SOUTH CAROLINA GENERAL ASSEMBLY

Legislative Audit Council

L A C

June 2013

A REVIEW OF S.C. FIRST STEPS TO SCHOOL READINESS

CHILDREN AND FAMILIES IN S.C. HAVE RISK FACTORS THAT INDICATE A CONTINUING NEED FOR EARLY CHILDHOOD EDUCATION SERVICES. ALTHOUGH FIRST STEPS HAS MADE SIGNIFICANT IMPROVEMENTS IN ITS COLLECTION AND ANALYSIS OF DATA, CONTINUED IMPROVEMENT IS NEEDED IN PROGRAM SELECTION, MEASURING SCHOOL READINESS, AND PROGRAM EFFECTIVENESS. IMPROVEMENT IS ALSO NEEDED IN THE TRANSPARENCY OF THE STATE BOARD'S DECISION MAKING PROCESS, THE METHOD OF FUNDING COUNTY PARTNERSHIPS, AND MONITORING OF COUNTY OVERHEAD COSTS.

- The percentages of children at-risk for not being ready to succeed in school have not decreased since 2000. School readiness risk factors impact the need for First Steps services, but reducing their extent is not a short-term goal of First Steps.

- State law does not define "school readiness" and does not give the Department of Education the authority to establish a uniform school readiness test.

- First Steps has made significant improvements in collecting data for measuring the effectiveness of its programs. It has not, however, adequately measured the effectiveness of all of its programs.

- First Steps has reported questionable statistics to the public by stating that the implementation of early childhood development and education programs has coincided with a 48% decrease in the percentage of students who repeat first grade and is saving $21 million per year. For these statistics, First Steps did not report the retention rate of students who had participated in early childhood programs versus the retention rate of students who had not. In addition, because there are no statewide criteria for retaining students, the criteria can vary from location to location and across time.

- Trustees of the First Steps board have not adequately attended meetings and have made decisions without a quorum.

- County partnership overhead costs have not been adequately defined or monitored.

- An error in calculating the FY 12-13 county partnership allocation resulted in 32 counties being overfunded and 14 being underfunded. The funding formula has not been promulgated in state regulation, reducing transparency and oversight from the General Assembly. A per-child subsidy of lower-population counties by larger-population counties creates a disincentive for partnerships to merge to benefit from economies of scale.

- There are alternatives to the placement of First Steps within state government, each with advantages and disadvantages.

LEGISLATIVE AUDIT COUNCIL

1331 Elmwood Ave., Suite 315
Columbia, SC 29201
(803) 253-7612 VOICE
(803) 253-7639 FAX

Authorized by §2-15-10 *et seq.* of the South Carolina Code of Laws, the Legislative Audit Council, created in 1975, reviews the operations of state agencies, investigates fiscal matters as required, and provides information to assist the General Assembly. Some audits are conducted at the request of groups of legislators who have questions about potential problems in state agencies or programs; other audits are performed as a result of statutory mandate.

The Legislative Audit Council is composed of five public members, one of whom must be a practicing certified or licensed public accountant and one of whom must be an attorney. In addition, four members of the General Assembly serve ex officio.

Audits by the Legislative Audit Council are conducted in accordance with generally accepted government auditing standards as set forth by the Comptroller General of the United States.

Copies of all LAC audits are available at no charge. We encourage you to visit our website to view and print copies of LAC reports.

LAC.SC.GOV

Legislative Audit Council

A REVIEW OF S.C. FIRST STEPS TO SCHOOL READINESS

Contents

Introduction and Background

Members of the General Assembly asked us to review the "operations, systems, and management practices" of S.C. First Steps to School Readiness (S.C. First Steps). S.C. First Steps is a state government and private, nonprofit entity focused on improving early childhood development. The services of S.C. First Steps are provided to children primarily through private, nonprofit local partnerships in counties throughout the state. In this chapter, we describe the objectives of our review and the services provided through S.C. First Steps.

Audit Objectives

Our specific objectives were to:

- Review demographic data on the S.C. First Steps children and their families in each South Carolina county.
- Survey S.C. First Steps county partnerships for their views on school readiness programs offered to families, program effectiveness, communication, management, and related issues.
- Review S.C. First Steps funding and expenditures at the state and county levels.
- Evaluate S.C. First Steps administrative costs.
- Assess the effectiveness of the state and county S.C. First Steps organizational structures.
- Review the process for approving, monitoring, and evaluating S.C. First Steps programs.

Scope and Methodology

The period of our review was generally from FY 10-11 through FY 11-12, with consideration of earlier or more recent periods when relevant. We did not focus on the federal BabyNet program operated by S.C. First Steps due to our recent review in 2011.

We obtained information from a variety of sources, including:

- Office of the Comptroller General and the Budget and Control Board Offices of Research and Statistics, State Budget, and Human Resources.
- S.C. First Steps revenue, expenditure, and program data.
- Partnership Executive Director Survey.
- Federal and state laws and regulations.
- Other states.
- Interviews with staff from S.C. First Steps, the General Assembly, and the Budget and Control Board.

Criteria used to measure performance included state law, regulations, agency policy, and agency contracts. We also tested the internal controls for S.C. First Steps financial data from its computerized database and found limitations, as described in the report. We compared this information with data from other sources and found limitations, as described in this report. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

We conducted this performance audit in accordance with generally accepted government auditing standards with the exception of the general standard concerning quality control. Due to LAC's budget reductions, funding was not available for a timely external quality control review. In our opinion, this omission had no effect on the results of the audit.

Generally accepted government auditing standards required that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides reasonable basis for our findings and conclusions based on our audit objectives.

Background

Section 59-152-20 of the S.C. Code of Laws states that:

> The purpose of the First Steps initiative is to develop, promote, and assist efforts of agencies, private providers, and public and private organizations and entities, at the state level and the community level, to collaborate and cooperate in order to focus and intensify services, assure the most efficient use of all available resources, and eliminate duplication of efforts to serve the needs of young children and their families. First Steps funds must not be used to supplant or replace any other funds being spent on services but must be used to expand, extend, improve, or increase access to services or to enable a community to begin to offer new or previously unavailable services in their community….

Section 59-152-30 of the S.C. Code of Laws states that the goals of S.C. First Steps are to:

- 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.
- Increase comprehensive services so children have reduced risk for major physical, developmental, and learning problems.
- Promote high quality preschool programs that provide a healthy environment that will promote normal growth and development.
- 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.
- 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.

S.C. First Steps defines school readiness as relating to multiple factors, including cognition and general knowledge; communication skills; approaches to learning, such as curiosity and independence; emotional well-being and social competence; and health and physical development.

According to Kids Count, a nationally-recognized authority in assessing child well-being, South Carolina routinely ranks in the bottom ten percent of overall child well-being in the United States.

Currently, the S.C. First Steps state office has a total of 74 employees that provide technical assistance to county partnerships and provide support for state-run programs such as the Child Development Education Pilot Program and BabyNet.

In 1999, the S.C. General Assembly established the S.C. First Steps to School Readiness initiative. S.C. First Steps was initially authorized to implement services for eight years and, in July 2006, was reauthorized a year early, until July 2013.

Programs

S.C. First Steps enabling legislation states that all activities and services provided by a S.C. First Steps partnership must be made available to young children and families. While the legislation does not define young children according to a specific age range, S.C. First Steps offers services ranging from prenatal development through five years of age.

Eligibility for S.C. First Steps services is broadly defined in the enabling legislation; however, the S.C. First Steps state board requires partnerships to implement programs for young children and families with certain risk factors. State allocations to partnerships are based on risk factors and availability of funds. Partnerships then use the funding to address the greatest need in their communities.

S.C. First Steps provides programs in five categories, including family strengthening, early education, quality child care, health care, and school transitioning. There are several program options within each category. For example, family strengthening includes a number of home visitation programs, including Parents as Teachers and Parent Child Home. There is a particular emphasis placed on S.C. First Steps programs to be evidence-based models.

Local county partnerships perform an annual needs assessment to determine the category area where programs are most needed. The specific program offered within each category is determined by the county board and executive director.

Organizational Structure

S.C. First Steps operates as a state entity and a private, nonprofit organization. The enabling legislation created the S.C. First Steps Board of Trustees, which consists of two parts: a 22-member oversight, voting portion and a 12-member advisory, non-voting portion. Members of the Board of Trustees are key stakeholders in early childhood development in South Carolina government, the business community, service providers, and parents.

Enabling legislation also created the state office of S.C. First Steps. The state office is run by a director and support staff and provides technical assistance, support, and consultation to the local county partnerships. An executive order and a budget proviso have authorized the state office of S.C. First Steps to manage BabyNet and the Child Development Education Pilot Program in private settings, respectively. The state office collaborates with other state

agencies involved in early childhood development such as the Department of Health and Environmental Control and the Department of Social Services.

A third layer of the S.C. First Steps initiative consists of S.C. First Steps county partnerships. To be designated a county S.C. First Steps partnership, the organization must be a private nonprofit corporation organized under Section 501(c)3 of the Internal Revenue Code. Currently, there are 46 county S.C. First Steps partnerships and 45 executive directors. The membership of county partnership boards includes local stakeholders involved in early childhood development and education.

Funding

The S.C. First Steps initiative receives funding from state and federal dollars as well as private grants and donations. State funds are available to all county partnerships in the form of grants. Each year, county partnerships must apply with the S.C. First Steps Board of Trustees to receive grant funding. Funding amounts for each county are determined by the legislatively-prescribed funding formula.

County partnerships can use grant funds to expand, extend, or improve the quality of existing, effective programs, or offer new or previously unavailable programs in their area. Grant funds may not be used to supplant current expenditures by counties or state agencies with federal or state funding. They can also apply on their own behalf for additional funds from federal, state, and/or local government; foundations; and/or businesses.

According to records from the S.C. Office of the Comptroller General, total expenditures were approximately $37.8 million in FY 10-11 and $41.1 million in FY 11-12.

