluator under contract with the State Board. The purpose of this evaluation will be to gauge First Steps' progress in meeting the goals established in § 59-152-20 and § 59-52-30 ⁹⁵
Conduct a formal review of the membership categories for Local Boards, and submit to the General Assembly a statement either verifying the continued applicability and appropriateness of the composition categories for Local Boards or recommending any appropriate and necessary changes ⁹⁶
Conduct a formal review of the grant qualification requirements and funding process for Local Board grants, and submit to the General Assembly a statement either verifying the continued applicability and appropriateness of the grant qualification requirements and funding process or recommending any appropriate and necessary changes ⁹⁷
Report annually to the General Assembly by January first on activities and progress to include recommendations for changes and legislative initiatives and results of program evaluations ⁹⁸
<i>Strategic planning</i>
Develop and circulate a comprehensive long-range initiative for improving early childhood development and increasing school readiness and literacy, which shall include the specific requirements of Chapter 152, Title 59 ⁹⁹
Consult with the State Board of Education and, with their advice and consent, adopt a description of school readiness that includes specific: (a) characteristics and development levels of a ready child that must include, but are not limited to, emerging literacy, numeracy, and physical, social, and emotional competencies; (b) characteristics of school, educators, and caregivers that the board considers necessary to create an optimal learning environment for the early years of students' lives; and (c) characteristics of the optimal environment which would lead to the readiness of students and their continued success ¹⁰⁰
Publish and distribute a list of approved evidence-based and evidence-informed programs ¹⁰¹
<i>Other</i>
Support the implementation of the school readiness assessment approved by the State Board of Education and provide professional development to support the readiness assessment for teachers and parents of programs supported with First Steps funds. ¹⁰² The board shall utilize the annual aggregate literacy and other readiness assessment information in establishing standards and practices to support all early childhood providers served by First Steps ¹⁰³
Serve as the South Carolina Advisory Council in compliance with the federal Improving Head Start for School Readiness Act of 2007 ¹⁰⁴
<i>As SC Advisory Council in compliance with the federal Improving Head Start for School Readiness Act of 2007 (2010 by executive order and 2014 added to statute)</i>
Conduct a periodic statewide needs assessment concerning the quality and availability of early childhood education and development programs and services for children from birth to the age of school entry, including an assessment of the availability of high-quality prekindergarten services for low income children in the State ¹⁰⁵
Identify opportunities for, and barriers to, collaboration and coordination among federally funded and state-funded child development, child care, and early childhood education programs and services, including collaboration and coordination among state agencies responsible for administering these programs ¹⁰⁶
Develop recommendations for increasing the overall participation of children in existing federal, state, and local child care and early childhood education programs, including outreach to underrepresented and special populations ¹⁰⁷
Develop recommendations regarding the establishment of a unified data collection system for public early childhood education and development programs and services throughout the State ¹⁰⁸
Develop recommendations regarding statewide professional development and career advancement plans for early childhood educators ¹⁰⁹
Assess the capacity and effectiveness of two-year and four-year public and private institutions of higher education in the State for supporting the development of early childhood educators, including the extent to which these institutions have in place articulation agreements, professional development and career advancement plans, and practice or internships for students to spend time in a Head Start or prekindergarten program ¹¹⁰
Make recommendations for improvements in state early learning standards and undertake efforts to develop high-quality comprehensive early learning standards, as appropriate ¹¹¹
Develop and publish, using available demographic data, an indicators-based measure of school readiness at state and community level ¹¹²
Incorporate, within the periodic statewide needs assessments required in 42 U.S.C. Section 9837b, any data related to the capacity and efforts of private sector providers, Head Start providers, and local school districts to serve children from birth to age five, including fiscal, enrollment, and capacity data ¹¹³

The State Office

The **State Office is under the supervision of the Board**. The Board employs, by a majority vote, a Director of the State Office and all other staff necessary.¹¹⁴ The Director, with the approval of the Board, can hire necessary staff.¹¹⁵ Figure 5 is the organizational structure, as provided by the agency.

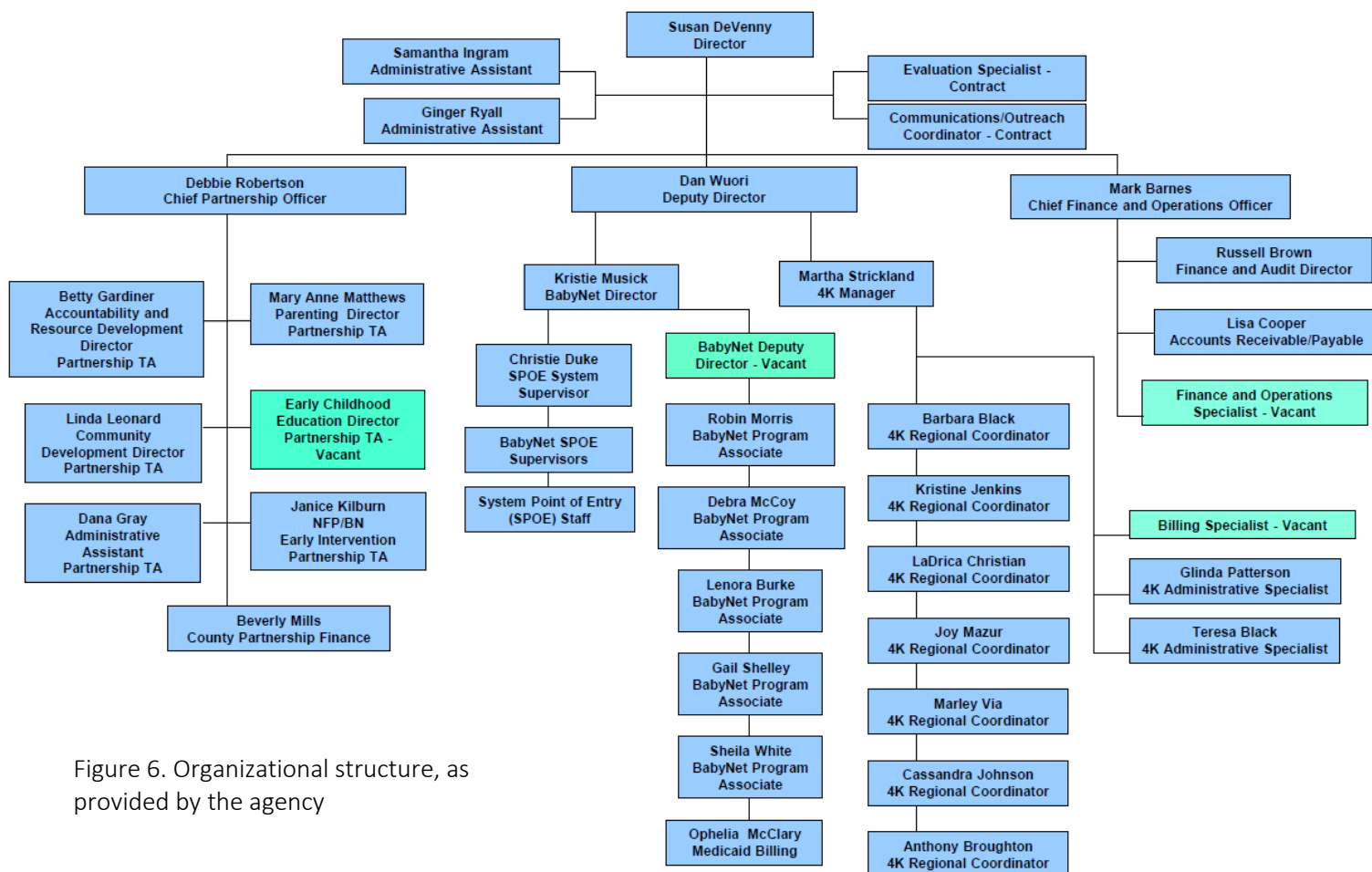


Figure 6. Organizational structure, as provided by the agency

The State Office reports the above organization is a result of partnership feedback during First Steps' recent legislative reauthorization process (2012-2014).¹¹⁶ This feedback led to reorganization of the State Office in an effort to improve effectiveness and responsiveness.¹¹⁷ The State Office states the changes included creating a dedicated Chief Partnership Officer position; restructuring the local technical assistance function; and filling the Finance and Operations Officer, a position the State Office chose to terminate during the recession to keep local direct services funds in place.¹¹⁸

Trends in authorized full-time equivalent positions ("FTEs") at the State Office over the past ten years are summarized in Table 6 and Figure 7.¹¹⁹ According to the State Office, the BabyNet Program has resulted in the majority of increases in FTEs.¹²⁰

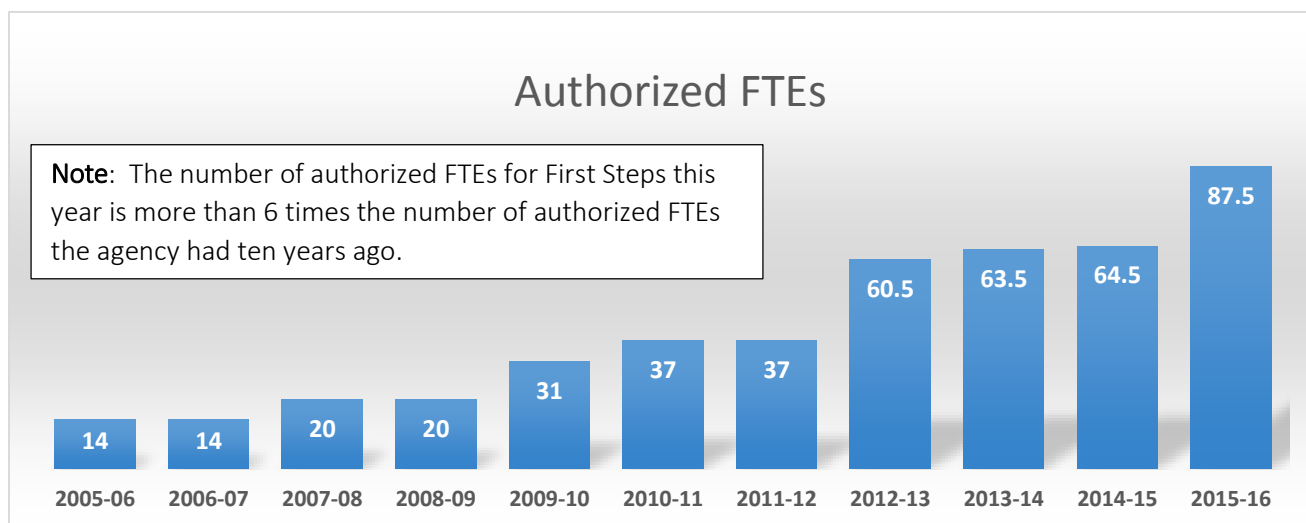


Figure 7. Authorized FTEs for the past ten years¹²¹

Table 5. Authorized FTEs for the past ten years

Year	Total	Breakdown	Year	Total	Breakdown
2005-06	14	XVI. First Steps to School Readiness 13 classified positions; 1 unclassified position (Exec. Director)	2011-12	37	XVI. First Steps to School Readiness A. First Steps to School Readiness 30 classified positions; 1 unclassified position (Exec. Director) B. Early Childhood Initiative 6 classified positions
2006-07	14	XVI. First Steps to School Readiness 13 classified positions; 1 unclassified position (Exec. Director)	2012-13	60.5	XVII. First Steps to School Readiness A. First Steps to School Readiness 20 classified positions; 1 unclassified position (Exec. Director) B. Early Childhood Initiative 36.50 classified positions C. Child Development Education Pilot Program (CDEPP) 3 classified positions
2007-08	20	XVI. First Steps to School Readiness 19 classified positions; 1 unclassified position (Exec. Director)	2013-14	63.5	XVII. First Steps to School Readiness A. Policy and Account 20 classified positions; 1 unclassified position (Exec. Director) C. BabyNet 36.50 classified positions D. Child Development Education Pilot Program (CDEPP) 3 classified positions; 1 Program Manager II (New); 2 Education Associates (New)
2008-09	20	XVI. First Steps to School Readiness 19 classified positions; 1 unclassified position (Exec. Director)	2014-15	64.5	X. Operations and Support; D. Office of First Steps to School Readiness 5 classified positions; 1 unclassified position (Exec. Director) XII. Education Improvement Act; I. First Steps to School Readiness 57.5 classified positions; 1 unclassified position
2009-10	31	XVI. First Steps to School Readiness 30 classified positions; 1 unclassified position (Exec. Director)	2015-16	87.5	X. Operations and Support; D. Office of First Steps to School Readiness 6 classified positions XII. Education Improvement Act; I. First Steps to School Readiness 57.5 classified positions; 23 Program Coordinator II (New); 1 unclassified position (Exec. Director)
2010-11	37	XVI. First Steps to School Readiness 36 classified positions; 1 unclassified position (Exec. Director)			

State Office has varied responsibilities, which are described in Table 6.

Table 6. Responsibilities of the State Office

Responsibilities of the State Office
<i>Annual reports and continual assessment of performance</i>
Evaluate each program funded by the State Board on a regular cycle to determine its effectiveness and whether it should continue to receive funding ¹²²
Submit an annual report to the State Board that includes the statewide needs and resources available to meet the goals and purposes of the Initiative, a list of risk factors the office considers to affect school readiness, identification of areas where client-level data is not available, an explanation of how First Steps programs reach the most at-risk children, the ongoing progress and results of the Initiative statewide and locally, fiscal information on the expenditure of funds, and recommendations and legislative proposals to further implement the Initiative statewide ¹²³
Develop a response, before June 30, 2015, to the November 2014 external evaluation of each prevalent program and the overall goals of the initiative, as provided in § 59-125-160. The State Office shall contract with an external evaluator to develop a schedule for an in-depth and independent performance audit designed to measure the success of each prevalent program in regard to its success in supporting the goals of the State Board and those set forth in § 59-152-20 and § 59-152-30. Results of all external performance audits must be published in the First Steps annual report ¹²⁴
<i>Technical assistance to state board and local boards</i>
Provide technical assistance, consultation, and support to Local Boards to facilitate their success ¹²⁵
Review the Local Boards' plans and budgets in order to provide technical assistance and recommendations regarding local grant proposals and improvement in meeting statewide and local goals ¹²⁶
Provide the State Board information on best practice, successful strategies, model programs, and financing mechanisms ¹²⁷
Recommend to the State Board the applicants meeting the criteria for Local Boards and the grants to be awarded ¹²⁸
<i>Fiscal accountability</i>
Develop and require Local Boards to adopt and implement a standard fiscal accountability system ¹²⁹
Establish guidelines and reporting formats for Local Boards to document expenses to ensure they meet matching fund requirements ¹³⁰
Compile a report annually on the private cash and in-kind contributions received by Local Boards ¹³¹
Compile a report annually on the private cash and in-kind contributions received by the State Board ¹³²
<i>Other</i>
Coordinate the Initiative with all other state, federal, and local public and private efforts to promote good health and school readiness of young children and support for their families ¹³³

Local Boards

Each county in the state must be represented by a Local Board, but each county is not required to have its own separate Local Board.¹³⁴ A Local Board may represent more than one county, but must provide services within every county it represents.¹³⁵ To be designated as a Local Board, the entity must be a private nonprofit corporation organized under § 501(c)(3) of the Internal Revenue Code, which are commonly referred to as charitable organizations.¹³⁶

A Local Board is comprised of individuals with resources, skills, knowledge, and interest in improving the readiness of young children for school. In accordance with the bylaws the State Board establishes for each Local Board, a Local Board must maintain a total minimum membership of 12 and a maximum membership of 30 elected, appointed and designated individuals.¹³⁷ The elected and appointed members comprise the voting majority of the board.¹³⁸ The chairman of a Local Board must be elected by majority vote of the board.¹³⁹ The chairman shall serve a one-year term, and may be elected to subsequent terms not to exceed a total of four consecutive years.¹⁴⁰ The terms of a Local Board member is four years and membership on the Local Board may not exceed eight consecutive years.¹⁴¹ A list of all Local Board members is published in the Local Board's annual report.¹⁴²

There are established **parameters for local boards**. No more than four individuals from any of the following categories may be elected to sit on a Local Board:

- Prekindergarten through primary educator;
- Family education, training, and support provider;
- Childcare or early childhood development/education provider;
- Healthcare provider;
- Local government;
- Nonprofit organization that provides services to families and children;
- Faith community;
- Business community;
- Philanthropic community; and
- Parents of preschool children.¹⁴³

The remainder of the Board is comprised of one member appointed by each of the following entities located within the Local Board coverage area:

- Department of Social Services;
- Department of Health and Environmental Control;
- Head Start or early Head Start;
- County library; and
- Each of the school districts in the county.¹⁴⁴

To assure that all areas of the county or multicounty region are adequately represented and reflect the diversity of the coverage area, each county legislative delegation may also appoint up to four members with two members appointed by the Senators and two appointed by the House of Representative members.¹⁴⁵

Local Boards may hire staff to assist in the performance of its responsibilities.¹⁴⁶ However, **overhead costs of a Local Board's operations may not exceed 8% of the total state funds appropriated for Local Board grants.**¹⁴⁷ The State Board shall contract with an independent cost accountant to provide recommendations as to an adequate, and not excessive, overhead cost rate for Local Boards no later than July 1, 2017. Once these recommendations are received, the State Board may adjust the overhead percentage for the Local Board.

Local Boards have varied responsibilities, which are described in Table 7.

Table 7. Responsibilities of a local board

Responsibilities of a Local Board
<i>Operations and procedures</i>
Adopt bylaws, as established by the State Board, which must include the creation of a periodic meeting schedule ¹⁴⁸
Keep accurate records of the Local Board's board meetings, board member's attendance, programs, and activities for annual submission to the State Board ¹⁴⁹
Implement fiscal policies and procedures as required by the State Office and as needed to ensure fiscal accountability of all funds appropriated to the Local Board ¹⁵⁰

<i>Determination of needs, creation of strategic plan and implementation</i>
Coordinate a collaborative effort at the county or multicounty level which will bring the community together to identify the area needs related to the goals of the Initiative ¹⁵¹
Develop a strategic long-term plan for meeting the area needs related to the goals of the initiative ¹⁵²
Develop specific initiatives to implement the elements of the strategic long-term plan; and integrate service delivery where possible ¹⁵³
Coordinate and oversee the implementation of the comprehensive strategic plan including, but not limited to, direct service provision, contracting for service provision, and organization and management of volunteer programs ¹⁵⁴
<i>Annual reports and continual assessment of needs in the coverage area</i>
Collect information and submit an annual report by October first to the State Board, and otherwise participate in the annual review and three-year evaluation of operations and programs. ¹⁵⁵
Update a needs assessment every three years (changed from create and annually revise) ¹⁵⁶

Public Comments about the Agency

In the Committee's recent public survey, **more people chose not to provide input about this agency than chose to do so.**¹⁵⁷ Notably, 1,195 survey participants skipped the question asking their current opinion of the office.¹⁵⁸ Of the 38 who provided written comments about the agency, a total of 36.84% indicated they were either not familiar with the agency (9) or stated they had no comments about the agency (5).¹⁵⁹

Relationships

The agency reports having various **partners, customers, and stakeholders.** These terms are defined in Figure 8. Table 8 summarizes information provided by the agency about these relationships.¹⁶⁰

Figure 8. Partners, customers, and stakeholders defined¹⁶¹

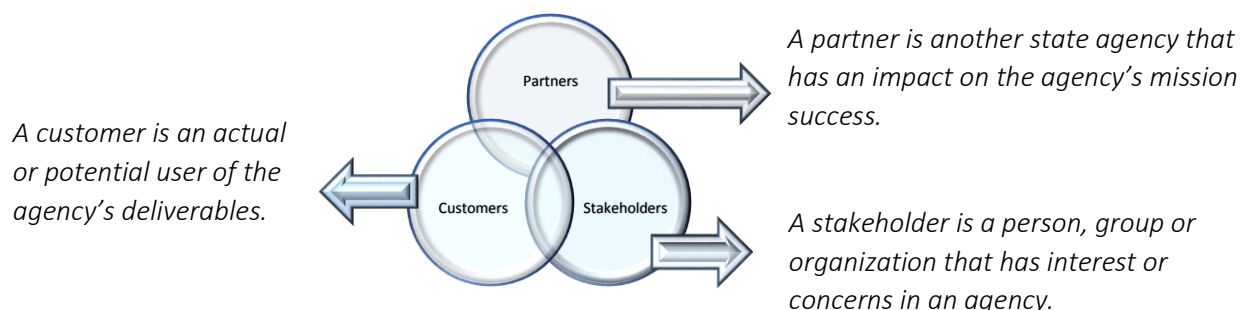


Table 8. Agency's partners, customers and stakeholders¹⁶²

Entity	Partner	Customer	Stakeholder
BabyNet Clients		✓	
BabyNet Service Providers			✓
Child Care Centers		✓	
Early Childhood Education Clients		✓	
Early Childhood Education Providers			✓
Family Strengthening Clients		✓	
Local Partnership Boards			✓
Nurse Family Partnership Clients		✓	
Parents of Young Children			✓
SC Department of Disabilities and Special Needs	✓		
SC Department of Education	✓		
SC Department of Social Services	✓		
SC School For the Deaf and the Blind	✓		
School Transition/Countdown to Kindergarten Clients		✓	

Agency's Funding and Strategic Plan

The Committee's oversight reports have asked the agency for information about all sources of funding and the amount the agency is actually spending to achieve each portion of its strategic plan. Since all money available to Local Boards flows through the State Board, the information below is separated into Sources of Funding for the State Board and State Office, followed by an explanation of funding for the Local Boards.

Funding - State Board and State Office

There are two separate funds available to the State Board. The Board administers and authorizes disbursements from both funds, and the money in both funds may be carried forward from year to year.¹⁶³

Table 9. Types of funds available to the State Board

Type of Fund	Description
Donations	One fund accepts nongovernmental grants, gifts, and donations from any public or private source for the Initiative. ¹⁶⁴ Each donor may designate up to half of their contribution to specific counties or a county. ¹⁶⁵ Both the designated and undesignated funds may be used to meet the local match required in § 59-152-130. ¹⁶⁶
Appropriated Funds	A separate fund within the state general fund is established for monies that may be appropriated by the General Assembly for the Initiative. ¹⁶⁷

Historical information about the amount appropriated from the General Assembly to the State Board during the past ten years is provided in Table 10, and Figure 9 includes information about those amounts from the same period. Information about all sources of funding for the State Board during the last two years and anticipated funding this coming year is provided in Table 11.

Table 10. Amount appropriated by the General Assembly to State Board for the past ten years¹⁶⁸

Year	2005-06	2006-07	2007-08	2008-09	2009-10
Total Budget*	\$26,807,970 (21,807,970 ¹⁶⁹ + 2,000,000 ¹⁷⁰ + 3,000,000 ¹⁷¹)	\$31,046,454 (21,187,878 ¹⁷² + 2,000,000 ¹⁷³ + 1,858,576 ¹⁷⁴ + 4,000,000 ¹⁷⁵ + 2,000,000 ¹⁷⁶)	\$31,322,302 (21,463,726 ¹⁷⁷ + 2,000,000 ¹⁷⁸ + 7,858,576 ¹⁷⁹)	\$24,785,184 (21,482,858 ¹⁸⁰ + 1,883,540 ¹⁸¹ + 3,200,000 ¹⁸² - 1,781,214 ¹⁸³)	\$22,147,668 (20,656,821 ¹⁸⁴ + 1,490,847 ¹⁸⁵)
Increase or Decrease/year		+15.81%	+0.89%	-20.87%	-10.64%
Increase or Decrease since fiscal year 2005-06		+15.81%	+16.84%	-7.55%	-17.38%

Year	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Total Budget*	\$17,353,692 (15,566,167 ¹⁸⁶ + 1,490,847 ¹⁸⁷ + 296,678 ¹⁸⁸)	\$22,095,963 (20,090,881 ¹⁸⁹ + 1,490,847 ¹⁹⁰ + 514,235 ¹⁹¹)	\$24,630,196¹⁹²	\$37,546,404 (36,104,404 ¹⁹³ + 1,442,000 ¹⁹⁴)	\$42,811,785 (15,283,000 ¹⁹⁵ + 26,200,685 ¹⁹⁶ + 838,100 ¹⁹⁷ + 490,000 ¹⁹⁸)	\$49,418,230 (20,282,622 ¹⁹⁹ + 29,135,608 ²⁰⁰)
Increase or Decrease/year	-21.65%	+24.36%	+14.13%	+52.44%	+14.02%	+15.43%
Increase or Decrease since fiscal year 2005-06	-35.27%	-19.50%	-8.12%	+40.06%	+59.70%	+84.34%

Total Budget - First Steps falls under the Department of Education in the annual appropriations bill.*

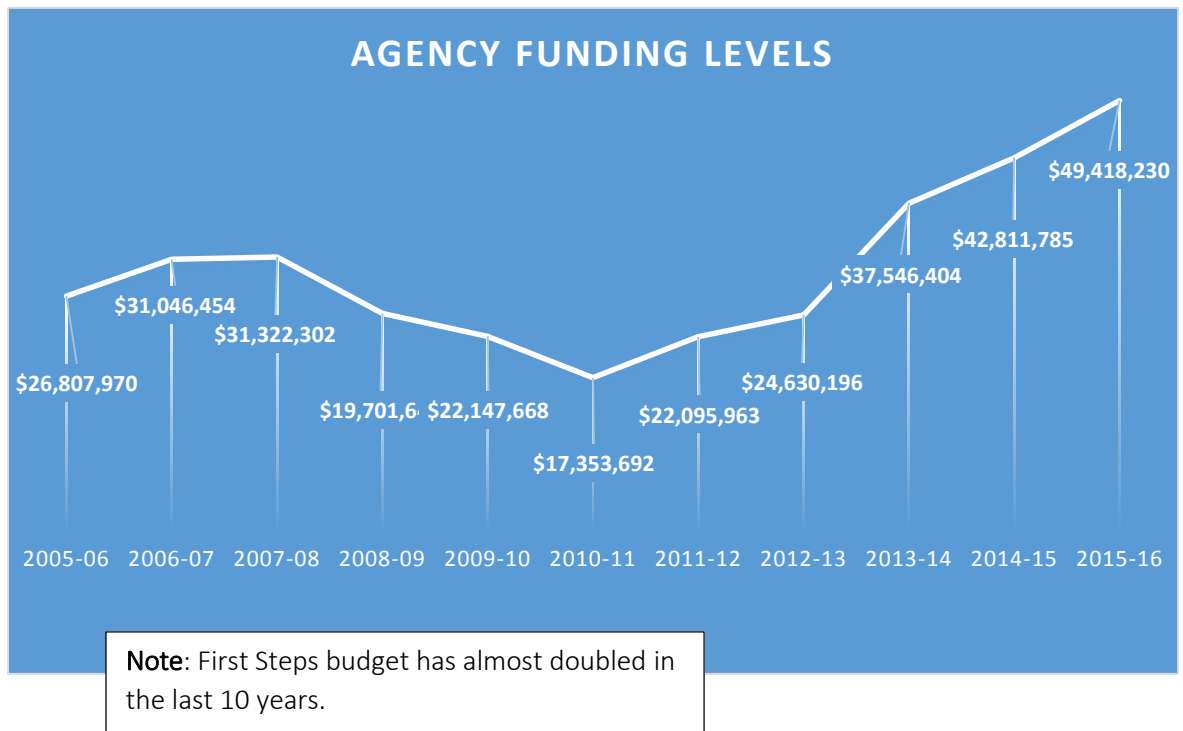


Figure 9. State Board funding from the General Assembly during the past ten years²⁰¹

Table 11 lists **sources of funding the agency reported for fiscal year 2013-14, fiscal year 2014-15 and anticipated funding sources in fiscal year 2015-16**. Examples of potential funding sources include, but are not limited to, foundations, non-profits, General Assembly, federal government, grants, sales, fines, outside contracts, interest from bank accounts holding restricted or any other type of funds, etc.

Table 11. State Board funding sources for fiscal year 2013-14 through fiscal year 2015-16²⁰²

Funding Source	Appropriated Funding Sources					
	2013-14		2014-15		2015-16 (Anticipated)	
	% of total funding	Actual received in FY 2014	% of total funding	Submitted budgeted revenues	% of total funding	Submitted budgeted revenues
<i>Restrictions on use of funds below</i> ➡ County Partnerships						
General Assembly	30.00%	\$11,262,214	25.52%	\$11,262,214	25.69%	\$12,693,265
<i>Restrictions on use of funds below</i> ➡ Private 4K Program						
General Assembly	29.86%	\$11,209,864	37.99%	\$16,767,864	32.94%	\$16,277,864
<i>Restrictions on use of funds below</i> ➡ No restriction						
General Assembly	12.61%	\$4,733,131	10.49%	\$4,628,131	10.08%	\$4,983,111
<i>Restrictions on use of funds below</i> ➡ Carry Forward						
General Assembly	5.43%	\$2,040,500	2.49%	\$1,100,000	0%	\$0
<i>Restrictions on use of funds below</i> ➡ BabyNet Autism						
General Assembly	0%	\$0	0.99%	\$437,476	3.44%	\$1,699,848
<i>Restrictions on use of funds below</i> ➡ BabyNet BRIDGES Software						
General Assembly	0%	\$0	1.90%	\$838,100	0%	\$0
Total Received from Gen. Assembly		\$29,245,709		\$35,033,785		\$35,654,088
<i>Restrictions on use of funds below</i> ➡ Early Head Start						
Federal Government	0%	\$0	4.41%	\$1,944,933	8.93%	\$4,410,825
<i>Restrictions on use of funds below</i> ➡ IDEA Part C Babynet						
Federal Government	17.51%	\$6,573,000	13.72%	\$6,053,317	12.25%	\$6,053,317

Outside Funding Sources						
Funding Source	2013-14		2014-15		2015-16 (Anticipated)	
	% of total funding	Actual received in FY 2014	% of total funding	Submitted budgeted revenues	% of total funding	Submitted budgeted revenues
<i>Restrictions on use of funds below</i> ➡	BabyNet					
Medicaid Reimbursement	2.66%	\$1,000,000	2.27%	\$1,000,000	3.64%	\$1,800,000
<i>Restrictions on use of funds below</i> ➡	Private Grants					
Private Donors	1.67%	\$627,695	0%	\$0	0%	\$0
<i>Restrictions on use of funds below</i> ➡	None					
Bank Interest	0.27%	\$100,000	0.23%	\$100,000	0.30%	\$150,000
Private Donors	0%	\$0	0%	\$0	2.73%	\$1,350,000

Funding - Local Boards

Sources of Funding - State Grants and Private Donations

Each year, a Local Board must apply with the State Board to receive grant funding. The amount of grant funding provided to each Local Board is determined via formula funding. Each Local Board may also apply for, receive, and expend other federal, state, and local funds, grants, and private donations in order to improve evidence-based programs.²⁰³

Conditions to Receive State Grants

“As a condition of receiving state funds, each Local Board must be subject to performance reviews by the State Office, including, but not limited to, local board functioning and collaboration and compliance with state standards and fiscal accountability. If any significant operational deficiencies or misconduct is identified within the Local Board, the State Board must identify a remedy with input from the local legislative delegation.”²⁰⁴

In addition, each Local Board must provide an annual match of at least 15%.²⁰⁵ This minimum match can be adjusted by the State Board based on an individual Local Board’s capacity.²⁰⁶ A Local Board may obtain the match funds by applying for other federal, state, and local funds as well as private donations.

A Local Board’s grant must be contingent on the General Assembly’s appropriation of funds to use for offering grants.²⁰⁷ To obtain a grant, a Local Board must qualify by meeting the grant requirements established by the State Board.²⁰⁸

The State Board establishes internal evaluation policies and procedures for Local Boards for an annual review of the functioning of the Local Board, implementation of strategies, and progress toward the interim goals and benchmarks.²⁰⁹ Local Boards must agree to participate in such an evaluation in order to receive a First Steps grant.²¹⁰ “Subsequent grant approval and grant allocations must be dependent, in part, on the results of the evaluations. If an evaluation finds no progress has been made in meeting local goals or implementing strategies as agreed to in the First Steps grant, the grant may be terminated.”²¹¹

The purpose of the evaluation is to assess progress toward achieving the First Steps goals and to determine the impact of each strategy in supporting improved school readiness.²¹² During the course of the evaluation, if an evaluator determines that any state agency has failed to comply with the

coordination and collaboration provisions as required in this chapter, the final report must reflect that information.²¹³

Funding Formula for State Grants

The **State Board establishes a formula**, which includes the identification of the most relevant and effective factors, by which the allocations for qualifying Local Board grants are calculated.²¹⁴ The Board identifies the factors, develops the funding formula, and promulgates them in regulation.²¹⁵ The factors used in the funding formula and the weight given to each factor must reflect that the intent of the General Assembly is to ensure the money allocated to each Local Board is in proportion to the following: (a) population of eligible children; (b) population of at-risk children; and (c) population with below average income.²¹⁶ The State Board is required to publish the grant qualification requirements and funding formula on its website.²¹⁷ Information about the funding formula, which is also on the First Steps website, is provided in Table 12.²¹⁸

Table 12. State Board formula for local board grants

Part A: (80% of Formula Funds)			
Population	30%	Kids Count Indicators:	
Children Under Free/Reduced Price Lunch	25%	-Children overage in third grade	5%
Per Capita Income	20%	-Children below basic on PACT reading	5%
		-Children below basic on PACT math	5%
		-Low birth weight infants	5%
		-Mothers with less than high school	5%
Part B: (20% of Formula Funds)			
Quality and Feasibility	20%		

Limitations on How State Grants can be Spent

Grant funds spent by Local Boards must be used to address the needs of young children and their families as identified in the Local Boards' comprehensive plans.²¹⁹ The funds must be used to expand, extend, or improve the quality of provided services if there is evidence as to existing programs' effectiveness; offer new or previously unavailable services in the area; or increase access to services.²²⁰

Grant funds may not supplant comparable current expenditures by counties or state agencies on behalf of young children and their families, and may not be used where other state or federal funding sources are available.²²¹ Also, funds received by a Local Board may not be used for capital expenses, new construction, or to renovate, refurbish, or upgrade existing facilities without prior approval by the State Board.²²²

Since 2014, at least 75% of state funds appropriated for programs must be used by the Local Board for evidence-based programs.²²³ No more than 25% of state funds appropriated for programs to a Local Board may be used for evidence-informed programs.²²⁴ Any part of the initiative within the county strategic plan using local district resources within a school district must be conducted only with approval of the district's board of trustees.²²⁵ All private and non-state funds must be used exclusively for meeting the goals and purpose of First Steps.²²⁶ These funds are subject to review by the State Office and State Board.²²⁷

Agency Plan, Taxpayer Investment, and Agency Performance

On the following pages is **condensed information about the agency's strategic plan, state's investment in it and the agency's performance**. The agency is not required to submit its strategic plan, via the Accountability Report, to the General Assembly and Governor.²²⁸ However, to assist the agency with providing the Committee with information about its strategic plan, the agency was provided a copy of the 2014-15 Accountability Report Guidelines.