Demographic Data on At-Risk Children

We reviewed South Carolina demographic data relevant to a child's readiness for school, and found that the percentages of South Carolina children at risk for not being ready to succeed in school have not decreased since 2000. Though reduction in these numbers would be a long-term outcome of the state's various programs designed to improve the well-being of South Carolinians, including S.C. First Steps, movement in one direction or another should not be attributed to S.C. First Steps. S.C. First Steps' goal is not to reduce the incidence of these risk factors, but to reach the children who have them. This information is presented to show that the need for statewide programming that addresses school readiness remains today.

We also reviewed S.C. First Steps public reports regarding demographic data relevant to a child's readiness for school, and found that S.C. First Steps does not consistently and completely report the number of children with these risk factors served by S.C. First Steps.

School Readiness Risk Factors

In the absence of a standard measurement of readiness for kindergarten or first grade, some educators use a child's success in first through third grades to determine whether or not he was ready to enter school. In this context, a successful South Carolina student does not score "not met" on the Palmetto Assessment of State Standards (PASS) and is not retained in first through third grades. Reading success by third grade is important because after third grade, reading skills are fundamental for success in other subjects.

Local and national authorities on school readiness have determined that a child having certain risk factors is a predictor of his chance of success by third grade, and in turn, his readiness to succeed in school. Table 2.1 shows the risk factor and the percentage of South Carolina children with that risk factor who were failing by third grade in 2007. Having two or more of these risk factors is an even greater predictor of failure by third grade.

Table 2.1: Percentage of South Carolina Children With Risk Factor Who Were Failing by 3rd Grade in 2007

READINESS RISK FACTOR	PERCENT FAILING
Abused, Neglected, or in Foster Care	53%
Very Low Birth Weight (under 3.3 pounds)	52%
Low Maternal Education (less than 12th grade)	48%
Temporary Assistance to Needy Families (up to 50% of poverty)	45%
Low Birth Weight (3.3-4.4 pounds)	43%
Teen Mother (under 18 years of age)	43%
Food Stamps (up to 130% of poverty)	42%
Teen Mother (18-20 years of age)	37%
Low Birth Weight (4.4-5.5 pounds)	36%

Source: S.C. First Steps

Table 2.2 shows the percentage of South Carolina's children with these risk factors in 2000, 2006, and 2011. Detailed county information can be found in Appendix A. In most categories, there were slight increases or decreases. However, food stamp enrollment approximately doubled over this time period. Food stamp administrators primarily attribute this to the economy's effect on household income and the resulting increase in families falling under the 130% of poverty cutoff.

Table 2.2: Percentage of South Carolina Children With Risk Factor

RISK FACTOR	PERCENTAGE		
	FY 99-00	FY 05-06	FY 10-11
Abuse and Neglect	1.29%	1.22%	1.44%
Foster Care	0.63%	0.69%	0.75%
Low Maternal Education (less than 12th grade)	20.12%	21.02%	21.83%
Temporary Assistance to Needy Families (0-5)	7.24%	8.18%	9.78%
Very Low Birth Weight and Low Birth Weight (Less than 2500 grams or 5.5 pounds)	8.74%	9.28%	9.39%
Teen Mother (Aged 15-19)	12.72%	12.75%	12.30%
Food Stamps (0-5)	25.35%	36.93%	50.04%

Source: Office of Research and Statistics

Percentage of South Carolina Children With Risk Factors Served by S.C. First Steps

In 2007, the S.C. First Steps Board of Trustees voted to target programming and funding to children most at risk of not being ready for school. S.C. First Steps does not have data regarding the percentages of South Carolina's children with each of these risk factors, who are served by S.C. First Steps.

The S.C. First Steps data system is intended to monitor the activities and results of programs that receive funding from local partnerships (see p. 14). It collects each client's demographic data for some programs including home visitation, child care scholarships, Countdown to Kindergarten, and other programs with one on-one-interaction with families. It does not collect client level data for other programs, such as childcare provider quality enhancement. According to S.C. First Steps staff, the impracticality of collecting client level data from childcare providers participating in quality enhancement training outweighs the benefit. In addition, according to some local executive directors, using the system to collect and manipulate data for non-prevalent programs is also limited. Therefore, reporting information on the percentage of South Carolina children S.C. First Steps serves with these risk factors is not possible with the current S.C. First Steps data system.

Presenting the *available* data would be misleading because of differences in program intensity among programs where client level data is available. Some programs involve an intense amount of individualized attention to one family, while others require less individualized attention. Any cumulative count would not allow for those differences.

Incomplete Reporting of Data Regarding Percentage of Children Served Who Are At-Risk

S.C. First Steps does not consistently and completely report the percentage of those served who are at-risk. As a result, the S.C. First Steps board, partner agencies, and the General Assembly may not have adequate information to direct resources.

S.C. Code §1-1-810 instructs all agencies and departments of state government to submit an annual accountability report to the Governor and General Assembly; S.C. Code §63-11-1730 requires the board to submit an annual report to the General Assembly. Even if S.C. First Steps board members do not consider S.C. First Steps to be an agency for accountability report purposes, an effective annual report would follow the same basic principles as an accountability report, which include:

- Stating the agency's or department's mission.
- Stating the objectives to accomplish the mission.
- Reporting performance measures that show the degree to which the objectives are being met.

Targeting children with risk factors related to readiness to enter school is one of S.C. First Steps' primary objectives. Two of the last three annual reports included the percentages of children with some risk factors served in one program area. This is incomplete for three reasons:

- The report does not contain all of the risk factors, including all of the risk factors that local partnership staff uses to screen families for participation in each program.
- Risk factor data is only presented in one programming area. It is available for additional areas.
- There is no comparison of the number of children served with readiness risk factors to the total number of children with these risk factors.

Presenting figures that allow the public and policy makers to see who S.C. First Steps serves, related to these risk factors, would increase understanding of where current resources are going and identify potential areas for redirecting resources.

Recommendations

1. In its annual reports, S.C. First Steps should include the percentage of those served who possess each risk factor, where client level data is available.

2. In its annual reports, S.C. First Steps should state where client-level data is not available and explain how these programs reach the most at-risk children.

3. S.C. First Steps should model its annual report on the accountability report format used by other South Carolina departments and agencies.

S.C. First Steps Programs

S.C. First Steps is not a program, but rather a collection of programs that vary from county to county.

S.C. First Steps has made significant improvements in collecting data for measuring the effectiveness of its programs. It has not, however, adequately measured the effectiveness of all of its programs. We found that state law contains no definition of school readiness. In addition, we found that no law, regulation, or S.C. First Steps written policy establishes limits on the number and types of programs operated with state funds.

State Law Regarding Assessments and Evaluations

State law requires regular assessments and evaluations of S.C. First Steps programming and provides instructions for the S.C. First Steps Board of Trustees (state board), the county First Steps partnerships, and the state office on how to demonstrate these results.

S.C. First Steps Board of Trustees

S.C. Code §59-152-160(A) requires the state board to establish policies and procedures to guide partnerships in an annual review. To meet these requirements, the state board developed two documents, the partnership standards and the grant application/ renewal. The partnership standards contain requirements for S.C. First Steps programs or strategies. The grant application/renewal requires partnerships to report on each of its programs, activities, and expenditures.

County First Steps Partnerships

S.C. Code §59-152-70(A)(7)(f) requires each partnership to submit an annual report to the state board by the first of October based on program effectiveness. Also, S.C. Code §59-152-70(A)(7) and §59-152-160(A) require partnerships to cooperate fully in the triennial external evaluation. According to an organization official, each county First Steps partnership also undergoes an annual financial audit, contracted by the state office.

S.C. First Steps State Office

Annual Reports

S.C. Code §59-152-50(5) requires the state office to submit an annual report to the state board outlining statewide needs and resources, local and statewide progress of the initiative, fiscal information, and recommendations for legislative proposals. Previous annual reports include a description of the initiative and program categories, enrollment counts, and a financial summary. Despite serving as a summary of the entire initiative, these annual reports are less informative than partnership annual reports.

Data Collection

S.C. Code §59-152-50(6) requires the state office to conduct on-going data collection. S.C. First Steps collects data for many of its programs including client demographics, frequency and length of visits, and assessment scores. In collaboration with the S.C. Office of Research and Statistics, S.C. First Steps stores and manages this information in a data center.

External Evaluation

Sections 59-152-50(6) and 59-152-160(B) of the S.C. Code of Laws require the state office to conduct an external evaluation of the entire initiative every three years.

S.C. Code §59-152-160 states the purpose of the external evaluation as follows:

[T]o assess progress toward achieving the First Steps goals and to determine the impact of the initiative on children and families at the state and local levels.

Since its inception, S.C. First Steps has undergone three evaluations. Child Trends conducted the 2003 evaluation while the HighScope Educational Research Foundation conducted both the 2006 and 2010 evaluations.

Measuring the Readiness of Children for School

We found that state law does not have a definition of "school readiness," and that the S.C. Department of Education (SDE) lacks the authority to require uniform readiness testing across school districts.

No Definition of School Readiness

Section 59-152-10 of the S.C. Code of Laws states that S.C. First Steps is a:

> Comprehensive, results-oriented initiative for improving early childhood development by providing…support for high-quality early childhood development and education services… [and] families' efforts toward enabling children to reach school ready to learn.

State law, however, contains no definition of school readiness. In order to prepare children for school entry, it is necessary to have a measurable definition of school readiness.

Currently, there is no consensus between early childhood experts, state governments, or the federal government as to what constitutes school readiness. However, there is agreement that school readiness is a capacity to learn rather than a mastery of skills. Also, experts agree that the definition includes the importance of childhood influence, such as families, communities and school, as well as a collection of readiness factors referred to as "domains."