A review of some key **definitions from the 2014-15 Accountability Report Guidelines** ("Accountability Report Guidelines") **may be helpful in understanding information relating to a strategic plan**. As defined in the Accountability Report Guidelines, a **Goal (G)** is "[a] broad expression of a central, strategic priority for an agency; a statement of what the agency hopes to achieve - typically in the long-term - that is qualitative in nature. At the highest level, each agency's goals should logically and naturally derive from the agency's mission statement. They should also be clearly connected to state government's overarching responsibilities in fields ranging from education and economic development to transportation and public safety."²²⁹ As defined in the Accountability Report Guidelines, a **Strategy (S)** is "[a] concise statement of a high-level approach an agency is taking in pursuit of a goal. It is a descriptive, complex action comprised of multiple action steps. Starts with action verbs like develop, design, establish, enhance, implement, etc. Includes completed details for budget, staffing, IT, marketing campaign and facility implications."²³⁰ As defined in the Accountability Report Guidelines, an **Objective (O)** is "[a] specific, measurable and achievable description of an effort that the agency is actively implementing over a defined period of time as part of a broader strategy to meet a certain goal."²³¹

Other helpful definitions are:

- **\$ Spent on Goal or Objective**: These figures are taken from the "Grand Total" column of the agency's Strategic Investment Chart of the Program Evaluation Report. The chart asked the agency to list its expenditures in these years that were related to accomplishment of each objective.
- **How Agency Measures Its Performance**: This information is obtained by matching the Associated Objectives and Performance Measures in the Performance Measures Status Chart of the Program Evaluation Report.²³²

Condensed Details of the Agency's Strategic Plan

Tables 13 and 14 provide condensed details about the State Board's strategic plan. Table 13 lists the State Board's goals in order based on the percentage of total money spent toward each goal. The total amounts were calculated by adding together the total spent for each objective, or strategy if there were not amounts provided by the objectives, under that goal.

The data in Tables 13 and 14 **highlight how the State Board is investing the money it receives** from the people of the state (state appropriations and donations). The performance measures reflect a view of the **return the people are receiving on that investment**.

Table 13. State Board's goals in Fiscal Year 2014-15 in order from largest to smallest based on the percentage of total money spent toward each goal.²³³ The goals for the Initiative are specifically outlined in statute.

Goal	Description	\$ Spent on Goal			
		2013-14		2014-15 (as of 3/30/15)	
		% of total	Amount Spent	% of total	Amount Spent
Goal 3	Promote high-quality preschool programs that provide a healthy environment that will promote normal growth and development ²³⁴	29.8%	\$11,042,888	37.1%	\$12,364,967
Goal 4	Provide services so all children receive the protection, nutrition, and health care needed to thrive in the early years of life so they arrive at school ready to succeed ²³⁵	36.2%	\$13,400,385	34.5%	\$11,503,275
Goal 1	Provide parents with access to the support they might seek and want to strengthen their families and to promote the optimal development of their preschool children ²³⁶	18.8%	\$6,947,436	13.6%	\$4,523,672
Goal 2	Increase comprehensive services so children have reduced risk for major physical, developmental, and learning problems ²³⁷	9.6%	\$3,562,870	7.7%	\$2,560,262
Goal 5	Mobilize communities to focus efforts on providing enhanced services to support families and their young children so as to enable every child to reach school healthy and ready to succeed ²³⁸	5.6%	\$2,054,905	7.2%	\$2,414,681

On the following pages, Table 14 provides a summary of the State Board's goals, strategies and objectives; taxpayer money spent; associated programs; and how the State Board measures performance as reported by the State Office.²³⁹

G	S	O	Goals, Strategies and Objectives Description	% of Total Spending		Outcome (Public benefit provided, or harm prevented, by accomplishment of this goal, strategy or objective (i.e. tangible benefits that matter in the lives of citizens))	
				2013-14	2014-15		
Goal 1			Provide parents with access to the support they might seek and want to strengthen their families and to promote the optimal development of their preschool children (59-152-30)	18.77% \$6,947,436 (total of strategies and objectives within goal)	13.56% \$4,523,672 (total of strategies and objectives within goal)	Parents are the first and best teachers of their children. By providing them the supports needed to strengthen their families and optimize the development of their children, SC will benefit from a host of outcomes, ranging from a more educated populace and skilled workforce to the prevention of specific social service, Medicaid and educational costs.	
Strategy 1.1			Implement high-quality parent education, home visitation and family literacy strategies to families through local partnerships, where local boards identify these services as a need	17.97% \$6,650,249 Parent Education, Home Visitation and Family Literacy Strategies (Non-NFP) Expenditures	12.78% \$4,264,515	By investing in evidence-based home visitation, First Steps equips clients to support the optimal development and long-term educational success of their children.	
Objective 1.1.1			Ensure that home visitation clients are served within model guidelines related to the intensity and duration of services	Information Not Provided	Information Not Provided	By ensuring that First Steps’ home visitation clients meet model specific guidelines, the public can be assured that clients receive an intervention of sufficient dosage to match the researched outcomes.	Assoc. Agency Programs Local Partnerships and State-Level Partnership
			How agency measures its performance:	(1) Local partnership education and support calls/webinars (14 in 2013-14; 11 thru 4/30/15) (2) Individualized technical assistance hours to support strategy implementation and local partnership planning (9630 in 2013-14; Agency failed to report thru 4/30/15) (3) Local partnership strategy plans reviewed and approved (46 in 2013-14; 46 thru 4/30/15) (4) Home visitation clients receiving appropriate service intensity with individual home visits (2.3 visits per month in 2013-14; 2.28 visits per month thru 4/30/15) (5) Home visitation, family literacy and scholarship clients are receiving appropriate health and developmental screenings (2009 in 2013-14; 1879 thru 4/30/15) (6) First Steps clients are receiving program services long enough to have a significant impact on parenting skills and school readiness (83.26% retained 9 months or more in 2013-14; 80.54% retained 9 months or more thru 4/30/15) (7) Home visitation clients are increasing their parenting skills (.55 increase on 5 point scale in 2013-14; .52 increase on 5 point scale thru 4/30/15) (8) Home visitation clients are increasing their interactive literacy skills (.38 adult, .47 children increase on 3 point scale in 2013-14; .44 adult, .52 children increase on 3 point scale thru 4/30/15)			
Objective 1.1.2			Ensure that 60% or more of home visitation client families possess two or more documented SC school readiness risk factors	Information Not Provided	Information Not Provided	By targeting services to clients most likely to experience early school failure, First Steps maximizes limited resources by directing service delivery to those most likely to benefit.	Assoc. Agency Programs Local Partnerships and State-Level Partnership Supports
			How agency measures its performance:	Same as 1.1.1			
Objective 1.1.3			Update program accountability standards annually to meet or exceed current evidence-based model guidelines and available field research	Information Not Provided	Information Not Provided	By updating standards to meet or exceed the requirements of evidence-based models, First Steps ensures that its investments are delivered with fidelity to models proven to achieve results.	Assoc. Agency Programs None provided
			How agency measures its performance:	Same as 1.1.1			
Objective 1.1.4			Measure client outcomes pre and post using the Keys to Interactive Parenting Scale (KIPS) and Audit Child Interactive Reading Inventory (ACIRI)	Information Not Provided	Information Not Provided	By measuring client outcomes, First Steps ensures that its investments are achieving their intended results. In this case, improving interactive parenting and critical early literacy interactions. (5) ASQ Report. Health Screenings Report.	Assoc. Agency Programs None provided
			How agency measures its performance:	Same as 1.1.1			
Strategy 1.2			Expand Countdown to Kindergarten school transition services through local partnerships, where local boards identify these services as a need	0.80% \$297,187 Countdown to Kindergarten Expenditures	0.78% \$259,157 Countdown to Kindergarten Expenditures	By investing in Countdown to Kindergarten, First Steps creates meaningful connections between high-risk families and the teachers with whom they will work at a critical transition point. Evaluation data suggests that this strategy results in a variety of important outcomes, ranging from greater familiarity with kindergarten expectations and comfort within the school setting, to informed instructional decision making.	
Objective 1.2.1			Ensure that 60% or more client families possess two or more documented school readiness risk factors	Information Not Provided	Information Not Provided	By targeting services to clients most likely to experience early school failure, First Steps maximizes limited resources by directing service delivery to those most likely to benefit.	Assoc. Agency Programs None provided
			How agency measures its performance:	(1) Local partnership education and support calls/webinars (14 in 2013-14; 11 thru 4/30/15) (2) Individualized technical assistance hours to support strategy implementation and local partnership planning (9630 in 2013-14; Agency failed to report thru 4/30/15) (3) Local partnership strategy plans reviewed and approved (46 in 2013-14; 46 thru 4/30/15) (4) Countdown to Kindergarten clients are receiving the number of visits per the program model (5.78 average visits per family in summer 2014; Agency failed to report for summer 2015) (5) Countdown to Kindergarten children are being assigned to their home visitor's classroom for 5K as much as possible (64.85% assigned to HV classroom in summer 2014; Agency failed to report for summer 2015)			
Objective 1.2.2			Ensure that at least 90% of enrolled families receive 5 or more home visits by their assigned Countdown to Kindergarten home visitor	Information Not Provided	Information Not Provided	By ensuring that First Steps CTK clients substantially complete the program, First Steps can assure that the program is delivered with sufficient intensity to achieve desired results.	Assoc. Agency Programs Local Partnerships and State-Level Partnership
			How agency measures its performance:	Same as 1.2.1			
Objective 1.2.3			Work with local school districts to ensure that 60% or more of enrolled families are placed in the classroom of their Countdown to Kindergarten	Information Not Provided	Information Not Provided	In attempting to connect CTK clients to their own future teachers, program outcomes are maximized through the development of strong relationships and the articulation of classroom-specific content and expectations.	Assoc. Agency Programs Local Partnerships and State-Level Partnership
			How agency measures its performance:	Same as 1.2.1			

G	S	O	Goals, Strategies and Objectives Description	% of Total Spending		Outcome	
				2013-14	2014-15	(Public benefit provided, or harm prevented, by accomplishment of this goal, strategy or objective (i.e. tangible benefits that matter in the lives of citizens))	
		Strategy 1.3	Develop and distribute public- and parent-friendly means of communicating the important of early childhood development and school readiness	Information Not Provided	Information Not Provided	By communicating effectively with parents and the public, First Steps ensures that beneficial and cost-saving messages are conveyed to the greatest number of citizens possible.	
		Objective 1.3.1	Develop a parent-friendly school readiness description, per Section 59-152-32	Information Not Provided	Information Not Provided	By developing a concise, parent-friendly description of the school ready five-year-old, First Steps will support parents in preparing their children for success in kindergarten, reducing remediation and retention costs to taxpayers.	Assoc. Agency Programs Local Partnerships and State-Level Partnership Supports & First Steps 4K
			How agency measures its performance:	(1) Local partnership education and support calls/webinars (14 in 2013-14; 11 thru 4/30/15) (2) Individualized technical assistance hours to support strategy implementation and local partnership planning (9630 in 2013-14; Agency did not to report thru 4/30/15) (3) Local partnership strategy plans reviewed and approved (46 in 2013-14; 46 thru 4/30/15) (4) Clients served through First Steps 4K (1402 in 2013-14; 2280 thru 4/30/15) (5) School readiness assessments completed for 4K students (Agency failed to report in 2013-14; 99% thru 4/30/15)			
		Objective 1.3.2	Distribute 2014-15 school readiness (Circle early literacy) parent reports to families of First Steps 4K students, along with parent-friendly guides to understanding the student report	Information Not Provided	Information Not Provided	By distributing parent-friendly descriptions of 4K students' early literacy competencies, First Steps engages families in the instructional process, strengthening classroom outcomes through the provision of specific home supports.	Assoc. Agency Programs First Steps 4K
			How agency measures its performance:	(1) Clients served through First Steps 4K (1402 in 2013-14; 2280 thru 4/30/15) (2) School readiness assessments completed for 4K students (Agency failed to report in 2013-14; 99% thru 4/30/15) (3) Generate specific student assessment reports for 4K parents (Agency failed to report in 2013-14; 100% thru 4/30/15)			
		Objective 1.3.3	Distribute all required BabyNet family notices	Information Not Provided	Information Not Provided	By distributing BabyNet family notices, First Steps ensures that BabyNet clients understand the rights provided to them under state and federal law and supports parents as informed stakeholders in the education of their young children.	Assoc. Agency Programs BabyNet
			How agency measures its performance:	(1) BabyNet Clients screened through medical, agency, parent referral (2209 in 2013-14; 3786 thru 4/30/15) (2) BabyNet Clients served (3672 in 2013-14; 3968 thru 4/30/15)			
		Objective 1.3.4	Develop and distribute printed collateral for local partnership use to identify and inform the public and potential clients about First Steps' services available in their communities	Information Not Provided	Information Not Provided	By making the public and potential clients aware of First Steps' services, the agency maximizes its reach, benefit, and the investment of taxpayers.	Assoc. Agency Programs Local Partnerships and State-Level Partnership Supports; BabyNet; and Early Head Start-Child Care
			How agency measures its performance:	(1) Local partnership education and support calls/webinars (14 in 2013-14; 11 thru 4/30/15) (2) Individualized technical assistance hours to support strategy implementation and local partnership planning (9630 in 2013-14; Agency did not to report thru 4/30/15) (3) Local partnership strategy plans reviewed and approved (46 in 2013-14; 46 thru 4/30/15) (4) BabyNet Clients screened through medical, agency, parent referral (2209 in 2013-14; 3786 thru 4/30/15) (5) BabyNet Clients served (3672 in 2013-14; 3968 thru 4/30/15)			
		Objective 1.3.5	Maintain and regularly update a useful and informative agency website	Information Not Provided	Information Not Provided	By maintaining a current and useful agency website, First Steps maximizes its ability to communicate to potential clients and ensures transparency to the public.	Assoc. Agency Programs Local Partnerships and State-Level Partnership Supports; First Steps 4K; BabyNet; Policy and Accountability; and Early Head Start-Child Care Partnerships
			How agency measures its performance:	(1) Local partnership education and support calls/webinars (14 in 2013-14; 11 thru 4/30/15) (2) Individualized technical assistance hours to support strategy implementation and local partnership planning (9630 in 2013-14; Agency failed to report thru 4/30/15) (3) Local partnership strategy plans reviewed and approved (46 in 2013-14; 46 thru 4/30/15) (4) Clients served through First Steps 4K (1402 in 2013-14; 2280 thru 4/30/15) (5) School readiness assessments completed for 4K students (Agency failed to report in 2013-14; 99% thru 4/30/15) (6) Generate specific student assessment reports for 4K parents (Agency failed to report in 2013-14; 100% thru 4/30/15) (7) BabyNet Clients screened through medical, agency, parent referral (2209 in 2013-14; 3786 thru 4/30/15) (8) BabyNet Clients served (3672 in 2013-14; 3968 thru 4/30/15)			

G	S	O	Goals, Strategies and Objectives	% of Total Spending		Outcome	
			Description	2013-14	2014-15	(Public benefit provided, or harm prevented, by accomplishment of this goal, strategy or objective (i.e. tangible benefits that matter in the lives of citizens))	
Goal 2			Increase comprehensive services so children have reduced risk for major physical, developmental, and learning problems (59-152-30)	9.63% \$3,562,870 (total of strategies and objectives within goal)	7.67% \$2,560,261 (total of strategies and objectives within goal)	The academic success of young children is powerfully shaped by physical, social and emotional forces outside of the classroom. By connecting client families to the comprehensive supports they need to succeed, First Steps enhances school readiness through the elimination of barriers to learning.	
Strategy 2.1			Enhance First Steps' status as an effective portal for families seeking access to public and private services for their young children	Information Not Provided	Information Not Provided	By serving as a state and local early childhood service portal for families, First Steps supports the needs of the state's citizens by creating a "no wrong door" policy through which parents and children can be effectively connected to both services under the First Steps umbrella and those provided by additional public and private partners around the state.	
Objective 2.1.1			Complete state and local planning to ensure the local partnership "portal" function required by Section 59-152-70 is in place by July 1, 2016	Information Not Provided	Information Not Provided	By engaging local partnerships in planning this statutory requirement for FY17, First Steps ensures that its local network will be prepared to offer this valuable service statewide, increasing efficiency and connecting SC families to the public and private resources they need to support the optimal development of their young children.	Assoc. Agency Programs Local Partnerships and State-Level Partnership Supports; and Policy and Accountability
			How agency measures its performance:	(1) Local partnership education and support calls/webinars (14 in 2013-14; 11 thru 4/30/15) (2) Individualized technical assistance hours to support strategy implementation and local partnership planning (9630 in 2013-14; Agency failed to report thru 4/30/15) (3) Local partnership strategy plans reviewed and approved (46 in 2013-14; 46 thru 4/30/15)			
Objective 2.1.2			Explore the feasibility of centralizing BabyNet appointments for families in order to increase efficiency and enhance client service	Information Not Provided	Information Not Provided	By pursuing a centralized appointment system, First Steps intends to streamline its internal processes, freeing local staff time to spend with parents and children.	Assoc. Agency Programs BabyNet; and Policy and Accountability
			How agency measures its performance:	(1) BabyNet Clients screened through medical, agency, parent referral (2209 in 2013-14; 3786 thru 4/30/15) (2) BabyNet Clients served (3672 in 2013-14; 3968 thru 4/30/15)			
Strategy 2.2			Explore feasibility of seamless birth-five service model for high-risk clients combining partnership services, BabyNet, Early Head Start, and 4K	Information Not Provided	Information Not Provided	Through the integration of state and federal resources, First Steps will create high-quality preschool settings where at-risk children can maintain enrollment from birth to school entry in a stable, familiar setting.	
Objective 2.2.1			Expand Early Head Start services within private settings participating in First Steps 4K	Information Not Provided	Information Not Provided	By partnering with private preschool providers to provide Early Head Start and 4K, First Steps maximizes existing facilities and services to the benefit of taxpayers while eliminating the need for costly capital construction.	Assoc. Agency Programs First Steps 4K; and Early Head Start-Child Care Partnerships
			How agency measures its performance:	(1) Clients served through First Steps 4K (1402 in 2013-14; 2280 thru 4/30/15) (2) School readiness assessments completed for 4K students (Agency failed to report in 2013-14; 99% thru 4/30/15) (3) Generate specific student assessment reports for 4K parents (Agency failed to report in 2013-14; 100% thru 4/30/15)			
Objective 2.2.2			Provide high-quality supports through First Steps partnerships providing Early Head Start and classroom-based early education strategies	9.63% \$3,562,870 Partnerships' Early Head Start and Early Childhood Education Expenditures	7.67% \$2,560,262 Partnerships' Early Head Start and Early Childhood Education Expenditures	By supporting high-quality early education programming, First Steps' local partnerships improve school readiness and early academic success.	Assoc. Agency Programs Local Partnerships and State-Level Partnership Supports
			How agency measures its performance:	(1) Local partnership education and support calls/webinars (14 in 2013-14; 11 thru 4/30/15) (2) Individualized technical assistance hours to support strategy implementation and local partnership planning (9630 in 2013-14; Agency failed to report thru 4/30/15) (3) Local partnership strategy plans reviewed and approved (46 in 2013-14; 46 thru 4/30/15)			

G	S	O	Goals, Strategies and Objectives	% of Total Spending		Outcome	
			Description	2013-14	2014-15	(Public benefit provided, or harm prevented, by accomplishment of this goal, strategy or objective (i.e. tangible benefits that matter in the lives of citizens))	
			Strategy 2.3	Develop structures designed to connect families with needed services, whether provided within First Steps or by a public/private partner	Information Not Provided	Information Not Provided	By connecting client families with resources they require, First Steps strengthens the optimal development of the state's children through the emilination of barriers to readiness.
			Objective 2.3.1	Document referrals and connections made for client families in their appropriate database	Information Not Provided	Information Not Provided	By connecting families to the resources they may require, First Steps maximizes the state's existing public and private service investments to the benefit of children.
				How agency measures its performance:	(1) Local partnership education and support calls/webinars (14 in 2013-14; 11 thru 4/30/15) (2) Individualized technical assistance hours to support strategy implementation and local partnership planning (9630 in 2013-14; Agency failed to report thru 4/30/15) (3) Local partnership strategy plans reviewed and approved (46 in 2013-14; 46 thru 4/30/15)		
			Objective 2.3.2	Ensure First Steps Partnership Accountability standards and internal processes are designed to explicitly promote connections to comprehensive service needs	Information Not Provided	Information Not Provided	By connecting families to the resources they may require, First Steps maximizes the state's existing public and private service investments to the benefit of children.
				How agency measures its performance:	Same as 2.3.1		
			Objective 2.3.3	Incorporate interagency priorities within 2015 strategic plan designed to optimize First Steps' local portals as a means through which to connect clients to partner agency services	Information Not Provided	Information Not Provided	By connecting families to the resources they may require, First Steps maximizes the state's existing public and private service investments to the benefit of children.
				How agency measures its performance:	(1) Local partnership education and support calls/webinars (14 in 2013-14; 11 thru 4/30/15) (2) Individualized technical assistance hours to support strategy implementation and local partnership planning (9630 in 2013-14; Agency failed to report thru 4/30/15) (3) Local partnership strategy plans reviewed and approved (46 in 2013-14; 46 thru 4/30/15) (4) Clients served through First Steps 4K (1402 in 2013-14; 2280 thru 4/30/15) (5) School readiness assessments completed for 4K students (Agency failed to report in 2013-14; 99% thru 4/30/15) (6) Generate specific student assessment reports for 4K parents (Agency failed to report in 2013-14; 100% thru 4/30/15) (7) BabyNet Clients screened through medical, agency, parent referral (2209 in 2013-14; 3786 thru 4/30/15) (8) BabyNet Clients served (3,672 in 2013-14; 3968 thru 4/30/15)		

G	S	O	Goals, Strategies and Objectives	% of Total Spending		Outcome
			Description	2013-14	2014-15	(Public benefit provided, or harm prevented, by accomplishment of this goal, strategy or objective (i.e. tangible benefits that matter in the lives of citizens))
Goal 3 (highest spending % for a goal)			Promote high-quality preschool programs that provide a healthy environment that will promote normal growth and development (59-152-30)	29.84% \$11,042,887 (total of strategies and objectives within goal)	37.06% \$12,364,967 (total of strategies and objectives within goal)	Over 50,000 working mothers rely upon high quality preschool programs for their participation in the SC workforce. By enhancing quality within the state's preschool programs, First Steps works to ensure the healthy growth and development of the state's young children through the provision of intensive supports to the environments where these children spend their days.
Strategy 3.1			Implement child care quality enhancement strategies through local partnerships, where local boards identify these services as a need.	4.74% \$1,753,258 Child Care Quality Enhancement Expenditures	4.59% \$1,533,075 Child Care Quality Enhancement Expenditures	By enhancing the quality of SC child care, First Steps is promoting the early academic success of the state's young children through the provision of intensive supports in the environments in which they are enrolled.
Objective 3.1.1			Ensure that quality enhancement client centers are served within First Steps guidelines for intensity and duration of services	Information Not Provided	Information Not Provided	By providing quality enhancement supports consistent with model requirements, First Steps ensures that its child care investments are of sufficient intensity and duration to make measurable and lasting change in preschool classroom quality.
			How agency measures its performance:	(1) Local partnership education and support calls/webinars (14 in 2013-14; 11 thru 4/30/15) (2) Individualized technical assistance hours to support strategy implementation and local partnership planning (9630 in 2013-14; Agency failed to report thru 4/30/15) (3) Local partnership strategy plans reviewed and approved (46 in 2013-14; 46 thru 4/30/15) (4) Child care providers participating in Quality Enhancement are receiving high-quality technical assistance and support (2.53 average TA visits per month in 2013-14; 2.16 average TA visits per month thru 4/30/15) (5) Child care providers participating in Quality Enhancement are improving their program quality (ERS pre/post change .97 on 7 point scale in 2013-14; ERS pre/post change .83 on 7 point scale thru 4/30/15)		
Objective 3.1.2			Increase the quality of client centers as measured by the Early Childhood Environment Rating Scales	Information Not Provided	Information Not Provided	By measuring the effects of its child care quality enhancement investments, First Steps ensures that it is achieving measurable results.
			How agency measures its performance:	Same as 3.1.1		
Objective 3.1.3			Update program accountability standards annually to reflect both current community needs and evidence-based practice	Information Not Provided	Information Not Provided	By updating standards to meet or exceed the requirements of evidence-based models, First Steps ensures that its investments are delivered with fidelity to models proven to achieve results.
			How agency measures its performance:	Same as 3.1.1		
Objective 3.1.4			Connect First Steps Child Care Scholarships to centers exceeding state quality minimums, including those being provided intensive Quality Enhancement	4.85% \$1,793,512 Child Care Scholarship Expenditures	3.97% \$1,324,435 Child Care Scholarship Expenditures	By connecting scholarship clients to high-quality early education settings, First Steps ensures improved development and school readiness.
			How agency measures its performance:	(1) Local partnership education and support calls/webinars (14 in 2013-14; 11 thru 4/30/15) (2) Individualized technical assistance hours to support strategy implementation and local partnership planning (9630 in 2013-14; Agency failed to report thru 4/30/15) (3) Local partnership strategy plans reviewed and approved (46 in 2013-14; 46 thru 4/30/15)		
Assoc. Agency Programs Local Partnerships and State-Level Partnership Supports						

G	S	O	Goals, Strategies and Objectives Description	% of Total Spending		Outcome (Public benefit provided, or harm prevented, by accomplishment of this goal, strategy or objective (i.e. tangible benefits that matter in the lives of citizens))	
				2013-14	2014-15		
			Strategy 3.2 Implement high-quality child care training strategies in communities identifying these services as a need.	3.41% \$1,261,574 Child Care Training Expenditures	2.72% \$907,327 Child Care Training Expenditures	By providing high-quality professional development supports to the state's early childhood workforce, First Steps supports these small businesses in the optimization of their service delivery to SC families and enhances the ability of classroom staff to produce desirable results.	
			Objective 3.2.1 Provide high-quality, registered trainings for SC child care providers	Information Not Provided	Information Not Provided	By providing high-quality professional development supports to the state's early childhood workforce, First Steps supports these small businesses in the optimization of their service delivery to SC families and enhances the ability of classroom staff to produce desirable results.	Assoc. Agency Programs Local Partnerships and State-Level Partnership Supports
			How agency measures its performance:	(1) Local partnership education and support calls/webinars (14 in 2013-14; 11 thru 4/30/15) (2) Individualized technical assistance hours to support strategy implementation and local partnership planning (9,630 in 2013-14; Agency failed to report thru 4/30/15) (3) Local partnership strategy plans reviewed and approved (46 in 2013-14; 46 thru 4/30/15)			
			Objective 3.2.2 Increase provider attendance within First Steps child care trainings	Information Not Provided	Information Not Provided	By providing high-quality professional development supports to the state's early childhood workforce, First Steps supports these small businesses in the optimization of their service delivery to SC families and enhances the ability of classroom staff to produce desirable results.	Assoc. Agency Programs Local Partnerships and State-Level Partnership Supports
			How agency measures its performance:	Same as 3.2.1			
			Strategy 3.3 Expand the availability and quality of the First Steps 4K program within private preschool settings.	16.85% \$6,234,544 First Steps 4K Expenditures	25.77% \$8,600,130 First Steps 4K Expenditures	By partnering with private preschool providers for the provision of 4K, First Steps maximizes existing facilities and services to the benefit of taxpayers, eliminates the need for costly capital construction and fulfills its charge from the General Assembly.	
			Objective 3.3.1 Increase the number of eligible preschool providers participating in the First Steps 4K program	Information Not Provided	Information Not Provided	By recruiting additional centers to participate in the First Steps 4K program, the agency maximizes both parental choice and the General Assembly's investment in public/private prekindergarten programming, while preparing the state's preschoolers for success in kindergarten and beyond.	Assoc. Agency Programs First Steps 4K
			How agency measures its performance:	(1) Clients served through First Steps 4K (1402 in 2013-14; 2280 thru 4/30/15) (2) School readiness assessments completed for 4K students (Agency failed to report in 2013-14; 99% thru 4/30/15) (3) Generate specific student assessment reports for 4K parents (Agency failed to report in 2013-14; 100% thru 4/30/15)			
			Objective 3.3.2 Ensure on-site monitoring and technical assistance to First Steps 4K providers	Information Not Provided	Information Not Provided	By monitoring the state's investment in private preschool settings First Steps ensures the accountable use of public funds, while supporting preexisting, small business and faith-based infrastructure accessed by thousands of working parents.	Assoc. Agency Programs First Steps 4K
			How agency measures its performance:	Same as 3.3.1			
			Objective 3.3.3 Train First Steps 4K providers in the use of required school readiness assessment	Information Not Provided	Information Not Provided	By training First Steps 4K providers in the administration and appropriate use of the state's required early literacy assessment, First Steps maximizes student learning, while supporting the state's need for a readiness policy measure.	Assoc. Agency Programs First Steps 4K
			How agency measures its performance:	Same as 3.3.1			
			Objective 3.3.4 Ensure that First Steps 4K students are assessed during the first 45 days of the school year as required	Information Not Provided	Information Not Provided	By ensuring the assessment of all 4K students within the first 45 days of the school year, First Steps fulfills its legislative mandate while ensuring teachers possess baseline data from which to measure students' early literacy growth.	Assoc. Agency Programs First Steps 4K
			How agency measures its performance:	Same as 3.3.1			
			Objective 3.3.5 Expand First Steps professional development offerings for preschool directors and classroom staff	Information Not Provided	Information Not Provided	By providing high-quality professional development supports to the First Steps 4K workforce, the agency enhances the learning of students while providing private sector providers a professional development infrastructure it otherwise lacks. This enables private sector providers to ensure a comparable service to that provided within local school districts.	Assoc. Agency Programs None provided
			How agency measures its performance:	None provided			

G	S	O	Goals, Strategies and Objectives	% of Total Spending		Outcome	
			Description	2013-14	2014-15	(Public benefit provided, or harm prevented, by accomplishment of this goal, strategy or objective (i.e. tangible benefits that matter in the lives of citizens))	
Goal 4			Provide services so all children receive the protection, nutrition, and health care needed to thrive in the early years of life so they arrive at school ready to succeed (59-152-30)	36.21% \$13,400,385 (total of strategies and objectives within goal)	34.48% \$11,503,275 (total of strategies and objectives within goal)	Children with early health and developmental problems are the most likely population to reach school unprepared for success. Through the provision of high-quality health, nutrition and developmental supports to these children, First Steps works to both prevent and overcome these barriers which, left unchecked, can create significant costs to SC taxpayers and hinder academic and other achievement.	
	Strategy 4.1		Improve the efficiency of the inter-agency BabyNet early intervention system in order to enhance services to families.	26.16% \$9,680,520 First Steps' BabyNet Expenditures	28.41% \$9,480,991 First Steps' BabyNet Expenditures	The BabyNet early intervention system has a 20 year history of underperformance in South Carolina. Since inheriting lead agency status in 2010, First Steps has worked to address longstanding deficiencies and bring the program into federal compliance for the first time in its history.	
	Objective 4.1.1		Increase staffing designed to improve response time for incoming BabyNet client families and improve federal 45-day performance	Information Not Provided	Information Not Provided	With the support of the General Assembly, First Steps will expand its front line BabyNet staffing during FY16 in order to more rapidly process roughly 10,000 annual referrals.	Assoc. Agency Programs BabyNet
			How agency measures its performance:	(1) BabyNet Clients screened through medical, agency, parent referral (2,209 in 2013-14; 3786 thru 4/30/15) (2) BabyNet Clients served (3,672 in 2013-14; 3968 thru 4/30/15)			
	Objective 4.1.2		Complete effective BRIDGES data system implementation, and resolve any interagency compatibility issues	Information Not Provided	Information Not Provided	The BRIDGES ensures SC maintains client and program records required under federal law.	Assoc. Agency Programs BabyNet
			How agency measures its performance:	Same as 4.1.1			
	Objective 4.1.3		Continue to work with agency partners to identify opportunities for increased collaboration to better serve families	Information Not Provided	Information Not Provided	As an interagency system, the success of BabyNet (and hence its potential education outcomes) hinges on collaborative partnerships between its public and private service providers.	Assoc. Agency Programs BabyNet
			How agency measures its performance:	Same as 4.1.1			
	Objective 4.1.4		Support the success of partnerships' additional health and early intervention referral strategies	1.80% \$665,958 Partnership Health and Early Intervention Referral Expenditures	1.32% \$440,149 Partnership Health and Early Intervention Referral Expenditures	Partnership health and screening and referral strategies are key to the healthy development of their clients and a key source of referral for BabyNet. By identifying children early, SC decreases the likelihood of costly long-term remediation and special education services.	Assoc. Agency Programs Local Partnerships and State-Level partnership Supports
			How agency measures its performance:	(1) Local partnership education and support calls/webinars (14 in 2013-14; 11 thru 4/30/15) (2) Individualized technical assistance hours to support strategy implementation and local partnership planning (9630 in 2013-14; Agency failed to report thru 4/30/15) (3) Local partnership strategy plans reviewed and approved (46 in 2013-14; 46 thru 4/30/15)			
	Strategy 4.2		Provide ongoing support to the state's expanding Nurse-Family Partnership services to first-time moms.	8.25% \$3,053,907 First Steps' Nurse-Family Partnership Expenditures	4.74% \$1,582,135 First Steps' Nurse-Family Partnership Expenditures	Nurse Family Partnership has documented improvements in birth outcomes linked to improved school success and decreased Medicaid costs to the citizens of SC.	
	Objective 4.2.1		Continue to chair Nurse-Family Partnership (NFP) funder group and support statewide expansion in communities determining NFP as a need	Information Not Provided	Information Not Provided	By serving as a convener of the SC NFP funders group, First Steps has supported public-private funding and interagency collaboration for 7 years.	Assoc. Agency Programs Policy and Accountability
			How agency measures its performance:	None provided			
	Objective 4.2.2		Develop and implement outreach efforts through local Community Advisory Boards, local partnerships	Information Not Provided	Information Not Provided	Each NFP site is home to a Community Advisory Board, which works in collaboration with local partnerships to ensure an effective system of referrals and long-term sustainability of the program.	Assoc. Agency Programs Local Partnerships and State-Level partnership Supports
			How agency measures its performance:	(1) Local partnership education and support calls/webinars (14 in 2013-14; 11 thru 4/30/15) (2) Individualized technical assistance hours to support strategy implementation and local partnership planning (9630 in 2013-14; Agency failed to report thru 4/30/15) (3) Local partnership strategy plans reviewed and approved (46 in 2013-14; 46 thru 4/30/15)			
	Objective 4.2.3		Utilize state board structure to provide interagency support for NFP expansion	Information Not Provided	Information Not Provided	The unique interagency structure of the First Steps Board of Trustees makes it an ideal place to convene diverse partners around the program's needs.	Assoc. Agency Programs Policy and Accountability
			How agency measures its performance:	None provided			