S.C. First Steps, SDE, and other state early childhood providers have identified various collections of school readiness domains. Most recently in 2009, SDE, in collaboration with the S.C. Department of Social Services, published the following five domains of children's development:

- Approaches to learning.
- Social and emotional development.
- Mathematics.
- Language and literacy.
- Physical development and health.

In 2013, S.C. First Steps officially proposed the following domains:

- Physical health and motor skills.
- Emotional and social competence.
- Language and literacy development.
- Mathematical thinking and cognitive skills.

These lists not only overlap with each other but also with lists of school readiness domains developed in other state governments and the federal government.

Without a measureable definition of school readiness, it is difficult to direct early childhood education programming and assess children for school readiness.

Recommendation

4. The General Assembly should amend state law to establish a statewide definition of school readiness.

No Uniform School Readiness Assessment

SDE lacks the authority to require uniform readiness testing by local school districts.

Until 2008, assessing the school readiness of young children entering the formal education system was a longstanding practice for SDE. The first of these assessments was the Cognitive Skills Assessment Battery (CSAB) which SDE administered between 1979 and 2001. It was an assessment administered to incoming first graders and the results were used to guide teacher instruction and meet children's individual learning needs.

The South Carolina Readiness Assessment (SCRA) replaced the CSAB between 2001 and 2008. The SCRA was an observational assessment evaluating kindergarteners and first graders throughout the school year in three domains including English and language arts, mathematics, and personal and social development. The 2008 amendment to the Education Accountability Act eliminated the readiness assessment requirement from the law. Since that time, SDE has not administered a standardized, statewide readiness assessment. Currently, South Carolina is one of roughly 25 states that do not administer a statewide school readiness assessment.

According to a survey conducted by the University of South Carolina, on behalf of S.C. First Steps in its capacity as the S.C. Early Childhood Advisory Council, in the school year 2011-2012, the majority of responding school districts administered some form of assessment, but for various purposes in pre-K, kindergarten, and first grade. Also, the guidelines for both the public and private Child Development Education Pilot Programs (CDEPP) require classrooms to administer an assessment to determine a child's progress.

While the abovementioned efforts may be useful in the local setting for various purposes, they lack standardization and a school readiness-specific purpose. Without a standardized school readiness assessment, it is difficult to benchmark South Carolina's children.

Recommendation

5. The General Assembly should amend state law to authorize the South Carolina Department of Education to adopt a statewide readiness assessment of children entering the formal education system.

Assessments of Clients in S.C. First Steps Programs

We reviewed program data assessment requirements for all S.C. First Steps programs. We found that S.C. First Steps assessment and data collection requirements have improved significantly since 2007. We also found that some programs that provide direct, intensive intervention use client assessments (e.g. Parents As Teachers) whereas others (e.g. child care training) do not, due to the nature of the programs.

Instruments to Assess Clients

The S.C. First Steps FY 12-13 partnership standards prescribe specific outcome requirements for prevalent programs and general requirements for non-prevalent programs (see p. 23). The following is a list of the primary client assessment instruments required by the partnership standards for prevalent programs.

- Keys to Interactive Parenting Scale (KIPS).
- Adult-Child Interactive Reading Inventory (ACIRI).
- Environmental Rating Scale (ERS).

The KIPS and ACIRI instruments are used to assess several programs. Both of these instruments involve a pre- and post- assessment. KIPS is an observational tool for parent-child interaction and assesses parenting behaviors, such as sensitivity of response, emotional support, and physical interaction. ACIRI is also an observational assessment for both children and caregivers that evaluates literacy behaviors such as enhancing attention to text, promoting interactive readiness and support comprehension, and using literacy strategies. Both of these assessment tools have been tested for their statistical reliability and validity.

ERS are observational instruments used to assess the S.C. First Steps child care quality enhancement program. There are several scales depending on the child's environment and age. Providers conduct these assessments both pre- and post-service delivery and include topics such as spatial arrangements, materials and activities offered to children, supervision and interaction that occur in the classroom, schedule of the day, and support offered to parents and staff. These instruments have been tested for reliability and validity.

For non-prevalent programs, the partnership standards require partnerships to submit the program's proposed evaluation methodology. This evaluation strategy must be approved by the strategic planning and evaluation committee and then the full board prior to program implementation. Some of these programs are national programs that have a program-prescribed assessment instrument. Other programs are locally-developed and the assessment instrument is locally-developed as well. According to an organization official, common examples of locally-developed assessment instruments include surveys combined with output reports. These programs have more latitude in child assessment than prevalent programs, albeit with state board approval.

For some programs, such as those that provide books to children learning to read or training to child care professionals, S.C. First Steps does not collect client assessment data. There may be a logical relationship between these programs and positive outcomes, however, the limited interaction between the client and the provider of goods or services makes client assessment challenging.

County Partnership's Evaluation of Programs

According to S.C. Code §59-152-70(A)(7)(f), each local partnership is required to submit an annual report to the state board stating the effectiveness of each program.

Currently, the county First Steps partnerships are required by the S.C. First Steps to submit client assessment scores to an online data collection. This process, however, does not constitute a formal evaluation of program effectiveness.

The requirement that each county partnerhip submit an annual report on program effectiveness may not be a productive use of early childhood education resources. Under this system, there is a potential for inconsistent methodologies among partnerships and the inefficiency of conducting evaluations separately in 46 counties. Furthermore, conducting evaluations of program effectiveness in each county each year duplicates, to some extent, the requirement that the state office conduct a triennial evaluation of program effectiveness.

Recommendation

6. The General Assembly should amend Section 59-152-70(A)(7)(f) of the Code of Laws to eliminate the requirement that county partnerships annually evaluate programs for effectiveness.

Triennial Evaluation of S.C. First Steps

We reviewed the most recent external evaluation (2010) of the entire S.C. First Steps initiative to determine the effectiveness of the organization's programming. We found that S.C. First Steps has made significant progress in data collection which has furthered the extent of the evaluation compared to years past and from which evaluators have indicated positive gains in specific instances. We also found that the evaluation did not address each program individually and that evaluators presented several conclusions from data that was not randomly sampled.

Not All Programs Evaluated Individually

In 2010, the HighScope Educational Research Foundation, which is an independent, nonprofit 501(c)3 organization, conducted the most recent evaluation of the S.C. First Steps initiative. Evaluators organized S.C. First Steps programs into six categories including home visitation, child care quality, school transitioning, 4K outcomes, S.C. First Steps Child Development Education Pilot Program (CDEPP) outcomes, and combined outcomes.

In one category, evaluators combined client assessment data from approximately seven different programs. While this was necessary to produce an acceptable sample size, category findings do not distinguish the effectiveness of each individual program, nor do they guide partnerships and program selection.

There are several programs that were not addressed in the 2010 evaluation, notably Nurse-Family Partnership. This program has national data reporting requirements, but not state-level reporting requirements. Also absent from the 2010 evaluation were locally-developed programs. According to HighScope, evaluators anticipate including these programs in the next evaluation cycle.

Program Evaluation Methodology

The 2010 evaluation included some single programs such as child care quality enhancement, Countdown to Kindergarten, and 4K. According to evaluators, at the time of this evaluation, Countdown to Kindergarten was a young program and data was not available through a standardized process and rigorous evaluation had yet to occur.

Due to the nature of some programs, S.C. First Steps was unable to conduct evaluations through client assessment data. Rather, in three instances, S.C. First Steps relied on longitudinal tracking of former S.C. First Steps child participants. However, the years between the programs and their measured outcomes can make it more difficult to attribute the outcomes to the programs.

As noted earlier, some S.C. First Steps programs involve minimal contact services, such as providing books to children or training to child care professionals. Although the nature of these and similar programs can sometimes preclude the collection of client assessment data, measuring their effectiveness through other forms of data analysis may be feasible.

The evaluation also presented findings based on a sample of data, which was not selected randomly. Evaluators cited missing and incomplete data records for approximately 85% of home visitation adult-child pairs, approximately 70% of child care center assessments, and an unrecorded sample size for the school transition category. Since the remaining data that was used was not selected randomly, it would not be statistically accurate for S.C. First Steps to generalize about the organization's population.

Evaluation Time Period

While the legislation mandates a performance audit every three years, it is unclear if the time period required to be evaluated is limited to every third year or spans a full three years. The timeframe of review is also unclear from the 2010 evaluation as evaluators assessed each category according to interval lengths based on available data. The S.C. First Steps Board of Trustees requires programmatic data annually from partnerships and therefore this data is available for a timeframe spanning three years.

Promptness

State law requires the entire S.C. First Steps initiative to undergo a performance evaluation, the first of which was due January 1, 2003, and every three years thereafter. The most recent evaluation was considerably late, published in November 2010, 23 months after the evaluation's due date. As of May 2013, S.C. First Steps has not released a Request for Proposal for the 2012 external evaluation, making the start of the evaluation more than 16 months past the report's due date.

Questionable Performance Data Reported by S.C. First Steps

On a webpage entitled "QUICK FACTS - FIRST STEPS," the organization notes that the implementation of early childhood development and education programs coincided with a 48% reduction in the percentage of South Carolina students required to repeat first grade from 2001 through 2010. S.C. First Steps also reports that this reduction is saving the state more than $21 million per year. The use of these figures is questionable for the following reasons:

- S.C. First Steps did not report the retention rates of students who had been participants in early childhood programs versus students who had not.

- The retention rate data cited above 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.

- 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.

First grade retention, as used by S.C. First Steps, may not be a valid or reliable metric for demonstrating the effectiveness or financial impact of early childhood programs.

Recommendations

7. South Carolina First Steps should independently evaluate each publicly-funded program individually on a regular cycle to determine effectiveness and continued funding.

8. The General Assembly should amend Sections 59-152-50(6) and 59-152-160(B) of the South Carolina Code of Laws to clarify the period of time addressed by the external evaluation.

9. South Carolina First Steps should comply with state law and ensure performance evaluations are published by the due date.