G	S	O	Goals, Strategies and Objectives	% of Total Spending		Outcome	
			Description	2013-14	2014-15	(Public benefit provided, or harm prevented, by accomplishment of this goal, strategy or objective (i.e. tangible benefits that matter in the lives of citizens))	
Goal 5			Mobilize communities to focus efforts on providing enhanced services to support families and their young children so as to enable every child to reach school healthy and ready to succeed (59-152-30)	5.55% \$2,054,905 (total of strategies and objectives within goal)	7.24% \$2,414,681 (total of strategies and objectives within goal)	By mobilizing communities, First Steps ensures both public awareness and the support of diverse public and private partners around the needs of young children.	
Strategy 5.1			Support local partnerships in their communication efforts to enhance statewide public information on the importance of early childhood development and school readiness			Through effective messaging, local partnerships build awareness of the importance of early childhood development.	
Objective 5.1.1			Provide annual report templates to local partnerships annually	Information Not Provided	Information Not Provided	By providing partnerships the tools they need to communicate to the public, First Steps helps to build awareness of the needs of SC children and families.	Assoc. Agency Programs Policy and Accountability
			How agency measures its performance:	None provided			
Objective 5.1.2			Provide updated logo and brochure templates to local partnerships	Information Not Provided	Information Not Provided	By providing partnerships the tools they need to communicate to the public, First Steps helps to build awareness of the needs of SC children and families.	Assoc. Agency Programs Policy and Accountability
			How agency measures its performance:	None provided			
Objective 5.1.3			Promote local partnership services and outreach on website and through social media	Information Not Provided	Information Not Provided	By providing partnerships the tools they need to communicate to the public, First Steps helps to build awareness of the needs of SC children and families.	Assoc. Agency Programs Policy and Accountability
			How agency measures its performance:	None provided			
Objective 5.1.4			Support the community outreach efforts of local partnerships	0.40% \$149,110 Partnerships Community Outreach and Education Expenditures	1% \$333,719 Partnerships Community Outreach and Education Expenditures	By providing partnerships the tools they need to communicate to the public, First Steps helps to child awareness of the needs of SC children and families.	Assoc. Agency Programs Local Partnerships and State-Level Partnership Supports
			How agency measures its performance:	(1) Local partnership education and support calls/webinars (14 in 2013-14; 11 thru 4/30/15) (2) Individualized technical assistance hours to support strategy implementation and local partnership planning (9,630 in 2013-14; Agency failed to report thru 4/30/15) (3) Local partnership strategy plans reviewed and approved (46 in 2013-14; 46 thru 4/30/15)			
Strategy 5.2			Support local partnerships in their ability to serve as a portal to families, a community convener, and a support of state-level readiness priorities			By providing partnerships the tools they need to operate successfully, SC First Steps helps to ensure South Carolina's investment in partnership services is maximized.	
Objective 5.2.1			Identify and respond to local partnership technical assistance needs on an ongoing basis	Information Not Provided	Information Not Provided	By providing partnerships the tools they need to operate successfully, First Steps helps to ensure SC's investment in partnership services is maximized.	Assoc. Agency Programs Policy and Accountability
			How agency measures its performance:	None provided			
Objective 5.2.2			Increase face-to-face technical assistance to support partnership programs during 2014-15	Information Not Provided	Information Not Provided	By providing partnerships the tools they need to operate successfully, First Steps helps to ensure SC's investment in partnership services is maximized.	Assoc. Agency Programs Policy and Accountability
			How agency measures its performance:	None provided			
Objective 5.2.3			Complete community site visits to each of First Steps' local partnerships by August 1, 2015 in order to (1) edify client satisfaction survey begun in January 2015, (2) identify specific needs for local partnership support in the agency's strategic plan 2015-2020, (3) enhance effectiveness of state-level support through identifying infrastructure	Information Not Provided	Information Not Provided	Through the completion of partnership site visits during the summer of 2015, First Steps will identify important themes to support the Board of Trustees interagency strategic plan and identify partnership technical assistance needs designed to strengthen the First Steps infrastructure.	Assoc. Agency Programs Policy and Accountability
			How agency measures its performance:	None provided			
Objective 5.2.4			Provide oversight, infrastructure and high-quality technical assistance and policy supports designed to support First Steps' attainment of its goals and legislative mandates	3.22% \$1,190,310 Policy and Accountability Expenditures	3.96% \$1,320,637 Policy and Accountability Expenditures	By providing effective oversight and infrastructure supports, First Steps ensures attainment of its goals and legislative mandates.	Assoc. Agency Programs Policy and Accountability
			How agency measures its performance:	None provided			
Objective 5.2.5			Support the operation needs of local partnerships, to include technical assistance staff, administration of statewide financial and data systems, etc.	1.93% \$715,485 State-Level Partnership Supports	2.28% \$760,325 State-Level Partnership Supports	By providing certain local partnership supports at the state level, First Steps maximizes efficiency and lowers system costs.	Assoc. Agency Programs Local Partnerships and State-Level Partnership Supports
			How agency measures its performance:	(1) Local partnership education and support calls/webinars (14 in 2013-14; 11 thru 4/30/15) (2) Individualized technical assistance hours to support strategy implementation and local partnership planning (9630 in 2013-14; Agency failed to report thru 4/30/15) (3) Local partnership strategy plans reviewed and approved (46 in 2013-14; 46 thru 4/30/15)			

Agency's Highlights and Issues

Highlights

Some of the **highlights provided by First Steps State Office** include:

- In 2006, First Steps was the first in the nation to require use of interactive assessments within home visitation programs;²⁴⁰
- A 2010 external evaluation found,
 - 54% of participants who scored at a low quality of parenting improved to a moderate quality of parenting, 44% who had moderate parenting skills moved to high quality, and 11.9% who had low quality parenting at pre-test increased their skills to high quality; and²⁴¹
 - Parents and children participating in First Steps family strengthening programs demonstrate improvements in early literacy, with parents increasing their use/demonstration of key early literacy strategies by 32% (pre to post) and children increasing their own demonstration of these behaviors by 33%;²⁴²
- The outcomes of South Carolina's BabyNet early Intervention System consistently meet or exceed national averages on measures of key school readiness skills based on the following figures from fiscal year 2013: 82% of enrolled children increased their demonstration of positive social emotional skills (16% above the national average of 66%); 82% increased their acquisition and use of knowledge and skills including early language (11% above the national average of 71%); 82% of BabyNet clients increased their ability to use actions to meet their personal needs (11% above the national average of 71%); 59% of children were functioning within age expectations by the time they exited BabyNet in the use of appropriate behaviors to meet their needs and demonstrating positive social-emotional skills-both key prerequisites to school success according to First Steps;²⁴³
- A 2013 analysis by the SC Education Oversight Committee suggests that students participating in the Child Development Education Pilot 4K Program (CDEPP) - when matched against non-participating students with similar risk factors - were 7% more likely to score "Exemplary in Reading" as 3rd graders. These same students were 6% less likely to score "Not Met in Reading."²⁴⁴
- In 2013, 100% of participating teachers reported that parents participating in Countdown to Kindergarten, a First Steps program, were as or more involved than non-participating parents. This included involvement in activities such as parent/teacher conferences, attending school events and activities; maintaining contact with teachers, and volunteering in classroom or school activities.²⁴⁵
- A 2014 birth-outcome analysis conducted by DHEC's Bureau of Maternal Child Health showed that low-income mothers receiving Nurse-Family Partnership home visitations, a First Steps Program, were 63% less likely to require admission to a neonatal intensive care unit; half as likely to be born pre-term (less than 37 weeks); and half as likely to be born at a low birth weight;²⁴⁶
- First Steps' State Office reports serving
 - 391,450 constituents through its Local Boards' program from 2004 through 2014;
 - 7,183 constituents through its 4K program from 2006 through 2015; and
 - 25,059 constituents through its BabyNet program from 2009 through 2015.²⁴⁷
- From 2001-2012 Local Boards have raised \$97,329,428 locally to match \$213,413,977 in State funding.²⁴⁸

Current and Emerging Issues

The **State Office does not report any current or emerging issues**. According to the State Office, it has recently completed a “reform and reauthorization process” that “resulted in significant organizational and governance changes.”²⁴⁹

Potential Negative Impact, if the Agency’s Programs are Not Performing Well

In an effort to facilitate its ability to highlight potential problems at First Steps, the Committee asked the State Office to state the **most potential negative impact on the public that may occur as a result of the First Steps’ programs not performing well**. The Committee also asked **at what level the State Office thinks the General Assembly should be put on notice of the potential problem**. Table 15 brings together all of the potential negative impacts reported by the State Office.²⁵⁰

Table 15. Potential negative impact, if the agency’s programs are not performing well²⁵¹

Program	Potential negative impact	Level at which the agency thinks the General Assembly should be put on notice
Local Partnerships and Partnership Supports (i.e. Local Boards) Program Effectiveness and Efficiency Ranking: 1 (1 is most effective and efficient)	The most recent external evaluation of First Steps suggested that Local Boards are the "batteries" powering discussion of the needs of South Carolina's young children. Their underperformance would result in decreased efficiency and collaboration, the loss of a key community portal for families and the diminished capacity of funded services.	Local Boards are held to a detailed set of program accountability measures, reviewed as part of their annual grant application. The General Assembly should be put on notice if the number of conditionally approved (potentially underperforming) strategies rises.
First Steps 4K Program Effectiveness and Efficiency Ranking: 2	If the First Steps 4K program were to underperform, students would not receive a high-quality 4K experience- limiting school readiness.	First Steps provides intensive monitoring of local 4K providers to prevent negative impact. The General Assembly should be put on notice in the event that First Steps 4K results lag significantly behind those of public schools.
BabyNet Program Effectiveness and Efficiency Ranking: 3	If BabyNet underperforms SC children will not receive timely early intervention services, diminishing their chance of entering school ready to succeed.	BabyNet was moved to First Steps in 2010 as a 17-year-old system with chronic federal performance deficits. First Steps has worked diligently in the years since to reconstitute a system of general supervision and enact policies required by the federal government to the benefit of its client families. While this corrective action is ongoing, First Steps thanks the General Assembly for its attention to program needs in the proposed FY16 budget. New staff and resources hold the potential to significantly impact SC's federal Part C performance.
Policy and Accountability Program Effectiveness and Efficiency Ranking: 4	Without an effective policy, oversight and accountability functions, the efficacy of the public's investment in First Steps could not be assured.	First Steps undergoes regular performance reviews, with the most recent finding that the initiative is meeting legislative goals partially due to effective accountability and fiscal structures within the State Office. The General Assembly should be put on notice in the event this is no longer the case.

Early Head Start – Child Care Partnerships Program Effectiveness and Efficiency Ranking: Not ranked (agency stated this is a new program)	If this grant program underperforms, eligible children and families will not receive high-quality care and education.	State Office did not provide a level at which the General Assembly should be put on notice.
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RECOMMENDATIONS

Agency’s Recommendations

Note: A summary of the agency’s recommendations are listed in Visual Summary Table 3 on page 13.

According to the State Office, the agency has recently completed a “reform and reauthorization process” that “resulted in significant organizational and governance changes.”²⁵² The State Office reports that the State Board is working on a systemic strategic plan, and it may have operational recommendations in the future.²⁵³

The State Office does recommend the Subcommittee review the references to First Steps found in law, and consider deleting two provisos as well as modifying five others. The State Office has provided bases for its suggestions in its Program Evaluation Report.

Committee Staff’s Recommendations

Note: A summary of staff’s recommendations are listed in Visual Summary Table 3 on page 13.

Staff respectfully requests the Subcommittee give consideration to the agency’s recommendations as well as the staff recommendations regarding potential areas for further study. Staff’s recommendations are based upon consideration of: (1) the application, administration, execution and effectiveness of laws and programs; (2) the organization and operation of the agency; and (3) conditions or circumstances that may indicate the necessity or desirability of enacting new or additional legislation.²⁵⁴ Other considerations include: percentages of total money spent by agency in certain areas, potential negative impacts, agency recommendations, and public comments.

Receipt of Report from First Steps Study Committee

Additionally, staff respectfully recommends the Subcommittee consider deferring its approval of a Subcommittee study of the agency until the Subcommittee has had the opportunity to receive and review the comprehensive report regarding governance from the First Steps Study Committee. This report is scheduled for release January 1, 2016. This allows the Subcommittee to continue its study of the agency and have the benefit of a current comprehensive study regarding the governance of First Steps.

Performance Measures and Benchmarks

Staff respectfully recommends the Subcommittee discuss and seek clarification about how the agency currently uses, and could expand the use of, performance measures and benchmarks to demonstrate to the public how it uses resources efficiently, and how its efforts are producing results in the families and children with whom it interacts. Most of the performance measures provided state only the number of visits, calls, or screenings as opposed to addressing the effectiveness of the agency's action in producing actual positive outcomes.

Table 16. Sample of First Steps Output Measures

First Steps Performance Measure	Analysis by LOC Staff of what is measured
Local partnership education and support calls/webinars ²⁵⁵	First Steps holds monthly calls/webinars as a communication vehicle with and for Local Boards, with additional instances scheduled as needed. This metric measures the number of calls/webinars, which is helpful because the State Office is required to provide technical assistance, consultation, and support to Local Boards. However, this does not measure whether the calls/webinars are actually helpful or produce any substantial results.
Individualized technical assistance hours to support strategy implementation and local partnership planning ²⁵⁶	This is similar to the measure above, but it counts the number of individualized hours as opposed to the number of calls/webinars. Again, it measures the amount of time spent, but does not measure whether that time was spent efficiently or if there was any positive outcome.
Clients served through First Steps 4K ²⁵⁷ or BabyNet Clients served ²⁵⁸	This measure counts the number of clients served through First Steps 4K or BabyNet. It does not provide any information on whether the service provided was ultimately beneficial to the clients served.
Child care providers participating in Quality Enhancement are receiving high-quality technical assistance and support ²⁵⁹	The wording of this measure implies Quality Enhancement is high-quality technical assistance and support. However, this metric does not measure the quality of the assistance and support provided. It also does not provide any information as to whether the assistance was ultimately helpful. It only measures the average number of technical assistance visits per month. A potential measure to consider may be the number of repeat assistance requests on the same topic, with the goal being zero, as this would illustrate the initial technical assistance and support was clear, helpful, and understood by the child care provider the first time.