10. South Carolina First Steps should ensure that it uses valid and reliable methods in determining the effectiveness of its programs.

Program Categories

S.C. First Steps formally divides programs into prevalent and non-prevalent categories indicating the degree to which programs are implemented across the state.

S.C. First Steps also informally divides programs according to the degree of evidentiary support of the effectiveness of programs into evidence-based and promising programs. If S.C. First Steps were to formally define and develop a comprehensive list of evidence-based programs, the partnerships would have a better guide to select programs that improve the readiness of children for school.

Prevalent Programs and Non-Prevalent Programs

Prevalent programs are widely-implemented programs, such as Parents as Teachers and child care quality enhancement. The partnership standards outline very specific guidelines for prevalent programs including client targeting, service delivery, assessment and data submission, and cost allocation requirements. The board reviews these standards annually and updates them as necessary.

Non-prevalent programs are strategies that a few partnerships implement. They include national programs such as Head Start and Nurse-Family Partnership as well as locally-developed programs such as Blessings in a Backpack. The partnership standards document requires partnerships to submit a program proposal which must undergo approval by the strategic planning and evaluation committee and then the full board. These proposals must include detailed information about the program, the cost, and the evaluation methodology.

Evidence-Based Programs and Promising Programs

According to early childhood experts, evidence-based programs are programs that have repeatedly yielded positive outcomes through scientific research. Currently, the state board has not defined this term nor developed a comprehensive list of these types of programs. An example of this type of program would likely be Parents as Teachers.

Another type of program is the promising program. Experts define these programs as guided by child development theory, practitioner wisdom, qualitative studies, basic research, and a history of demonstrated results, whose effectiveness has yet to be proven. Again, S.C. First Steps has yet to define the term "promising program" or develop a comprehensive list. However, according to an organizational official, an example of this type of program would likely be Countdown to Kindergarten. It is important to note that all evidence-based programs begin as promising programs.

Program Selection

We found that state law has not adequately limited the number and types of S.C. First Steps programs operated across the state. As a result, operating and monitoring the programs has become unnecessarily complex. There is also reduced assurance that the children are enrolled in the programs that most effectively prepare them for school.

No Limits On the Number of Programs

In FY 11-12, S.C. First Steps and its county partnerships operated 24 programs with state funds. By not limiting the number of state-funded programs through written policy, law, or regulation, South Carolina has made it more difficult to effectively manage and evaluate the effectiveness of S.C. First Steps programs.

No Limits On the Types of Programs

S.C. First Steps has not developed a list of programs whose effectiveness at preparing children for school has been demonstrated. In addition, state law does not require that a minimum percentage of state funds be allocated to programs whose effectiveness has been demonstrated. First Steps officials have expressed support for legislation that will establish this type of requirement.

Recommendations

11. The S.C. First Steps Board of Trustees should define the terms "evidence-based programs" and "promising programs" and promulgate these terms in regulation.

12. The S.C. First Steps Board of Trustees should develop a list of approved evidence-based and promising programs.

13. S.C. First Steps should limit state funding to a board-approved list of evidence-based and promising programs.

14. The General Assembly should amend state law to limit the number of state-funded First Steps programs.

Technical Assistance to Partnerships

The S.C. First Steps state office does not provide adequate technical assistance (TA) and consultation to county partnerships to ensure program effectiveness.

S.C. Code §59-152-50(3) requires the S.C. First Steps office to:

> Provide technical assistance, consultation, and support to county partnerships to facilitate their success including, but not limited to, model programs, strategic planning, leadership development, best practice, successful strategies, collaboration, financing, and evaluation.

The state office's TA to the partnerships can be divided into two types – program-related (model programs, best practice, and successful strategies) and organizational capacity-related (strategic planning, leadership development, financing, and evaluation).

Four state office staff members provide TA services. Each of these individuals is the primary contact for a group of counties. The TA staff are also available to all counties for more specialized assistance in their primary areas of expertise. In addition to these four staff, two staff in the finance department also assist county partnerships with navigating the financial system.

Technical Assistance Services Provided

We found that the state office provides an array of TA services to county partnerships, but there are gaps in the content and method of delivery.

Content

In the LAC survey, partnership executive directors stated they were primarily dissatisfied with TA in financing, grant writing, connections to local and state business leaders, connections to political leaders, and local board training. During the initial years of S.C. First Steps, staff and consultants provided in-depth organizational capacity-related TA to get the partnerships organized. This type of TA currently has less priority than program-related TA and the staff's other responsibilities (see p. 27). Some partnerships seek assistance from other resources, such as the S.C. Association of Nonprofit Organizations.

In the LAC survey, partnership executive directors stated they were primarily satisfied with TA in the annual budget spending plan, collaboration, clarification of rules and regulations, state-level reporting and accountability, strategic planning and implementation, model programs, leadership development, evaluation, data usage, and the community needs assessment. These results are similar to the results of a HighScope survey of executive directors for the 2006 evaluation, with the exception that in 2006 the community needs assessment was an area of primary dissatisfaction. The TA providers spend a larger portion of their time working with partnerships on the budget spending plan, annual report, and renewal plan than on other types of TA. Therefore, where the TA providers focus their efforts, the partnership executive directors are satisfied.

Delivery Method

S.C. First Steps staff provide TA through a variety of methods including one-on-one consultation, webinars, and statewide meetings of executive directors. The one-on-one consultations include anything from help with the data system to assisting executive directors with annual reports. The webinars cover different topics of general applicability. According to a staff person, executive director attendance is about 75%. The in-person statewide gatherings are planned by a group of executive directors representing each region. The TA staff do not regularly travel to counties. In response to mid-year FY 08-09 budget cuts, the S.C. First Steps board eliminated "non-essential travel," as a part of prioritizing funds to provide direct and intensive services to children.

Assistance is primarily based on written information and the data system. The TA staff are less knowledgeable about how the programs function at the local offices. This hinders their ability to effectively provide TA.

Prior to 2009, the TA staff visited the counties and, at least once, they completed accountability documents with the executive directors. This document included reviews of partnership operations and programming. S.C. First Steps has a substantial amount of requirements for county partnerships but they only check on whether the partnerships meet those requirements by phone or the data system. The visits provided an opportunity for the state office to check compliance and also provide assistance.

Staffing Assignment Barriers to Sufficient Technical Assistance Delivery

We found that S.C. First Steps current staffing assignments may be a barrier to sufficient TA delivery to the counties. S.C. First Steps has seven staff that are designated as primary contacts for the counties. The seven include the four TA providers, two finance officials, and an administrative assistant.

The four TA providers have responsibilities in addition to the ten to fourteen counties for which they are primary contacts. These responsibilities include development (obtaining non-state funding), grants administration, and directing specific programs. As a result of the amount of different responsibilities and attrition that has left fewer TA providers, certain areas of TA important to partnership success receive less attention.

Recommendation

15. S.C. First Steps should allocate staff resources sufficient to provide the technical assistance required by S.C. Code §59 152 50(3).

Governance by the State Board of Trustees

The board's attention to sound governance has varied over the years. We found that the board has not fulfilled all of its responsibilities, such as evaluating the chief executive, regularly attending board meetings, and adopting a process for decision making that encourages full and open discussion.

The S.C. First Steps to School Readiness Board of Trustees (board) is a charitable organization created by the S.C. General Assembly to oversee the S.C. First Steps to School Readiness initiative. The board is chaired by the Governor and includes the Superintendent of Education, chairs of the Senate Education, and House Education and Public Works committees, and eighteen other voting members appointed by either the Governor (10), President Pro Tempore of the Senate (4), or Speaker of the House of Representatives (4). The board's non-voting members include the chief executives of the Budget and Control Division of Research and Statistics, the State Board for Technical and Comprehensive Education, and the S.C. Departments of Social Services, Health and Environmental Control, Health and Human Services, Mental Health, Disabilities and Special Needs, Alcohol and Other Drug Abuse Services, and Transportation. The State Library, Transportation Association of S.C., and the State Advisory Committee on the Regulation of Childcare Facilities also designate one non-voting member.

Board Responsibilities

Governance is how the board's leadership and policy development ensure sound stewardship of S.C. First Steps assets and resources. Best practices in governance include:

- Functioning at a level of policy and strategy to establish direction.
- Serving as ambassadors.
- Laying out the responsibilities and authority of the board and staff.
- Functioning as a body with one voice.
- Evaluating the chief executive.
- Regularly attending board meetings.
- Training trustees.
- Adopting a process for decision making that encourages full and vigorous discussion.

The S.C. First Steps board's governance responsibilities are further delineated in state law:

- Promulgate regulations, establish guidelines, and provide oversight for implementation of the S.C. First Steps to School Readiness initiative.
- Establish criteria and procedures for awarding state S.C. First Steps grants to county First Steps partnerships.
- Assess and develop recommendations for ensuring coordination and collaboration among service providers at both the state and county level.
- Assess and develop recommendations for increasing the efficiency and effectiveness of programs and funding to carry out the S.C. First Steps to School Readiness initiative.
- Establish results oriented measures and objectives and assess whether services provided by county First Steps partnerships to children and families are meeting the goals and achieving the results established for the S.C. First Steps initiative.
- Employ a director.

Trustee Attendance at State Board Meetings

We reviewed trustee attendance and found that low attendance, lack of designation options for some trustees, and seat vacancies hinder the ability of the board to operate optimally.

Quorum

We reviewed trustee attendance at meetings. Between January 2009 and December 2012, on average, 45% of the board was in attendance at each meeting. The highest percentage of seated trustees in attendance during this period was 65%, and the lowest was 25%.

According to S.C. First Steps bylaws, a quorum is a majority of seated trustees. Of the 25 meetings in our review period, there was a quorum in 7 meetings. In one calendar year, there was never a quorum. During this review period, the board approved statewide S.C. First Steps budgets, county strategies, and operation standards without a quorum. However, had the trustees not taken action, it would have severely limited S.C. First Steps' ability to operate.

State law and S.C. First Steps board policy does not allow a trustee to accrue more than three consecutive unexcused absences. We found multiple instances of trustees accruing three or more unexcused absences and they continued to serve. According to a trustee, board members are hesitant to ask elected officials to resign.

Trustee Designees

State law requires that the Governor and the Superintendent of Education serve on the state board. In the period immediately following the inception of S.C. First Steps, the Governor and the Superintendent of Education attended several meetings. However, in the last four years, neither has attended a meeting.

Both officers have sent staff to the meetings, but the statute governing the board does not allow for these officers to designate other persons. The person attending the meeting on behalf of each of these officers can only report meeting proceedings back to the officer. A review of board minutes reveals inconsistent treatment of the Governor and Superintendent's representatives to the board; sometimes they are recorded as voting designees and other times as non-voting representatives. Only the latter complies with the statute. This is in contrast to the two other non-appointed elected officials who serve on the board. The chairs of the Senate Education and House Education and Public Works committees can designate other people to serve. In addition, though they cannot vote, the designees of all of the other agency chief executives can be heard.

The General Assembly's determination that the Governor would chair the board and that the board must include the Superintendent of Education implies that having these two officers at the table is necessary for fulfilling the purpose of S.C. First Steps. However not allowing them to designate a representative does not consider the practicality of having constitutional officers attend each S.C. First Steps board meeting. The effect is different for each officer. Since the Governor appoints 10 of the 22 trustees, it could be assumed that the Governor is well represented by her appointees. The Superintendent of Education does not have appointees to the board. When the Superintendent does not attend the meetings, the agency responsible for K-12 education does not have a voice on the board charged with coordinating statewide programming to prepare children for K-12 education. It also limits the board's ability to set goals related to readiness for the public school system.

Board Vacancies

We found two vacancy-related problems with the current board:

- Five of the twenty-two voting board seats are vacant.
- Eight of the seventeen current trustees have expired terms ranging in length from two to forty-two months.

S.C. Code of Laws §63-11-1720 defines the terms of the trustees and the process for their replacement. Each trustee term is four years and a trustee may not serve more than two terms, or eight years, whichever is longer.

Multiple vacancies and trustees serving with expired terms on a South Carolina board or commission is not uncommon. As of December 2012, there were 705 expired terms on the statewide and multi-county boards and commissions whose commissions are issued by the Secretary of State. Nonetheless, operating without a full board means that certain segments of the population are underrepresented. The business and medical/childcare communities are underrepresented on the S.C. First Steps board. These perspectives are important because the medical/childcare community provides early childhood subject matter expertise and the business community representatives serve as links to funding sources.

Currently, when vacancies arise, the S.C. First Steps director notifies legislators responsible for appointing or designating trustees, by letter, over the vice-chair's signature. The Governor, as chair of the board, should have immediate knowledge of board vacancies by virtue of her position. The process has an additional step for most of the state's other boards and commissions. The board or commission is responsible for notifying the Secretary of State. In compliance with S.C. Code §1-5-40(B), the Secretary of State's office maintains a current and public compilation of the memberships of these boards which includes length of term for each office; the month and year in which terms have expired or will expire; terms which have expired; vacancies; the body or authority which elects or appoints, as appropriate; and any qualifications including, but not limited to, residency requirements or limitations required for a particular vacancy. This list serves as a place where appointing officials can keep track of their appointment responsibilities in one place. It also serves as a place for citizens to learn of the available opportunities to serve on one of the state's boards or commissions.

Recommendations

16. The S.C. First Steps Board of Trustees should refrain from taking action in the absence of a quorum.

17. The S.C. First Steps Board of Trustees should enforce its attendance policy.

18. The General Assembly should amend S.C. Code §63-11-1720(A) to allow the Governor and the Superintendent of Education to designate a person to attend and vote at S.C. First Steps board meetings.

19. If the General Assembly does not amend S.C. Code §63-11-1720(A) to allow the Governor and the Superintendent of Education to designate representatives to the board, the Governor and Superintendent of Education should attend the meetings.

20. The Governor and members of the General Assembly should appoint trustees when their terms expire, as required by state law.

21. The General Assembly should amend S.C. Code §1-5-40 to add S.C. First Steps Board of Trustees to the list of boards and commissions that the Secretary of State monitors.

Performance Evaluation of the Director

We found no evidence that the board annually evaluates the current director. Government organizations in South Carolina use employee performance evaluations as management tools that support continuous communication between supervisors and employees. Performance evaluations of directors are used to hold the director responsible for the organization's performance.

The finance and administration committee of the board is responsible for an annual performance review of the director. The committee meeting minutes do not contain any reference to an evaluation of the director. According to a trustee, the board speaks with the director periodically about performance and it may or may not be formalized. S.C. First Steps provided evidence of an evaluation occurring in 2007, and the board plans to review the director in the summer of 2013.

Recommendation

22. The S.C. First Steps Board of Trustees should develop, implement, and document an annual performance evaluation process for the S.C. First Steps director.

Decision Making Process

We found that the S.C. First Steps board's process for decision making does not encourage full discussion among the entire board. Best practices in board governance suggest that the board adopt and use a process for decision making that encourages full discussion from diverse viewpoints.

Though the bylaws allow for each S.C. First Steps committee to act on behalf of the board, the board's operating policy restricts authority to act on behalf of the board to the executive committee. The board minutes show that, with the exception of the executive committee, the committees take a report and recommendations to the entire board for full discussion and action.

The executive committee is to act in place of the board, when assembling the entire board would be inconvenient. With the exception of immediate action needed to respond to mid-year budget cuts in 2009, the executive committee meeting minutes do not reveal discussion of any topics that could not wait until the entire board assembled. This use of the executive committee is inconsistent with the board's bylaws.

The minutes of the executive committee also reveal that the executive committee discusses significant issues that are not reported to the entire board. Unlike the other committees, the executive committee does not give a report during full board meetings. This use of an executive committee hinders fully-informed decision making by the board.

Recommendations

23. The S.C. First Steps Board of Trustees executive committee should discuss and act only on items requiring attention prior to the next board meeting.

24. The executive committee of the S.C. First Steps board should comply with Section VI(j)(2) of the bylaws, and distribute minutes of its meetings to the entire board. The S.C. First Steps board should add a report from the executive committee to the committee reports section of each board meeting agenda.

Limited Board Representation From Communities Not Close to an Urban Center

Three of the seventeen current voting trustees reside outside of a Metropolitan Statistical Area (MSA), which means there is limited board representation from communities not close to urban centers. While the current statute ensures membership from varying government agencies, professions, and personal backgrounds, it does not address geography.

An MSA is a geographical region with a relatively high population density at its core and close economic ties throughout the area. A rural area within an MSA has relatively greater opportunities for resources than a rural area outside of an MSA, because of proximity to an urban center. A total of 25 of the state's counties are not within MSAs, and 28% of the state's residents do not live within MSAs.

South Carolina has recognized the disparity in educational opportunities between counties within MSAs and counties outside of MSAs. Only eight (five in the same county) of the thirty-seven plaintiff school districts, from a 1993 lawsuit regarding education funding disparity are within MSAs. Also, the counties with the largest need are outside of MSAs. Since the board is targeting these children, representation from these areas could enhance the board's ability to make decisions affecting the targeted population.

Other state boards and commissions require representation from varying areas of the state. This does not ensure representation from areas outside of MSAs, but it increases the likelihood.

Recommendation

25. The General Assembly should amend S.C. Code §63-11-1720(A)(1-3) to ensure that geographic areas not close to urban centers are represented on the S.C. First Steps Board of Trustees.

S.C. First Steps Board Size

We reviewed the composition of the S.C. First Steps Board of Trustees and found that there could be benefits to reducing the size of the board.

S.C. Code §63-11-1720 authorizes 22 voting and 12 non-voting members of the S.C. First Steps Board of Trustees. The average size for a nonprofit board in the United States is 16; therefore, the S.C. First Steps board could be considered a large nonprofit board. We reviewed a sample of South Carolina government boards and commissions, and the number of voting members ranged from eight to nineteen. We also reviewed the size of school readiness boards in Arizona, North Carolina, and Oklahoma, and they ranged from 9 to 31 voting members.

Table 4.1 lists the advantages and disadvantages of large nonprofit boards. The optimal board size is the number of board members needed to accomplish the organization's mission at that point in its lifecycle.

Table 4.1: Advantages and Disadvantages of Large Nonprofit Boards

ADVANTAGES
• A larger size provides enough people to more easily manage the work load of the board.
• Fundraising becomes less of a burden when the responsibility is divided among many members.
• More perspectives are represented.

DISADVANTAGES
• Individual accountability is lessened.
• Larger boards may not be able to engage every board member in a meaningful activity, which can result in apathy and loss of interest.
• Meetings are difficult to schedule.
• There may be a tendency to form cliques and core groups, thus deteriorating overall cohesion.
• It may be difficult to create opportunities for interactive discussions, at board meetings.

The size and composition of the S.C. First Steps board implies that the General Assembly considered multiple perspectives and fundraising to be of importance at the beginning of the S.C. First Steps initiative. Currently, input from multiple perspectives and fundraising may be outweighed by having a cohesive, engaged, and accountable governing body. While it is possible for a large governing body to be cohesive, accountable, and engaged, the S.C. First Steps board has experienced difficulty with this.

Recommendation

26. The General Assembly should re-examine S.C. Code §63-11-1720 which establishes the number of trustees on the S.C. First Steps board.

State Office Administration

In our review of the administrative practices of the state office, we found:

- Inconsistent reporting of S.C. First Steps state office expenditures.
- The S.C. First Steps state office director earns a higher annual salary than any employee at the S.C. Department of Education (SDE) and a lower salary than heads of larger early childhood agencies in neighboring states.
- None of the annual and sick leave taken by the state office director during a two-year period was reported to the State Budget and Control Board.
- An inadequate process for monitoring and control of county partnership overhead costs.