Output measures, like the samples in Table 16 above, do not provide information on the ultimate outcome of the visits, calls or screenings, nor whether any benefits were actually provided to the families or children. While the majority of First Steps' performance measures are not outcome measures, the following three are,

- Home visitation clients are increasing their parenting skills²⁶⁰,
 - Method of Measurement: Adult clients assessed via videotaped assessment Keys to Interactive Parenting Scale (KIPS) within 45 days of entry or when the child is two months of age; then assessed six to nine months later and annually thereafter as well as upon program exit if possible.²⁶¹
- Home visitation clients are increasing their interactive literacy skills²⁶², and

- Method of Measurement: Adult and child assessed via Adult Child Interactive Reading Inventory (ACIRI) within 45 days of entry or when the child is 30 months of age; then assessed six to nine months later and annually thereafter as well as upon program exit if possible.²⁶³
- Child care providers participating in Quality Enhancement are improving the quality of their services.²⁶⁴
 - Method of Measurement: Baseline Environmental Rating Scale (ERS) administered in classrooms within 90 days of starting technical assistance (TA) visits, then post-ERS six to nine months later and annually thereafter.²⁶⁵

These are outcome measures because they measure scores on the different tests prior to and after the home visitation, or participation in Quality Enhancement, thus showing the outcome of the output (i.e. visit, etc). Unfortunately, the outcome of participating in Quality Enhancement program has been a lower score on the Environment Rating Scale each of the last two years (1.17 in 2013; 0.97 in 2014; 0.83 as of 4/30/15).²⁶⁶

Also, First Steps points to **first grade retention** data.²⁶⁷ However, First Steps use of this data has been questioned. The Legislative Audit Council found the methodology utilized was improper for several reasons and First Steps was reporting questionable statistics to the public by stating the implementation of early childhood development and education programs had coincided with a decrease in the percentage of students who repeat first grade and thus a large financial savings to the state.²⁶⁸ First Steps strongly disagreed with LAC's assertion and, in its recent Annual Report, clarified that it **does not use first grade retention as a measure of the effectiveness of First Steps' programs**, but a measure of the state's collective success in preparing young children for school.²⁶⁹

While First Steps states the General Assembly eliminated the state's common school readiness metric in 2008, there were statewide metrics the year First Steps started in 1999 through 2008. Cognitive Skills Assessment Battery (CSAB) was utilized from 1999-2001 and SC Readiness Assessment (SCRA) was utilized from 2001-2008. The **Subcommittee may wish to request data related to performance on those assessments of children in First Steps' programs versus children with similar risk factors not in First Steps Programs. This information may provide a historical perspective the Subcommittee can utilize when analyzing how First Steps used scores from the statewide tests to adjust its programs and resources to obtain the most effective outcomes.**

Based on the above, staff respectfully recommends the **Subcommittee discuss performance measures with First Steps to help the agency move toward using additional outcome measures**, rather than relying so heavily on output measures, as a way to more clearly demonstrate its successes. Also, staff respectfully recommends the **Subcommittee discuss with the First Steps Study Committee whether or not the tests First Steps currently uses to measure its performance with home visitations and Quality Enhancement are the most appropriate means by which to measure those outcomes.**

Collection and Utilization of Data to Focus Resources on Most Effective Programs

If First Steps State Office began collecting data in 2004, which would allow four years after first starting to obtain a solid presence in all 46 counties, the State Office would now have data on the long-lasting impact of its initiative since those participating in the initiative's programs in 2004 would now be completing middle school (i.e. 4 years old in 2004 would make them 14 in 2014). While some students may have moved during this time, there should still be a good pool from which to obtain this type of longitudinal

data as First Steps' State Office reports serving 391,450 constituents through its Local Boards program from 2004 through 2014; 7,183 constituents through its 4K program from 2006 through 2015; and 25,059 constituents through its BabyNet program from 2009 through 2015.²⁷⁰

This longitudinal data may help First Steps focus efforts and resources on those programs which are most effective instead of continuing to expand its operations. While the State Office only lists a total of five programs in its Program Effectiveness Chart, its 2016 local partnership program matrix shows more than five.²⁷¹ According to the 2016 local partnership program matrix the State Office and Local Boards operate a total of 48 different programs grouped into four categories: (a) Parenting - 27 programs; (b) Early Education - 11 programs; (c) School Transition - 3 programs; and (d) Health - 7 programs.²⁷² This is double the amount they operated with state funds in fiscal year 2011-12, at which time the Legislative Audit Council recommended the General Assembly amend state law to limit the number of state-funded First Steps programs.²⁷³ While there may be value provided by all of the programs, a set limitation on the number of programs, may help ensure First Steps staff, and taxpayer dollars, are focused and utilized in the most effective and efficient manner.

Based on the above information, **staff respectfully recommends the Subcommittee discuss further with First Steps the collection and utilization of longitudinal data.** In particular, how First Steps utilizes this information to identify the most successful programs and determine which of those it can operate most efficiently so other programs can be handled by outside entities or eliminated.

Collaboration with Other Agencies

First Steps Vision 2013 strategic plan, which was adopted in December 2009, states,

“In order for South Carolina First Steps to fulfill both these Vision 2013 goals and its own legislative mandate to serve as the state’s interagency leadership board for young children-providing venues at both the state and local levels for child serving agencies, organization, parents and private service providers to ensure the optimal and coordinated use of limited resources - it **must work more aggressively to communicate, coordinate and collaborate with partner agencies** and other key stakeholders.

This mandate, outlined broadly in the First Steps enabling legislation, takes on new significance in light of ... the Board’s current proposals to explore service coordination models based - in large part - on linking high-risk clients to the services of partner agencies.”²⁷⁴ (emphasis added)

Staff respectfully recommends the Subcommittee further discuss with First Steps the actions taken to more aggressively coordinate and collaborate with partner agencies. In addition, staff recommends the Subcommittee request the data First Steps uses when determining which actions to continue or eliminate based on their effectiveness in linking high-risk clients to the services of partner agencies, including, but not limited to, information provided to Local Boards with details on services provided by other agencies, etc. Lastly, staff respectfully recommends the Subcommittee reach out to entities First Steps listed as partner agencies in the Restructuring and Seven-Year Plan Report to obtain feedback from those agencies on their working relationship with First Steps.

Staff respectfully recommends a review of the laws the agency has identified for potential revision. Some of the agency's recommendations have the goal of updating laws to match current facts. The agency has provided bases for its suggestions in its Program Evaluation Report.

ENDNOTES

¹ Figure 1 is compiled from information in the *Restructuring and Seven-Year Plan Report* and *Program Evaluation Report*. SC First Steps to School Readiness, "Restructuring and Seven-Year Plan Report, 2015," under "Citizens' Interest" and under "House Legislative Oversight Committee Postings and Reports," and under "First Steps to School Readiness"

<http://www.scstatehouse.gov/committeefinfo/HouseLegislativeOversightCommittee/2015AgencyRestructuringandSevenYearPlanReports/2015%20First%20Steps%20to%20School%20Readiness.pdf> (accessed August 12, 2015). SC First Steps to School Readiness, "Program Evaluation Report, 2015," under "Citizens' Interest" and then under "House Legislative Oversight Committee Postings and Reports," and under "First Steps to School Readiness" <http://www.scstatehouse.gov/committeefinfo/HouseLegislativeOversightCommittee/2015%20Program%20Evaluation%20Reports/Firs> t%20Steps%20Program%20Evaluation%20Report.PDF (accessed August 12, 2015).

² Visual Summary Table 2 information is compiled from staff analysis of the *Program Evaluation Report*, Strategic Investment Chart.

³ SC First Steps to School Readiness, *Program Evaluation Report*, Purpose/Mission/Vision Chart.

⁴ Ibid.

⁵ *SC Code of Laws*, sec. 59-152-30(3).

⁶ *SC Code of Laws*, sec. 59-152-30(4).

⁷ *SC Code of Laws*, sec. 59-152-30(1).

⁸ *SC Code of Laws*, sec. 59-152-30(2).

⁹ *SC Code of Laws*, sec. 59-152-30(5).

¹⁰ *SC Constitution*, art. XII, sec. 1. The full text of the SC Constitution is available on the SC General Assembly's website, "SC Constitution," <http://www.scstatehouse.gov/scconstitution/scconst.php> (accessed July 27, 2015).

¹¹ *SC Code of Laws*, sec. 2-2-5. The full text of the unannotated version of the SC Code of Laws is available on the SC General Assembly's website, "Code of Laws," under "South Carolina Law," <http://www.scstatehouse.gov/code/statmast.php> (accessed July 7, 2015).

¹² Ibid.

¹³ *SC Code of Laws*, sec. 2-2-20(B).

¹⁴ SC House of Representatives, House Legislative Oversight Committee, "Standard Practice 9," under "Citizens' Interest," under "House Legislative Oversight Committee Postings and Reports," and under "Standard Practices," <http://www.scstatehouse.gov/committeefinfo/HouseLegislativeOversightCommittee/SP06252015.pdf> (accessed July 5, 2015).

¹⁵ *SC Code of Laws*, sec. 2-2-20(A).

¹⁶ *SC Code of Laws*, sec. 2-2-30(C)(1).

¹⁷ *SC Code of Laws*, sec. 2-2-20(C).

¹⁸ *SC Code of Laws*, sec. 2-2-50.

¹⁹ *SC Code of Laws*, sec. 2-2-70.

²⁰ *SC Code of Laws*, sec. 2-2-80 and sec. 2-2-90.

²¹ *SC Code of Laws*, sec. 2-2-100 through 120.

²² *SC Code of Laws*, sec. 2-2-30(C)(2).

²³ SC House of Representatives, House Legislative Oversight Committee, "January 7, 2015 Meeting Minutes," under "Citizens' Interest," under "House Legislative Oversight Committee Postings and Reports," and under "Full Committee Minutes," <http://www.scstatehouse.gov/committeefinfo/HouseLegislativeOversightCommittee/FullCommitteeMinutes.php> (accessed June 21, 2015). Video of the meeting is available at <http://www.scstatehouse.gov/video/videofeed.php>.

²⁴ The committee's recommendations, letters to the Speaker of the House of Representatives and House Clerk, and a direct link to the January 13, 2015, House Journal are available on the committee's website under "Citizens' Interest," under "House Legislative Oversight Committee Postings and Reports," <http://www.scstatehouse.gov/committeefinfo/houselegislativeOversightCommittee.php> (accessed June 21, 2015).

²⁵ SC House of Representatives, House Legislative Oversight Committee, "February 5, 2015 Full Committee Minutes," under "Citizens' Interest," under "House Legislative Oversight Committee Postings and Reports," and under "Minutes," <http://www.scstatehouse.gov/committeefinfo/HouseLegislativeOversightCommittee/FullCommitteeMinutes/February052015.pdf> (accessed August 5, 2015). A video of the meeting is available at <http://www.scstatehouse.gov/video/videofeed.php>.

²⁶ *SC Code of Laws*, sec. 2-2-10(1).

²⁷ SC House of representatives, House Legislative Oversight Committee, "Subcommittees -2015," under "Citizens' Interest," under "House Legislative Oversight Committee Postings and Reports," <http://www.scstatehouse.gov/committeefinfo/HouseLegislativeOversightCommittee/S1.pdf> (accessed July 5, 2015).

²⁸ SC House of representatives, House Legislative Oversight Committee, "Subcommittees -2015," under "Citizens' Interest," under "House Legislative Oversight Committee Postings and Reports," <http://www.scstatehouse.gov/committeefinfo/HouseLegislativeOversightCommittee/S1.pdf> (accessed July 5, 2015).

²⁹ SC House of Representatives, House Legislative Oversight Committee, “February 24, 2015 Executive Subcommittee Minutes,” under “Citizens’ Interest,” under “House Legislative Oversight Committee Postings and Reports,” and under “Subcommittee Minutes” <http://www.scstatehouse.gov/committeefinfo/HouseLegislativeOversightCommittee/SubcommitteeMinutes.php> (accessed July 5, 2015). Video of the meeting is available at <http://www.scstatehouse.gov/video/videofeed.php>.

³⁰ Minutes from the May 12, 2015, Education and Cultural Subcommittee meeting have not been approved and are not online. Video of the meeting is available at <http://www.scstatehouse.gov/video/videofeed.php>.

³¹ SC House of Representatives, House Legislative Oversight Committee, “May 2015 Survey Results,” under “Citizens’ Interest,” under “House Legislative Oversight Committee Postings and Reports,” and under “First Steps to School Readiness” [http://www.scstatehouse.gov/committeefinfo/HouseLegislativeOversightCommittee/Survey/May%202015%20Survey%20Results%20\(CG,%20DO T,%20First%20Steps,%20DSS,%20and%20DJJ\).pdf](http://www.scstatehouse.gov/committeefinfo/HouseLegislativeOversightCommittee/Survey/May%202015%20Survey%20Results%20(CG,%20DO T,%20First%20Steps,%20DSS,%20and%20DJJ).pdf), unnumbered page 1 and 133-135, (accessed July 5, 2015).

³² Standard practice 10.4.

³³ SC House of Representatives, House Legislative Oversight Committee, “May 2015 Public Survey.” The survey is closed. The survey sought comments from the public about the Comptroller General’s Office; Department of Transportation; SC First Steps to School Readiness; Department of Social Services; and Department of Juvenile Justice. The 1,788 responses is inclusive of responses for all five agencies.

³⁴ SC House of Representatives, House Legislative Oversight Committee, “Provide Input About Agencies,” under “Citizens’ Interest,” under “House Legislative Oversight Committee Postings and Reports.”

³⁵ SC First Steps to School Readiness, “Restructuring and Seven-Year Plan Report, 2015,” under “Citizens’ Interest” and under “House Legislative Oversight Committee Postings and Reports,” and under “First Steps to School Readiness” <http://scstatehouse.gov/committeefinfo/HouseLegislativeOversightCommittee/2015AgencyRestructuringandSevenYearPlanReports/2015%20First%20Steps%20to%20School%20Readiness.pdf> (accessed July 6, 2015).

³⁶ *Ibid.*, 16.

³⁷ SC First Steps to School Readiness, “Program Evaluation Report, 2015,” under “Citizens’ Interest” and then under “House Legislative Oversight Committee Postings and Reports,” and under “First Steps to School Readiness” <http://scstatehouse.gov/committeefinfo/HouseLegislativeOversightCommittee/2015%20Program%20Evaluation%20Reports/First%20Steps%20Program%20Evaluation%20Report.PDF> (accessed July 6, 2015).

³⁸ SC House of Representatives, House Legislative Oversight Committee, “First Steps to School Readiness,” under “Committee’s Seven-Year Study Cycle,” and under “Agencies Currently Under Study,” <http://www.scstatehouse.gov/committeefinfo/HouseLegislativeOversightCommittee/AgencyPHPFiles/ComptrollerGeneral.php> (accessed July 5, 2015).

³⁹ Standard practice 11.1.

⁴⁰ Standard practice 11.2.

⁴¹ As a staff study is similar to a bill summary, the disclaimer required by House Rule 4.19 for bill summaries prepared by staff has been modified.

⁴² Standard practice 11.4.

⁴³ Standard practice 11.5 -11.7.

⁴⁴ Standard practice 11.8-11.9.

⁴⁵ *SC Code of Laws*, sec. 2-2-20(C).

⁴⁶ Act Number 99 of 1999 which is available on the General Assembly’s website under “Archives,” under “Act Lists,” and under “Acts from 1999,” http://www.scstatehouse.gov/sess113_1999-2000/bills/3620.htm (accessed July 31, 2015).

⁴⁷ First Steps to School Readiness, *2015 Restructuring and Seven-Year Plan Report*.

⁴⁸ *Ibid.*

⁴⁹ *SC Code of Laws*, sec. 63-11-1710. For information about the awarding of grants to partnerships at the county level see *SC Code of Laws*, sec. 59-152-90.

⁵⁰ Act Number 99 of 1999, sec. 8.

⁵¹ Act Number 412 of 2006 which is available on the General Assembly’s website under “Archives,” under “Act Lists,” and under “Acts from 2006,” http://www.scstatehouse.gov/sess116_2005-2006/bills/947.htm (accessed July 31, 2015).

⁵² Act Number 101 of 2013, 2013-2014 General Appropriations Act Part IB, sec. 117.14, which is available on the General Assembly’s website under “Legislation,” under “The Budget,” and under “FY 2013-14,” http://www.scstatehouse.gov/sess120_2013-2014/appropriations2013/tap1b.htm#s117 (accessed July 31, 2015). Act Number 286 of 2014, 2014-2015 General Appropriations Act Part IB, sec. 117.108, which is available on the General Assembly’s website under “Legislation,” under “The Budget,” and under “FY 2014-15,” http://www.scstatehouse.gov/sess120_2013-2014/appropriations2014/tap1b.htm#s117 (accessed July 31, 2015).

⁵³ Act Number 287 of 2014 which is available on the General Assembly’s website under “Archives,” under “Act Lists,” and under “Acts from 2014,” http://www.scstatehouse.gov/sess120_2013-2014/bills/3428.htm (accessed July 31, 2015).

⁵⁴ H.3843 (R.70) was signed into law by the Governor on June 1, 2015, and is available on the General Assembly’s website under “Search Legislation by Bill, Act or Rat Number,” http://www.scstatehouse.gov/sess121_2015-2016/bills/3843.htm (accessed August 6, 2015).

⁵⁵ SC First Steps to School Readiness, “Welcome,” <http://scfirststeps.com/> (accessed July 15, 2015).

⁵⁶ SC Joint Citizens and Legislative Committee on Children, “Children’s Agencies,” <http://www.sc.edu/jclcc/agency.shtml> (accessed August 12, 2015). The Department of Social Services and Department of Juvenile Justice are currently under study by the Committee and Subcommittee.

⁵⁷ SC First Steps to School Readiness, *Program Evaluation Report*, Purpose/Mission/Vision Chart.

⁵⁸ *SC Code of Laws*, sec. 59-152-20 and sec. 59-152-30.

⁵⁹ SC First Steps to School Readiness, *Program Evaluation Report*, Purpose/Mission/Vision Chart.

⁶⁰ SC First Steps to School Readiness, *Restructuring and Seven-Year Plan Report*, Key Deliverables Chart.

⁶¹ *SC Code of Laws*, sec. 63-11-1735(A)(2).

⁶² *SC Code of Laws*, sec. 63-11-1735(A)(4).

⁶³ *SC Code of Laws*, sec. 63-11-1735(A)(1).

⁶⁴ *SC Code of Laws*, sec. 63-11-1735(A)(3).

⁶⁵ *SC Code of Laws*, sec. 63-11-1735(B).