Inconsistent Reporting of S.C. First Steps State Office Expenditure Data

Over a four-year period, annual expenditure figures for the S.C. First Steps state office were inconsistent in two reports from South Carolina state government. Therefore, these reports have not been reliable for use by the General Assembly, other state agencies, or the public.

As shown in Table 5.1, from FY 07-08 through FY 10-11, the difference in expenditures reported in the Governor's Detail Base Budget and the S.C. First Steps annual report ranged from approximately $385,914 (1.0%) to $6.6 million (19.4%). During our review, S.C. First Steps had not yet published an FY 11-12 annual report.

Table 5.1: S.C. First Steps Expenditures Reported From FY 07-08 Through FY 10-11

FISCAL YEAR	TOTAL S.C. FIRST STEPS EXPENDITURES IN THE GOVERNOR'S DETAIL BASE BUDGET	TOTAL S.C. FIRST STEPS EXPENDITURES IN ITS ANNUAL REPORT	DIFFERENCE IN REPORTED AMOUNTS
FY 07-08	$39,805,086	$40,191,000	$385,914
FY 08-09	$34,027,579	$27,431,000	$6,596,579
FY 09-10	$34,937,296	$37,634,000	$2,696,704
FY 10-11	$37,769,648	$35,017,000	$2,752,648

Source: S.C. First Steps and the S.C. Budget and Control Board

The expenditures and revenues of S.C. First Steps are reported within the financial statements of SDE. However, according to the S.C. Office of the Comptroller General, SDE has not adequately treated S.C. First Steps as a separate accounting entity. S.C. First Steps has been working to address this issue in recent years.

During our review, the S.C. Office of the Comptroller General issued a May 16, 2013, memorandum to:

> ... require First Steps to provide audited Financial Statements for the Fiscal Year ending June 30th, 2013.... [T]he amounts will need to be reduced in the amounts reported by the Department of Education.

Recommendation

27. The South Carolina Department of Education should work with the South Carolina Office of the Comptroller General and South Carolina First Steps to accurately and consistently report the expenditures and revenues of South Carolina First Steps.

Executive Salaries

We were asked to review the salaries of state office S.C. First Steps employees. The S.C. First Steps director earns a higher annual salary than any employee at SDE and a lower salary than directors of larger early childhood agencies in North Carolina, Georgia, and Florida. Also, the chief program officer of S.C. First Steps is compensated within a range similar to positions in South Carolina and surrounding states.

According to an organization official, the salary of the director is set by the state board while the salaries of the staff are set with the director's approval using state government classification and pay bands. For FY 11-12, S.C. First Steps reported receiving approximately $17.8 million in *state* appropriations. According to the S.C. Budget and Control Board, as of October 2012, the director earned $121,540 and the chief program officer earned $97,120. The next five highest paid S.C. First Steps employees earned between approximately $59,000 and $69,000.

Job Functions of the Director
According to the position description for the director, the main job functions include the following:

• Manages and speaks on behalf of S.C. First Steps.
• Hires, directs, trains, and manages staff assigned to the state office.
• Serves as primary liaison with state, public, private, and other entities to assure coordination, efficiency, and community development processes.

The director is both the head of a state-level organization as well as a nonprofit organization, accountable to both the South Carolina taxpayers and the state board.

Job Functions of the Chief Program Officer
The chief program officer is the second ranking S.C. First Steps official. According to the position description, the job functions of the chief program officer include the following:

• Designs, implements, and analyzes a statewide school readiness program evaluation system and recommends the state plan to assess school readiness.
• Stays abreast of current school readiness research and develops briefings as needed to key stakeholders.
• Communicates with key stakeholders including the state board, legislature, collaborative state agencies, and other public, private, and nonprofit related organizations.
• Manages S.C. First Steps program evaluators and technical assistants.

Comparisons With the S.C. Department of Education
While we found no South Carolina state government position with the same job responsibilities as the director, the education overlap between S.C. First Steps and SDE offers a good comparison. The S.C. Superintendent of Education earned an annual salary of $92,007 while the SDE deputy directors each earned $116,681. Furthermore, the top earning early childhood education professional at SDE earned an annual salary of $80,635. At $121,540, director's salary is not only $40,000 more than the highest ranking SDE early childhood education employee, but higher than any individual employed at SDE.

Comparisons With Other States

The North Carolina Partnership for Children (NCPC) has a similar purpose and organizational structure as S.C. First Steps and both organizational heads have similar responsibilities. Per NCPC officials, in calendar year 2012, the NCPC president earned an annual salary of $145,935. The job duties of the NCPC's senior director of programs and policies are comparable to those of S.C. First Steps chief program officer. The NCPC's senior director earned an annual salary of $115,000.

Georgia's early childhood agency, Bright from the Start, operates under an appointed commissioner who earned an annual salary of $141,625 in FY 11-12. The deputy commissioner earned $107,625.

The Florida Department of Education houses the early childhood education office. The director of this office earned $125,000 annually in FY 11-12. The two deputy director's each earned $95,000.

Table 5.2 summarizes the salaries and budgets in South Carolina and surrounding states for FY 11-12.

Table 5.2: Salaries of Top-Ranking Early Childhood Educational Professionals in South Carolina, North Carolina, Georgia, and Florida

POSITION	FY 11-12	
	ANNUAL SALARY	TOTAL STATE APPROPRIATIONS TO ORGANIZATION
S.C. First Steps Director	$121,540	$17,800,000
N.C. Partnership for Children/Smart Start President	$145,935	$151,000,000
Georgia Bright from the Start Commissioner	$141,625	$302,000,000
Florida Office of Early Learning Director	$125,000	$560,000,000

Source: S.C. Office of Human Resources, North Carolina Partnership for Children, and Georgia and Florida State Salary Databases

Inaccurate Reporting of Employee Leave

We reviewed the annual and sick leave taken by S.C. First Steps management. Although the state office reported to us that the director was out of work for more than 17 days of annual leave and 6 days of sick leave during FY 10-11 and FY 11-12, official leave records at the S.C. Budget and Control Board indicated that zero hours of leave had been reported. If the director had left state government employment without the detection of these incomplete leave records, the state would have been liable for approximately $8,000.

S.C. Regulations 19-709.02.B.l.b. and 19-710.02.B.1. prescribe that full-time state employees accrue annual and sick leave at a minimum rate of one and a quarter workday per month or up to 15 days per year, for each type of leave. A state employee separating from service receives payment of up to 45 days of unused annual leave. Upon retirement, the state credits up to 90 days of unused sick leave.

In addition, the state office indicated that the records for the chief program officer in the state employee database were inaccurate for FY 11-12. According to S.C. First Steps staff, the chief program officer submits leave requests to the organization director for approval, however, it is unclear why these records are inaccurate. If left undetected, the state would have been liable for seven days of annual leave and three days of sick leave.

S.C. First Steps is both a nonprofit corporation and a government organization. According to organization staff, this dual line of authority has created an unclear leave reporting process for the director. However, since the General Assembly created the state board and the state compensates the director, the director is clearly a state employee.

S.C. Regulation 19-712.02.B. states that:

> Leave records shall be reviewed by or reported to the employee no less than once per calendar year and be supported by individual leave requests.

Adhering to this regulation limits inaccuracies in employee leave records.

Recommendation

28. South Carolina First Steps should comply with South Carolina Regulation 19-712.02.B. and ensure that all leave taken by all South Carolina First Steps employees is recorded accurately within the state employee database.

Monitoring and Control of County Partnership Overhead Costs

Section 59-152-70(B) of the S.C. Code of Laws states:

> … [O]verhead costs of the partnership's operations may not exceed eight percent of its implementation/management grant allocation unless prior approval is received from the First Steps to School Readiness.

During our review, we found that improvement was needed in the law and the manner by which it has been administered by S.C. First Steps.

Background

In FY 11-12, a total of 21 county First Steps partnerships exceeded the 8% limit with overhead percentages, as calculated by S.C. First Steps, ranging from 8.2% to 19.4%. On a statewide basis, the average overhead percentage was approximately 7.6%. According to S.C. First Steps, each of these county partnerships was given a waiver by the state board from the 8% limit. Each of these calculations is based on all sources of revenue.

No Independent Analysis Used to Establish the Overhead Cost Rate Limit in State Law

During our review, we did not find that the 8% limit on county First Steps partnership overhead costs in state law was based on an independent analysis of S.C. First Steps and its programs. The rate was adopted from Smart Start, a similar organization in North Carolina.

It is not clear whether 8% is an adequate and not excessive overhead cost rate. A formal analysis of county First Steps partnership overhead costs in South Carolina by an independent cost accountant would help in establishing a limit that is adequate and not excessive.

No Definition of County Partnership "Overhead Cost" in State Law or Regulation

We found no definition of overhead costs regarding county First Steps partnerships in state law or regulation. We also found no methodology for calculating county partnership overhead cost rates. Through policy, S.C. First Steps has defined overhead costs and made subsequent changes in the definition. For example:

- For county-operated programs and programs subcontracted by the counties, *program-specific* overhead expenditures on rent, office supplies, and similar items are classified by S.C. First Steps as "indirect programming costs," not overhead. If these "indirect programming costs" were classified as overhead, most county partnerships would exceed the overhead cost limit.

- Prior to FY 05-06, the overhead cost rate for each county partnership was calculated by dividing overhead costs by expenditures from state appropriations only. In 2006, S.C. First Steps changed the methodology so that overhead costs would be divided by expenditures from all funding sources, making it easier to stay within the 8% limit.

Recommendations

29. S.C. First Steps should contract with an independent cost accountant to determine an adequate and not excessive overhead cost rate for county partnerships. The issues addressed in this independent review should include but not be limited to:

    - A definition of overhead costs.
    - Overhead costs incurred by county partnerships versus those incurred by outsourced service providers.
    - Overhead costs versus indirect programming costs.
    - A methodology for calculating overhead cost rates, including the funding sources on which the rates are based.