⁶⁶ Table 3 information is compiled from the agency's *Restructuring and Seven-Year Plan Report*.

⁶⁷ SC Legislative Audit Council, "Report Summary: A Review of S.C. First Steps to School Readiness," SC Legislative Audit Council, June 2013, http://lac.sc.gov/LAC_Reports/2013/Documents/First_Steps_Summary.pdf (accessed July 14, 2015).

⁶⁸ SC Legislative Audit Council, "A Review of S.C. First Steps to School Readiness," SC Legislative Audit Council, June 2013, http://lac.sc.gov/LAC_Reports/2013/Documents/First_Steps.pdf (accessed August 7, 2015).

⁶⁹ SC House of Representatives, *2014 Legislative Update*, <http://www.scstatehouse.gov/reports/hupdate/lu3119.htm#e25> (accessed August 7, 2015).

⁷⁰ *SC Code of Laws*, sec. 59-152-40 & 63-11-1710(A).

⁷¹ SC First Steps to School Readiness, *Restructuring and Seven-Year Plan Report*, Overseeing Body Chart.

⁷² *SC Code of Laws*, sec. 63-11-1720(D)&(E).

⁷³ *SC Code of Laws*, sec. 63-11-1720(A).

⁷⁴ *SC Code of Laws*, sec. 63-11-1720(C)(1)-(5).

⁷⁵ *SC Code of Laws*, sec. 63-11-1720(C)(6).

⁷⁶ SC First Steps to School Readiness, *Restructuring and Seven-Year Plan Report*, Overseeing Body Charts.

⁷⁷ *SC Code of Laws*, sec. 63-11-1730(10).

⁷⁸ *SC Code of Laws*, sec. 63-11-1730(2).

⁷⁹ *SC Code of Laws*, sec. 59-152-60(B) and 63-11-1730(12).

⁸⁰ *SC Code of Laws*, sec. 63-11-1730(4).

⁸¹ *SC Code of Laws*, sec. 59-152-90 (C)(3). These requirements must include the following: (a) adoption and adherence to bylaws promulgated by the South Carolina First Steps to School Readiness Board of Trustees, which includes, but is not limited to, compliance with the board composition, attendance, voting, and disclosure requirements; (b) utilization of the South Carolina First Steps to School Readiness benchmarks and objectives; (c) implementation of programs and activities, which are effective and contributing to state goals, and otherwise acceptable pursuant to the requirements of Chapter 152, Title 59; and (d) fulfillment of all the duties in § 59-152-70. (*SC Code of Laws*, sec. 59-152-90 (C)(1)).

⁸² *SC Code of Laws*, sec. 59-152-90(C)(2).

⁸³ *SC Code of Laws*, sec. 63-11-1730(8).

⁸⁴ *SC Code of Laws*, sec. 59-152-32 (A)(2). (Required before July 1, 2015).

⁸⁵ *Ibid*.

⁸⁶ *SC Code of Laws*, sec. 63-11-1730(7). From the time the initiative was created in 1999 until 2014, the State Board was required to establish internal evaluation policies and procedures for Local Partnership Boards for an annual review of the functioning of the partnership, implementation of strategies, and progress toward the interim goals and benchmarks. (*SC Code of Laws*, sec. 59-152-160(A)).

⁸⁷ *SC Code of Laws*, sec. 59-152-32 (A)(2). (Required before July 1, 2015). "Preschool child" means a child from the prenatal stage to entry into five-year-old kindergarten. (*SC Code of Laws*, sec. 59-152-25(E)).

⁸⁸ *SC Code of Laws*, sec. 59-152-32 (B).

⁸⁹ *SC Code of Laws*, sec. 63-11-1730(13).

⁹⁰ *SC Code of Laws*, sec. 63-11-1730(11).

⁹¹ *SC Code of Laws*, sec. 63-11-1730(3).

⁹² *SC Code of Laws*, sec. 63-11-1730(6).

⁹³ *SC Code of Laws*, sec. 59-152-32 (A)(3). (Required before July 1, 2015).

⁹⁴ *SC Code of Laws*, sec. 63-11-1730(14).

⁹⁵ *SC Code of Laws*, sec. 59-152-160(A). "Prevalent program investment" means a program administered by a partnership and funded with state grant money, which accounts for at least ten percent of total programmatic spending in First Steps. (*SC Code of Laws*, sec. 59-152-25(F)).

⁹⁶ *SC Code of Laws*, sec. 59-152-60(D).

⁹⁷ *SC Code of Laws*, sec. 59-152-90 (D).

⁹⁸ *SC Code of Laws*, sec. 63-11-1730(9). (This has been required since 1999).

⁹⁹ *SC Code of Laws*, sec. 63-11-1730(1).

¹⁰⁰ *SC Code of Laws*, sec. 59-152-32 (A)(1). (Required before July 1, 2015). "School readiness" means the level of child development necessary to ensure early school success as measured in the following domains: physical health and motor skills; emotional and social competence; language and literacy development; and mathematical thinking and cognitive skills. School readiness is supported by the knowledge and practices of families, caregivers, healthcare providers, educators, and communities. (*SC Code of Laws*, sec. 59-152-25(G)).

¹⁰¹ *SC Code of Laws*, sec. 59-152-32 (A)(4). (Required before July 1, 2015.) "Evidence-based program" means a program based on a clear and consistent program model that is designated as such by the Board because the program: (1)(a) is grounded in published, peer-reviewed research that is linked to determined outcomes; (b) employs well-trained and competent staff to whom the program provides continual professional development that is relevant to the specific model being delivered; (c) demonstrates strong linkages to other community-based services; and (d) is operated to ensure program fidelity; or (2) is commonly recognized by experts in the field as such a program. (*SC Code of Laws*, sec. 59-152-25(A)). "Evidence-informed program" means a program that does not satisfy the criteria of an evidenced-based program model but that the South Carolina First Steps to School Readiness Board of Trustees determines is supported by research indicating its potential effectiveness. (*SC Code of Laws*, sec. 59-152-25(C)).

¹⁰² *SC Code of Laws*, sec. 59-152-33(D).

¹⁰³ *Ibid*.

¹⁰⁴ The federal Improving Head Start for School Readiness Act of 2007 is codified at 42 USC § 9837b, et. seq. (*SC Code of Laws*, sec. 63-11-1725(A)).

¹⁰⁵ *SC Code of Laws*, sec. 63-11-1725(D).

¹⁰⁶ *Ibid*.

¹⁰⁷ *Ibid*.

¹⁰⁸ Ibid.

¹⁰⁹ Ibid.

¹¹⁰ Ibid.

¹¹¹ Ibid.

¹¹² Ibid.

¹¹³ Ibid.

¹¹⁴ *SC Code of Laws*, sec. 63-11-1740.

¹¹⁵ Ibid.

¹¹⁶ SC First Steps to School Readiness, *Restructuring and Seven-Year Plan Report*, pg. 12.

¹¹⁷ Ibid.

¹¹⁸ Ibid.

¹¹⁹ According to a June 30, 2015, briefing to the Economic Development, Transportation, Natural Resources and Regulatory Subcommittee by Ms. Kim Aydlette, State Director of the Division of Human Resources for the SC Department of Administration, the various types of employment include full-time employment, temporary employment, temporary grant employment, and time-limited employment. SC House of Representatives, Legislative Oversight Committee, "Economic Development, Transportation, Natural Resources and Regulatory Subcommittee June 30, 2015," 59.29, <http://www.scstatehouse.gov/video/videofeed.php> (accessed July 5, 2015). The figures provided by the agency are solely for full-time employment.

¹²⁰ This information was provided by SC First Steps to Committee staff following a request for the information.

¹²¹ Figure 2.2 information was provided by SC First Steps to Committee staff following a request for the information.

¹²² *SC Code of Laws*, sec. 59-152-50(4).

¹²³ *SC Code of Laws*, sec. 59-152-50(6).

¹²⁴ *SC Code of Laws*, sec. 59-152-50(7).

¹²⁵ *SC Code of Laws*, sec. 59-152-50(3).

¹²⁶ *SC Code of Laws*, sec. 59-152-50(2).

¹²⁷ *SC Code of Laws*, sec. 59-152-50(1).

¹²⁸ *SC Code of Laws*, sec. 59-152-50(5).

¹²⁹ *SC Code of Laws*, sec. 59-152-150(A).

¹³⁰ *SC Code of Laws*, sec. 59-152-130(B).

¹³¹ Ibid.

¹³² Ibid.

¹³³ *SC Code of Laws*, sec. 59-152-50(8).

¹³⁴ *SC Code of Laws*, sec. 59-152-60(A).

¹³⁵ Ibid.

¹³⁶ *SC Code of Laws*, sec. 59-152-70(D).

¹³⁷ *SC Code of Laws*, sec. 59-152-60(B) and (C).

¹³⁸ *SC Code of Laws*, sec. 59-152-60(C).

¹³⁹ *SC Code of Laws*, sec. 59-152-60(F).

¹⁴⁰ Ibid.

¹⁴¹ *SC Code of Laws*, sec. 59-152-60(E).

¹⁴² *SC Code of Laws*, sec. 59-152-60(A).

¹⁴³ *SC Code of Laws*, sec. 59-152-60(C)(1).

¹⁴⁴ *SC Code of Laws*, sec. 59-152-60(C)(3).

¹⁴⁵ *SC Code of Laws*, sec. 59-152-60(C)(2).

¹⁴⁶ *SC Code of Laws*, sec. 59-152-70(B).

¹⁴⁷ Ibid.

¹⁴⁸ *SC Code of Laws*, sec. 59-152-70(A)(1).

¹⁴⁹ *SC Code of Laws*, sec. 59-152-70(A)(7).

¹⁵⁰ *SC Code of Laws*, sec. 59-152-70(A)(6).

¹⁵¹ *SC Code of Laws*, sec. 59-152-70(A)(2).

¹⁵² Ibid. Effective July 1, 2016, each partnership's comprehensive plan shall include the following core functions: (a) service as a local portal connecting families of preschool children to community-based services they may need or desire to ensure the school readiness of their children; (b) service as a community convener around the needs of preschool children and their families; and (c) support of state-level school readiness priorities as determined by the State Board. (*SC Code of Laws*, sec. 59-152-70(A)(4)).

¹⁵³ *SC Code of Laws*, sec. 59-152-70(A)(2).

¹⁵⁴ *SC Code of Laws*, sec. 59-152-70(A)(3). Multiple Local Boards may collaborate in a manner they determine will maximize the efficient and effective provision of First Steps services and programs to children and their families and best enable the partnerships to execute their duties and powers. Local Boards may merge or work in concert with one or more of their program, administrative, or development functions or establish multicounty partnerships. (*SC Code of Laws*, sec. 59-152-70(E)).

¹⁵⁵ The Annual Reports must include, but not be limited to: (a) determination of the current level and data pertaining to the delivery and effectiveness of services for young children and their families, including the numbers of preschool children and their families served; (b) strategic goals for increased availability, accessibility, quality, and efficiency of activities and services for young children and their families which will enable children to reach school ready to succeed; (c) monitoring of progress toward strategic goals; (d) report on implementation activities; (e) recommendations for changes to the strategic plan which may include new areas of implementation; (f) evaluation and report of program effectiveness and client satisfaction before, during, and after the implementation of the strategic plan, where available; and (g) estimation of cost savings attributable to increased efficiency and effectiveness of delivery of services to young children and their families, where available. (*SC Code of Laws*, sec. 59-152-70(A)(8)).

¹⁵⁶ *SC Code of Laws*, sec. 59-152-70(A)(5).

¹⁵⁷ SC House of Representatives, House Legislative Oversight Committee, “May 2015 Survey Results.” <http://www.scstatehouse.gov/committeeinfo/HouseLegislativeOversightCommittee/AgencyPHPFiles/ComptrollerGeneral.php> (accessed July 15, 2015). In addition to First Steps to School Readiness, the survey solicited comments about the Comptroller General’s Office, the Department of Transportation, the Department of Social Services, and the Department of Juvenile Justice.

¹⁵⁸ Survey Results, 43 (pages not numbered).

¹⁵⁹ *Ibid.*, 44-45 (pages not numbered).

¹⁶⁰ SC First Steps to School Readiness, *Restructuring and Seven-Year Plan Report*, Key Partner Agencies Chart, Key Customers Chart, and Key Stakeholder Chart.

¹⁶¹ *Ibid.*

¹⁶² *Ibid.*

¹⁶³ *SC Code of Laws*, sec. 63-11-1750(A)&(B); and 59-152-140.

¹⁶⁴ *SC Code of Laws*, sec. 63-11-1750(A).

¹⁶⁵ *Ibid.*

¹⁶⁶ *Ibid.*

¹⁶⁷ *SC Code of Laws*, sec. 63-11-1750(B).

¹⁶⁸ Table 5 information is compiled from a review of General Appropriations Acts from fiscal year 2005-06 through fiscal year 2014-2015 which are available on the General Assembly’s website under “Legislation,” and under “Budget Bills,” <http://www.scstatehouse.gov/budget.php> (accessed July 6, 2015).

¹⁶⁹ Act Number 115 of 2005, General Appropriations Bill, Part 1A, Section 1 Department of Education, Part XVI. First Steps to School Readiness \$21,807,970.

¹⁷⁰ *Ibid.*, Part 1A, Section 1 Department of Education, Part XI. Education Improvement Act, Subpart F.3. Partnerships, Other Agencies & Entities, First Steps to School Readiness \$2,000,000.

¹⁷¹ *Ibid.*, Part 1B, Section 1AA.1. “For Fiscal Year 2004-05, twelve million dollars certified from unclaimed prizes shall be appropriated as follows: ... (4) Department of Education --First Steps to School Readiness (Set-Aside), \$3,000,000.”

¹⁷² Act Number 397 of 2006, General Appropriations Bill, Section 1 Department of Education, Part XVI. First Steps to School Readiness \$21,187,878.

¹⁷³ *Ibid.*, Part 1A, Section 1 Department of Education, Part XI. Education Improvement Act, Subpart F.3. Partnerships, Other Agencies & Entities, First Steps to School Readiness \$2,000,000.

¹⁷⁴ *Ibid.*, Part 1B, Section 73.14 (SR: Unobligated FY 05-06 General Fund Revenue) (B)(4)(b) First Steps Early Childhood - 4 year Pre-Kindergarten Program \$1,858,576.

¹⁷⁵ *Ibid.*, Part 1B, Section 73.14 (SR: Unobligated FY 05-06 General Fund Revenue) (B)(4)(c) First Steps Early Childhood Initiative - Pilot Program - Materials, Grants, and Incentives \$4,000,000.

¹⁷⁶ *Ibid.*, Part 1B, Section 73.14 (SR: Unobligated FY 05-06 General Fund Revenue) (B)(116) First Steps Centers of Excellence \$2,000,000.

¹⁷⁷ Act Number 117 of 2007, General Appropriations Bill, Part 1A, Section 1 Department of Education, Part XVI. First Steps to School Readiness \$21,463,726.

¹⁷⁸ *Ibid.*, Part 1A, Section 1 Department of Education, Part XI. Education Improvement Act, Subpart F.3. Partnerships, Other Agencies & Entities, First Steps to School Readiness \$2,000,000,

¹⁷⁹ *Ibid.*, Part 1B, Section 73.12 (SR: Unobligated FY 2006-07 General Fund Revenue) (B)(4)(B) First Steps- 4 Year Pre-Kindergarten Child Development Education Pilot Program \$7,858,576.

¹⁸⁰ Act Number 310 of 2007, General Appropriations Bill, Part 1A, Section 1 Department of Education, Part XVI. First Steps to School Readiness \$21,482,858.

¹⁸¹ *Ibid.*, Part 1A, Section 1 Department of Education, Part XI. Education Improvement Act, Subpart F.2. Partnerships, Other Agencies & Entities, First Steps to School Readiness \$1,888,540.

¹⁸² *Ibid.*, Part 1B, Section 1.73 (SDE: Child Development Education Pilot Program-4 Year Olds) - “Of the funds carried forward from the prior fiscal year from the SC CDEPP, \$3,200,000 shall be redirected to the Office of First Steps with the remainder redirected to the Department of Education for services to four year olds participating in the Child Development Education Pilot Program (CDEPP) during the current fiscal year....”

¹⁸³ Act Number 414 of 2008, Budget Rescissions.

¹⁸⁴ Act Number 23 of 2009, General Appropriations Bill, Part 1A, Section 1 Department of Education, Part XVI. First Steps to School Readiness \$20,656,821.

¹⁸⁵ *Ibid.*, Part 1A, Section 1 Department of Education, Part XI. Education Improvement Act, Subpart F.2. Partnerships, Other Agencies & Entities, First Steps to School Readiness \$1,490,847.

¹⁸⁶ Act Number 291 of 2010, General Appropriations Bill, Part 1A, Section 1 Department of Education, Part XVI. First Steps to School Readiness \$15,566,167.

¹⁸⁷ *Ibid.*, Part 1A, Section 1 Department of Education, Part XI. Education Improvement Act, Subpart F.2. Partnerships, Other Agencies & Entities, First Steps to School Readiness \$1,490,847.