30. The South Carolina General Assembly should amend Section 59-152-70(B) of the S.C. Code of Laws to establish an adequate but not excessive cost rate limit for county partnerships based on a review by an independent cost accountant.

31. When implementing Section 59-152-70(B) of the S.C. Code of Laws regarding county partnership overhead costs, S.C. First Steps should promulgate regulations with a clear methodology for calculating county partnership overhead cost rates.

Funding Formula

In our review of the finance of S.C. First Steps, we found:

- An error in the FY 12-13 funding allocation to county partnerships.
- A lack of public transparency in the development and communication of the funding formula.
- County partnerships with small-population counties have been subsidized, outside the funding formula, with funds from larger-population counties. Discontinuing this subsidy could encourage some counties to merge so that they might benefit from the economies of scale.

Background

State Law
S.C. First Steps enabling legislation outlines a funding framework to guide the S.C. First Steps Board of Trustees (state board) in distributing state funds to county partnerships. According to S.C. Code §59-152-90(E), the factors in the formula include the:

- Quality of the grant proposal.
- Population of children birth to age five in the area served by the partnership.
- Percentage of students in grades 1-3 who are eligible for the free and reduced price lunch program.
- Average per capita income.
- Area's ability to support the strategic plan.
- Standing of the geographical area covered by a county partnership in relation to the statewide Kids Count indicators.
- Priority to strategic plans that incorporate models with demonstrated success.

S.C. First Steps Funding Formula
The S.C. First Steps enabling legislation instructed the Board of Trustees to convert this funding framework into an applicable formula. Under the guidance of South Carolina early childhood professionals and academia, the board apportioned the formula into objective and subjective categories and then assigned 80% and 20% weights, respectively.

Objective Factors

The state board assigned weights to the objective factors as follows:

- Population of children birth through five- 30%.
- Children eligible for free and reduced price lunch program- 20%.
- Average per capita income- 20%.
- Kids Count indicators- 30% total, 5% for each individual factor.

The first two factors correlate with population size and the last two factors reflect the area's income and magnitude of problems, relative to the rest of the state. Since population accounts for 50% of the formula, larger population counties receive more money for these factors. Conversely, since relative income and relative magnitude of problems account for 50% of the formula, counties with lower income and a higher magnitude of problems receive more money for these factors. The sources for the objective data include the U.S. Census Bureau, the U.S. Bureau of Economic Analysis, the S.C. Department of Education (SDE), and the S.C. Department of Health and Environmental Control. The S.C. Office of Research and Statistics manages the data from these sources.

Kids Count is a project that tracks the well-being of children on both a state and national level. The board adopted six out of thirty Kids Count indicators based on their correlation to the S.C. First Steps purpose. The following is a list of these indicators incorporated in the S.C. First Steps formula:

- Babies born to mothers with less than a high school education.
- Babies born to mothers with low birth weight.
- Children overage in grade three.
- Children scoring "not met" on the Palmetto Assessment of State Standards in English Language Arts (previously the Palmetto Achievement Challenge Test).
- Children scoring "not met" on the Palmetto Assessment of State Standards in math (previously the Palmetto Achievement Challenge Test).
- Children testing "below basic" for first grade.[1]

---

[1]No longer an indicator.

Subjective Factors

According to S.C. Code §59-152-90(E):

> ...allocations…shall take into consideration the quality of the grant proposal…the area's ability to support the strategic plan…[and] [p]riority must be given to strategic plans that incorporate models with demonstrated success.

The state board assesses these subjective factors according to the county First Steps partnership's grant application/renewal, needs assessment, and program performance from the previous year. Formula consultants designed an award system in which partnerships rated above average or well above average would receive an additional funding commensurate with their performance. The additional funds would either come from donations or partnerships rated below average.

Formula Transparency

We found that the S.C. First Steps funding formula has not been promulgated through state regulation or recorded in the state board's bylaws or minutes, and consequently limits public transparency. We also found that the partnership budget has not been adequately communicated.

Regulation

Section 63-11-1730(2) of the S.C. Code of Laws authorizes the state board to promulgate regulations. According to the Administrative Procedure Act, a regulation is required for an agency statement with general public applicability. The formula is used to allocate funds in all 46 counties and therefore has general public applicability. In addition, according to the 1991 S.C. Supreme Court ruling of *Captains Quarters Motor Inn, Inc. v. South Carolina Coastal Council*, an agency "overstep[s] it statutory authority in formulating and applying this test …if it does so without formalizing it by regulation."

Board of Trustees Bylaws

The state board's bylaws also do not include the funding formula. As a nonprofit corporation, S.C. First Steps is subject to the S.C. Nonprofit Corporation Act, which states under §33-31-206(b) "[t]he bylaws may contain any provision for regulating and managing the affairs of the corporation…." The law does not explicitly state that a nonprofit organization must include its funding formula in its bylaws. However, a core function of the board's finance and administration committee is budgetary collaboration with the state office; also, the full state board oversees the formula allocation to partnerships. Therefore, it is logical to include the funding formula in the board's bylaws.

Board of Trustees Minutes

During our review, we found that the board minutes did not include the complete formula or several of its changes:

- In March 2000, the board developed the applicable funding formula. However, the state board minutes do not record the complete applicable formula. Missing from the record are the weight assignments for each individual factor. Only once, in 2007, are the factors and their respective weights recorded in the S.C. First Steps board minutes, however, the weights are recorded incorrectly, adding up to 125%.

- In May 2003, the state board approved the implementation of a $200,000 funding floor for each county First Steps partnership after determining that the formula was not awarding some partnerships sufficient funds to operate a S.C. First Steps office in each county. The state board achieves this funding minimum by drawing funds from the allocations of larger counties. In the past ten years, the minutes record the approval of the subsidy source only twice and the subsidy amount only four times. Without this record, it is unclear how S.C. First Steps is allocating funds to partnerships.

- In 2008, an amendment to the Education Accountability Act resulted in the replacement of the Palmetto Achievement Challenge Test (PACT) with the Palmetto Assessment of State Standards (PASS). The change consolidated the metrics of the PACT from four tiers to the PASS test's three tiers. Altering the metrics of a test creates difficulty in comparing the results of one test to the results of another. Per the minutes, the full state board never discussed the aptitude test transition, yet the funding formula incorporates the newer ratings (see p. 34).

While these changes are absent from the public record, we did find evidence that the state board addressed the development of the funding formula and its subsequent changes.

In a survey of county partnership executive directors, 66% of respondents indicated the formula was transparent, however, 92% of the respondents who did not think the formula was transparent have held their position for nine or more years. While it is unclear why the most seasoned executive directors feel the funding formula is not transparent, we found evidence that the state office provides opportunities to county First Steps partnerships to discuss the funding formula. However, the open-ended responses to the communication question in the executive director survey highlighted communication difficulties as they relate to finance.

Inadequate Communication of Partnerships Budgets

We also found transparency to be an issue in determining the overall budget for the partnerships. The S.C. First Steps appropriation does not state specific percentage rates for state operating costs, state-level programs, county central operating costs, or the amount reserved for partnerships overall budget. In addition, the state office does not have a fixed rate for apportioning funds for the abovementioned categories, preventing partnerships or the public from calculating the annual partnership overall budget.

During our review, the proposed FY 13-14 state appropriations act contained line items for S.C. First Steps that included policy and accountability, early childhood services, BabyNet, and the Child Development Education Pilot Program. An S.C. First Steps official stated that the line item for early childhood services is reserved for county partnerships, however, because the state office also provides some early childhood services, there is still no clear state appropriation for county First Steps partnerships.

Recommendations

32. South Carolina First Steps should promulgate its funding formula in state regulation.

33. The funding formula and any subsequent changes should be included in the South Carolina First Steps Board of Trustee's bylaws to provide a clear guide to current and future trustees on how to allocate funds

34. South Carolina First Steps Board of Trustees should accurately record the funding formula and any subsequent changes within the full state board minutes for the relevant meeting.

35. South Carolina First Steps should include a funding formula page on its website which outlines full formula details (including factors, weights, and sources of data) posts announcements regarding upcoming changes to the formula, and provides direction for public input.

36. In the annual state appropriation for South Carolina First Steps, the South Carolina General Assembly should specify the allocation to county partnerships.

Formula Equity

Each year, S.C. First Steps subsidizes some of the partnerships in counties with smaller populations by giving them funding in addition to the amounts generated by the formula. After the initial formula calculation, the state board awards subsidies to some of the partnerships in counties with smaller populations using funds from partnerships in counties with larger populations.

The funding floor subsidy has been allocated to ensure adequate resources for a S.C. First Steps office in each county however, the effect has been is to create a disincentive for small partnerships to voluntarily merge into multi-county operations and benefit from economies of scale. In our executive director survey, 53% of respondents indicated the formula was equitable, however 83% of the respondents who did not think the formula was equitable have held their position for nine or more years.

Subsidy

In Table 6.1, we ranked county First Steps partnerships for FY 12-13 based on the amount per child (birth through age five) as allocated through a basic application of the funding formula. We also calculated the amount per child for each partnership with the adjustment of the funding floor subsidy, which is the amount county First Steps partnerships would have recieved without errors that occured in FY 12-13 (see p. 57).

Before the funding floor subsidy was added, the five partnerships with the highest amount per child received an average of $74 more per child than the five partnerships with the lowest amount per child. With the addition of the funding floor subsidy, the five partnerships with the highest amount per child received an average of $139 more per child than the five partnerships with the lowest amount per child.