¹⁸⁸ *Ibid.*, Part 1B, Section 1A.45 (SDE-EIA: Education Oversight Committee Transfer) “...The Education Oversight Committee is further directed to transfer the funds for the EOC 4 Year Old Evaluation to the Office of First Steps only for use in the CDEPP program.” General Appropriations Bill, Section 1 Department of Education, Part XI. Education Improvement Act, Subpart F.2. Partnerships, Other Agencies & Entities, EOC 4 Year Old Evaluation \$296, 678.

¹⁸⁹ Act Number 73 of 2011, General Appropriations Bill, Part 1A, Section 1 Department of Education, Part XVI. First Steps to School Readiness \$20,090,881.

¹⁹⁰ *Ibid.*, Part 1A, Section 1 Department of Education, Part XI. Education Improvement Act, Subpart F.2. Partnerships, Other Agencies & Entities, First Steps to School Readiness \$1,490,847.

¹⁹¹ *Ibid.*, Part 1B, Section 89.122 “...all State funds directly appropriated for BabyNet under [DHEC], and the School for the Deaf and the Blind, as well as all filled positions under [DHEC] for the BabyNet program, during the current fiscal year shall be transferred to, and administered by, the

South Carolina First Steps to School Readiness as the program's designated lead agency. These funds may then be contracted to partner agencies as appropriate and necessary to ensure the cost-effective delivery of early intervention services.” The value is unknown because we were unable to determine the state funds directly appropriated for BabyNet under DHEC and the School for the Deaf and the Blind for this fiscal year.

¹⁹² Act Number 288 of 2012, General Appropriations Bill, Part 1A, Section 1 Department of Education, Part XVII. First Steps to School Readiness \$24,630,196.

¹⁹³ Act Number 101 of 2013, General Appropriations Bill, Part 1A, Section 1 Department of Education, Part XVII. First Steps to School Readiness \$36,104,404.

¹⁹⁴ *Ibid.*, Part 1B, Section 118.17 (SR: Non-recurring Revenue) (B)(3)(d) and (3.1) Department of Education, 4K Statewide at Risk Phase In - Districts with 75%+ Poverty \$4,120,000; “Of the funds appropriated above to the Department of Education for 4K Statewide at Risk Phase In - Districts with 75% + Poverty, 35% shall be distributed to First Steps to School Readiness for the Child Development Education Pilot Program (CDEPP) and 65% shall be retained by the Department of Education for the Child Development Education Pilot Program (CDEPP).” 35% of \$4,120,000 = \$1,442,000.

¹⁹⁵ Act Number 286 of 2014, General Appropriations Bill, Part 1A, Section 1 Department of Education, Part X. Operations and Support, Subpart D. Office of First Steps to School Readiness \$15,283,000.

¹⁹⁶ *Ibid.*, Part 1A, Section 1 Department of Education, Part XII. Education Improvement Act, Subpart I. First Steps to School Readiness \$26,200,685.

¹⁹⁷ *Ibid.*, Part 1B, Section 118.16 (SR: Non-recurring Revenue) (B)(5)(f) BabyNet Data System-Required Upgrades \$838,100

¹⁹⁸ *Ibid.*, Part 1B, Section 118.16 (SR: Non-recurring Revenue) (B)(5)(l) First Steps CDEPP \$490,000.

¹⁹⁹ Act Number 91 of 2015, General Appropriations Bill, Part 1A, Section 1 Department of Education, Part X. Operations and Support, Subpart D. Office of First Steps to School Readiness \$20,282,622.

²⁰⁰ *Ibid.*, Part 1A, Section 1 Department of Education, Part XII. Education Improvement Act, Subpart I. First Steps to School Readiness 29,135,608.

²⁰¹ Figure 9 information is compiled from a review of General Appropriations Acts from fiscal year 2005-06 through fiscal year 2014-2015.

²⁰² Table 11 information is compiled from a review of General Appropriations Acts from fiscal year 2005-06 through fiscal year 2014-2015.

²⁰³ *SC Code of Laws*, sec. 59-152-70(C). “Evidence-based program” means a program based on a clear and consistent program model that is designated as such by the South Carolina First Steps to School Readiness Board of Trustees because the program: (1)(a) is grounded in published, peer-reviewed research that is linked to determined outcomes; (b) employs well-trained and competent staff to whom the program provides continual professional development that is relevant to the specific model being delivered; (c) demonstrates strong linkages to other community-based services; and (d) is operated to ensure program fidelity; or (2) is commonly recognized by experts in the field as such a program. (*SC Code of Laws*, sec. 59-152-25(A)).

²⁰⁴ *SC Code of Laws*, sec. 59-152-70(F).

²⁰⁵ *SC Code of Laws*, sec. 59-152-130(A).

²⁰⁶ *SC Code of Laws*, sec. 59-152-90(A).

²⁰⁷ *SC Code of Laws*, sec. 59-152-90(B). The grant requirements must include, but not be limited to, the following: (a) adoption and adherence to bylaws promulgated by the South Carolina First Steps to School Readiness Board of Trustees, which includes, but is not limited to, compliance with the board composition, attendance, voting, and disclosure requirements; (b) utilization of the South Carolina First Steps to School Readiness benchmarks and objectives; (c) implementation of programs and activities, which are effective and contributing to state goals, and otherwise acceptable pursuant to the requirements of Chapter 152, Title 59; and (d) fulfillment of all the duties in Section 59-152-70. The State Board shall develop and promulgate grant qualification requirements in regulation pursuant to the Administrative Procedures Act. (*SC Code of Laws*, sec. 59-152-90(C)(1)).

²⁰⁸ *SC Code of Laws*, sec. 59-152-160(A).

²⁰⁹ *SC Code of Laws*, sec. 59-152-160(B).

²¹⁰ *Ibid.*

²¹¹ *Ibid.*

²¹² *SC Code of Laws*, sec. 59-152-160(C). The assessment shall include, but is not limited to, school readiness measures; benefits from child development services; immunization status; low birth-weight rates; parent literacy; parenting skills; parental involvement; transportation; and developmental screening results.

²¹³ *SC Code of Laws*, sec. 59-152-160(C).

²¹⁴ *SC Code of Laws*, sec. 59-152-90(C)(2).

²¹⁵ *Ibid.*

²¹⁶ *Ibid.*

²¹⁷ *SC Code of Laws*, sec. 59-152-90(C)(3).

²¹⁸ SC First Steps to School Readiness, “The First Steps Funding Formula,” <http://scfirststeps.com/wp-content/uploads/2015/03/The-First-Steps-Funding-Formula.pdf> (accessed August 12, 2015).

²¹⁹ *SC Code of Laws*, sec. 59-152-100(A).

²²⁰ *Ibid.*

²²¹ *Ibid.*

²²² *SC Code of Laws*, sec. 59-152-120.

²²³ *SC Code of Laws*, sec. 59-152-100(B).

²²⁴ *Ibid.*

²²⁵ *SC Code of Laws*, sec. 59-152-100(D).

²²⁶ *SC Code of Laws*, sec. 59-152-150(C).

²²⁷ *Ibid.*

²²⁸ *SC Code of Laws*, sec. 1-1-820.

²²⁹ SC Department of Administration, Executive Budget Office, “2014-15 Accountability Report Guidelines,” under “Agency Services,” under “Executive Budget Office,” and under “Agency Accountability Report <http://www.admin.sc.gov/budgets> (accessed July 6, 2015).

²³⁰ *Ibid.*

²³¹ Ibid.

²³² First Steps to School Readiness, *Program Evaluation Report*, guidelines.

²³³ Table 13 information is compiled from the Program Details Chart and the Strategic Plan Investment Chart of the *Program Evaluation Report*.

²³⁴ *SC Code of Laws*, sec. 59-152-30(3).

²³⁵ *SC Code of Laws*, sec. 59-152-30(4).

²³⁶ *SC Code of Laws*, sec. 59-152-30(1).

²³⁷ *SC Code of Laws*, sec. 59-152-30(2).

²³⁸ *SC Code of Laws*, sec. 59-152-30(5).

²³⁹ Table 14 information is compiled from staff analysis of agency's Program Evaluation Report, Strategic Investment and Performance Measure Status charts.

²⁴⁰ SC First Steps to School Readiness, *Annual Report 2013*, is available on First Steps' website under "About," and then under "Annual Report," <http://scfirststeps.com/annual-reports/> (accessed August 31, 2015).

²⁴¹ HighScope, Keys to Interactive Parenting Scale Analysis, 2010 is available on First Steps' website under "Resources and State Reporting," under "External Evaluations," <http://scfirststeps.com/wp-content/uploads/2014/12/South-Carolina-First-Steps-to-School-Readiness-2009-Evaluation.pdf> (accessed August 31, 2015).

²⁴² Ibid, citing to HighScope, Keys to Interactive Parenting Scale Analysis, 2010.

²⁴³ Ibid.

²⁴⁴ Ibid, citing to Report on PASS Performance of 2006-07 & 2007-08 CDEPP Cohorts, 2013.

²⁴⁵ Ibid.

²⁴⁶ SC First Steps to School Readiness, *Program Evaluation Report*, Attachment F: December 2014 Measuring Outcomes for South Carolina's Children Report.

²⁴⁷ SC First Steps to School Readiness, *Program Evaluation Report*, Program Details Chart.

²⁴⁸ *A Review of S.C. First Steps to School Readiness*, South Carolina General Assembly Legislative Audit Council, June 2013, Appendix C Agency Comments from First Steps State Board Vice-Chair Lewis Smoak.

²⁴⁹ SC First Steps to School Readiness, *Restructuring and Seven-Year Plan Report*, 13.

²⁵⁰ SC First Steps to School Readiness, *Program Evaluation Report*, Program Details Chart.

²⁵¹ Table 15 information is compiled from the First Steps to School Readiness, *Program Evaluation Report*, Program Details Chart.

²⁵² SC First Steps to School Readiness, *Restructuring and Seven-Year Plan Report*, 13.

²⁵³ Ibid.

²⁵⁴ *SC Code of Laws*, sec. 2-2-30(C)(2).

²⁵⁵ SC First Steps to School Readiness, *Program Evaluation Report*, Performance Measures Status Chart.

²⁵⁶ Ibid.

²⁵⁷ Ibid.

²⁵⁸ Ibid.

²⁵⁹ Ibid.

²⁶⁰ Ibid.

²⁶¹ Ibid.

²⁶² Ibid.

²⁶³ Ibid.

²⁶⁴ Ibid.

²⁶⁵ Ibid.

²⁶⁶ SC First Steps to School Readiness, *Program Evaluation Report*, Performance Measures Status Chart.

²⁶⁷ SC First Steps to School Readiness Annual Report 2013.

²⁶⁸ *A Review of S.C. First Steps to School Readiness*, South Carolina General Assembly Legislative Audit Council, June 2013, 22. (The Legislative Audit Council concluded that first grade retention, as used by First Steps, may not be a valid or reliable metric for demonstrating the effectiveness or financial impact of early childhood programs for the following reasons: (a) First Steps did not report the retention rates of students who had been participants in early childhood programs versus students who had not; (b) The retention rate data cited did not result from a formal evaluation of the effectiveness of early childhood programs. The methodology of a formal evaluation would address self-selection bias, in which families who enroll their children in early childhood programs may be different than families who do not, even when the families have similar demographics; and (c) South Carolina does not have statewide criteria for retaining students. Retention rates can be affected by criteria that vary from location to location and across time based on differences in local policies and the judgment of the children's educators and/or parents.)

²⁶⁹ *A Review of S.C. First Steps to School Readiness*, South Carolina General Assembly Legislative Audit Council, June 2013, Appendix C Agency Comments from First Steps State Board Vice-Chair Lewis Smoak. SC First Steps to School Readiness Annual Report 2013.

²⁷⁰ SC First Steps to School Readiness, *Program Evaluation Report*, Program Details Chart.

²⁷¹ SC First Steps to School Readiness, *Program Evaluation Report*, Program Effectiveness Chart.

²⁷² SC First Steps to School Readiness, *Program Evaluation Report*, Attachment B: FY16 Local Partnership Program Matrix.

²⁷³ *A Review of S.C. First Steps to School Readiness*, South Carolina General Assembly Legislative Audit Council, June 2013.

²⁷⁴ SC First Steps to School Readiness, *Program Evaluation Report*, Attachment D: Vision 2013 (2009).

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<http://www.scstatehouse.gov/committeefinfo/HouseLegislativeOversightCommittee/2015%20Program%20Evaluation%20Reports/First%20Steps%20Program%20Evaluation%20Report.PDF>(accessed August 15, 2015).

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<http://www.scstatehouse.gov/committeefinfo/HouseLegislativeOversightCommittee/2015AgencyRestructuringandSevenYearPlanReports/2015%20First%20Steps%20to%20School%20Readiness.pdf>(accessed August 15, 2015).

SC House of Representatives, Legislative Oversight Committee. "May 2015 Survey Results."

[http://www.scstatehouse.gov/committeefinfo/HouseLegislativeOversightCommittee/Survey/May%202015%20Survey%20Results%20\(CG,%20DOT,%20First%20Steps,%20DSS,%20and%20DJJ\).pdf](http://www.scstatehouse.gov/committeefinfo/HouseLegislativeOversightCommittee/Survey/May%202015%20Survey%20Results%20(CG,%20DOT,%20First%20Steps,%20DSS,%20and%20DJJ).pdf) (accessed August 7, 2015).

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The Honorable James Smith, Chair
Education and Cultural Subcommittee
House Legislative Oversight Committee
Solomon Blatt Building Room 228
1105 Pendleton Street,
Columbia, SC 29201

September 16, 2015

Dear Representative Smith,

On behalf of the SC First Steps Board of Trustees, please accept our thanks for the thorough work of committee staff in preparing the *Staff Report on South Carolina First Steps*.

As you know, First Steps' enabling legislation was reauthorized and extensively reformed under Act 287 of 2014. We are pleased to report that these changes are already taking root in positive ways, with carefully-considered modifications to our state board structure paving the way to increased interagency collaboration, new evaluation requirements lending themselves to the detailed analysis of individual program investments, and a new legal definition of "school readiness" opening important cross-sector conversations about preparing the state's youngest learners for school success.

In January of 2015, Compass Evaluation and Research published the most recent external evaluation of the First Steps initiative, with evaluators concluding that:

1. First Steps' public-private structure and model of shared governance generate a high degree of value-added at both the state and local levels. (p.xxxi, p. 196)

Compass cites multiple examples of value-added by the First Steps initiative, including:

- Systems efficiencies such as non-duplication of services,
- Leveraging of available resources to support community needs, and
- Benefits that **accrue** to multiple family members.

2. First Steps is finding and serving the state's most high-need clients. (p. xxxi, p. 197)

Echoing previous evaluations, Compass notes First Steps' **considerable success "in finding and serving the state's most high-risk children and families**, with evidence suggesting a large percentage of current clients possess two or more readiness risk factors."

3. First Steps is meeting legislated goals. (p. xxxii, p. 197)

First Steps is investing "in multiple **efficient and evidence-based strategies** for ensuring children have reduced risk for major physical, developmental, and learning problems and can enter school healthy and ready to succeed. For example, children's pre-literacy skills are being addressed through family strengthening programs and available **data suggest progress in child and family outcomes.**"

4. First Steps has a statewide fiscal and programmatic accountability structure in place to guide and provide oversight to local partnerships. This structure supports the translation of state-level priorities into practice. (p. xxxiv, p. 200)

Evaluators note that "First Steps has developed and implements processes to track expenditures and to regularly communicate with local partnerships regarding their expenditures, to ensure fiscal accountability, full expenditure of funds, and important internal control measures." In regards to

program implementation, “the team **commends First Steps on the development and use of Program Accountability Standards,**” which they find to be “comprehensive and aligned with best practices.”

5. At the state and local levels, First Steps serves as the “battery” powering many of the state’s key early childhood conversations and practices. (p. xxxv, p. 200)

Discussing the initiative’s collaborative, state and local, public and private structure, Compass notes that “First Steps often and in many ways reaches beyond a circle of agencies and administrators to engage local community stakeholders such as parents, educators, and the Community of Faith in investing in early childhood, with investments occurring on the family, caregiver, and neighborhood level. It is these investments that often make the difference for at-risk and high-need children, as these children often require attention and support from multiple sources.”

The evaluators recommended that that First Steps:

1. Review and refine its evaluation design to align with new evaluative and accountability requirements. (p. xxxv, p. 201)

Given updated statutory requirements, “the nature of this recommendation is to ensure a comprehensive system of evaluation exists, with associated opportunities for technical assistance, training, and data quality reviews. These opportunities also can be used to expand or enhance existing monitoring efforts, to ensure high quality and verified data are available for evaluation and accountability purposes.”

2. Consider discussions and strategies for ongoing systems development. (p. xxxvi, p. 203) “The data collected in this evaluation might allow state and local partnerships to engage in deeper conversation regarding what it means to have an early childhood system, how such a system might be conceptualized, and the different benefits that may result from continuing strengthening and development of the system.”

The First Steps Board of Trustees is currently responding to each of these recommendations within a strategic planning process, the results of which will be made available to the committee in December. We look forward to continuing our work with the House Legislative Oversight Committee and hope you will not hesitate to reach out if there are ways that our Board or staff can be of additional assistance to the committee.

Respectfully,



Susan W. DeVenny
Director

cc: Ken Wingate, Chairman, South Carolina First Steps Board of Trustees