Table 6.1: FY 12-13 Funding Formula Allocation Per Child

PARTNERSHIP	FUNDING FORMULA ALLOCATION AMOUNT	ALLOCATION ADJUSTED FOR FUNDING FLOOR SUBSIDY
York	$24	$23
Richland	$25	$26
Charleston	$25	$27
Greenville	$26	$24
Beaufort	$26	$26
Dorchester	$27	$26
Lexington	$27	$26
Berkeley	$28	$28
Spartanburg	$29	$28
Anderson	$29	$28
Horry	$30	$28
Aiken	$31	$32
Pickens	$32	$32
Florence	$33	$35
Sumter	$34	$36
Lancaster	$36	$36
Kershaw	$36	$36
Oconee	$36	$36
Greenwood	$37	$38
Orangeburg	$39	$42
Laurens	$39	$40
Darlington	$39	$43
Georgetown	$41	$44
Cherokee	$43	$44
Chesterfield	$44	$46
Newberry	$47	$49
Colleton	$50	$53
Chester	$52	$55
Jasper	$54	$62
Clarendon	$54	$59
Saluda	$54	$85
Abbeville	$55	$75
Union	$56	$68
Dillon	$56	$57
Marion	$57	$61
Edgefield	$58	$81
Fairfield	$60	$80
Williamsburg	$61	$68
Marlboro	$66	$72
Calhoun	$66	$127
Hampton	$68	$86
Barnwell	$69	$77
Lee	$77	$102
Bamberg	$80	$122
Allendale	$128	$193
McCormick	$143	$274

Source: S.C. Office of Research and Statistics and LAC

Availability of Local Resources

We found that there is a disproportionate availability of local resources between county First Steps partnerships which affects the quantity and range of services.

According to our survey of partnership executive directors, some partnership directors indicated the funding formula is inequitable because it overlooks the availability of local resources. The S.C. First Steps legislation requires partnerships to provide an annual 15% match to their state funding through either money or in-kind services. To reach this requirement, partnerships may apply for federal, state, and local government funds, grants, and other funding. According to our survey, all partnerships met this requirement in the previous fiscal year with 45% of partnerships matching state funding by 61% or more. However, despite these achievements, most respondents indicated that resources, including other state and local government funds; foundations and corporations grants; and/or corporation, business, and individual donations are either scarce or non-existent in their counties.

We analyzed the availability of local resources in the counties. For the purposes of this analysis, we defined resource as a registered 501(c)3 private foundation. While we realize a resource can be defined in many ways, non-foundation resources often spread their money among charitable and other interests, whereas foundations' primary interest is charitable giving. Per the analysis, counties with a higher amount per child tend to be resource-poor while counties with a lower amount per child tend to be resource-rich. We found that resource-rich counties tend to receive larger state allocations which they then use to partner with and leverage local resource dollars. We also found that resource-poor counties not only receive smaller state allocations but have fewer resources available to partner with and leverage their state allocations.

Subjective Factors

State law requires that S.C. First Steps consider, in part, certain subjective factors when allocating funds to local county partnerships. S.C. Code §59-152-90(E) states that:

> allocations…shall take into consideration the quality of the grant proposal…[and] the area's ability to support the strategic plan….

However, incorporating subjective factors into the formula has the potential to limit both equity and transparency of the funding process.

State board policy outlines the allocation of funds for these subjective factors in varying degrees based on performance. While organization officials insist that subjective factors are an active portion of the funding formula, the state board has consistently credited each partnership with full awards for these subjective factors.

By not using these subjective funding factors, S.C. First Steps may have increased the equity and transparency of the funding allocation process, a positive result, but not in compliance with state law.

Recommendations

37. South Carolina First Steps Board of Trustees should not make allocations outside the funding formula.

38. The South Carolina First Steps Board of Trustees should add a resource availability factor to the funding formula to account for the resource disparity between counties.

39. The South Carolina General Assembly should amend South Carolina Code §59-152-90(E) to delete the requirement that South Carolina First Steps should take into consideration the subjective factors as they relate to the funding process.

Inaccurate Formula Data Used in FY 12-13 Formula Allocation

We reviewed whether S.C. First Steps' staff incorporates accurate data in the funding formula and found two areas of concern.

For the FY 12-13 calculation, the data for the free and reduced price lunch factor was mistakenly based on the same data used in the prior year's calculation. As a result, 32 out of 46 partnerships received higher allocations than warranted under the formula and 14 partnerships received lower allocations than warranted under the formula. Table 6.2 lists the five partnerships that suffered the greatest loss and the five partnerships that incurred the greatest benefit.

Table 6.2: Counties Most Affected by the Inaccurate Application of Data

	FY12-13		
	ALLOCATION	CORRECT ALLOCATION	DIFFERENCE
Greenville	$894,982	$949,227	-$54,245
Horry	$507,826	$551,544	-$43,718
Lexington	$546,287	$574,707	-$28,420
York	$415,807	$449,981	-$34,174
Dorchester	$298,313	$315,577	-$17,264
Charleston	$711,491	$689,865	+$21,626
Orangeburg	$303,930	$284,922	+$19,008
Williamsburg	$165,128	$150,288	+$14,840
Sumter	$333,386	$318,969	+$14,417
Darlington	$222,660	$208,632	+$14,028

Source: S.C. First Steps and LAC

The S.C. First Steps finance department calculates and reviews partnership allocations, however, attrition has left the organization operating without a chief financial officer, which may have affected the internal controls and the internal review process.

We also found that there is a disconnect between the age range in the S.C. First Steps enabling legislation and the data used in the formula. S.C. Code §59-152-90(E) states the formula shall take into consideration "the population of children birth to age five contained in the area served by the partnership." However, S.C. First Steps incorporates data for children birth to six. Children under the age of six include children through the age of five and consequently exceeds the legislative limit. Assigning age eligibility limits by years, rather than months, allows for interpretation in the range and therefore inconsistencies between interpretations.

Recommendations

40. South Carolina First Steps should implement internal controls to ensure partnership awards are accurate.

41. The South Carolina General Assembly should amend state law to define the age limit for children and their families eligible to receive S.C. First Steps funding according to months, rather than years.

Organizational Structure

We reviewed the organizational placement of S.C. First Steps in South Carolina state government, and found that there are advantages and disadvantages to the current placement and any alternatives. With regard to local organizational structure, we found that S.C. First Steps has subsidized counties with the fewest children, reducing the incentive to merge operations with other counties. State law authorizes multi-county partnerships.

Organizational Placement of S.C. First Steps in State Government

S.C. First Steps' place in state government is not clearly defined in state law. The S.C. General Assembly established the S.C. First Steps Board of Trustees (state board) as a charitable organization and empowered the board to hire a director and the staff required for the Office of S.C. First Steps. The state board sets the policies for S.C. First Steps operations. The S.C. Department of Education (SDE) provides S.C. First Steps with personnel, procurement, and technology services.

Other State-Level Options to Accomplish Same Purpose

The members of the S.C. General Assembly created the S.C. First Steps initiative to support local early childhood efforts. The chosen mechanism, an office of state employees governed by a nonprofit corporation board, may not be the optimal way to accomplish that end. We examined alternative operational and governance structures that could accomplish the same purpose.

Operational Structure
Table 7.1 provides the advantages and disadvantages of the current operational structure and some alternative structures, with respect to administrative efficiency and organizational synergy. Administrative efficiency is the capacity of an organization, institution, or business to produce desired results with a minimum expenditure of energy, time, money, personnel, and materials. Organizational synergy is the interaction of two or more organizations so that their combined effect is greater than the sum of their individual effects.

Table 7.1: Office of S.C. First Steps Operational Structure Alternatives

STRUCTURE			ADVANTAGES AND DISADVANTAGES
CURRENT	S.C. First Steps operates as a separate state entity except for certain fiscal and administrative functions.	Administrative Efficiency	S.C. Department of Education (SDE) provides fiscal and administrative (human resources, procurement, information technology) services out of existing infrastructure. However, because S.C. First Steps is a separate entity, with an independent board and management, SDE has limited ability to assimilate S.C. First Steps into a unified structure.
		Organizational Synergy	S.C. First Steps is a central office for government to focus on school readiness.
OFFICE WITHIN THE S.C. DEPARTMENT OF EDUCATION	S.C. First Steps operations would be overseen by SDE.	Administrative Efficiency	There would be one less state-funded entity. Also, SDE would have the oversight authority necessary to maximize efficiencies in the state's early childhood education office.
		Organizational Synergy	There would be increased synergy with the K-12 educational system. However, there could be less input from organizations outside of SDE.
SPLIT FUNCTIONS AMONG EXISTING STATE AGENCIES	S.C. First Steps functions would be divided between the Department of Disabilities and Special Needs (BabyNet), SDE (local partnership funding and the Child Development Education Pilot Program), and universities (technical assistance/research).	Administrative Efficiency	There would be one less state-funded entity.
		Organizational Synergy	The agencies would be able to focus on their respective areas of expertise, but they might not be required to collaborate effectively with each other.

Source: LAC and S.C. First Steps

Governance

Table 7.2 provides advantages and disadvantages of the current governance structure and one alternative, with respect to authority and composition. Authority is the ability of the body to control resources, set policy, and give direction to state agencies, and can range from advisory to final decision making power. Composition is who is represented on the board and can range from citizens to agency heads.

Table 7.2: S.C. First Steps Board of Trustees Governance Alternatives

STRUCTURE			ADVANTAGES AND DISADVANTAGES
CURRENT	Nonprofit board appointed by elected officials, with advisory participation of partner state agencies.	Authority	The advisory nature of the board's decision making authority allows agencies/nonprofit partners to collaborate with the initiative in the way that best suits that entity. However, the board's decisions only bind the S.C. First Steps office.
		Composition	The board's composition considers all stakeholders pivotal to advancing school readiness. However, state agencies with functions that represent a large portion of the state's investment in early childhood only serve an advisory role on the current board.
SCHOOL READINESS OR EARLY CHILDHOOD CABINET	Cabinet consisting of all state agency heads with early childhood or school readiness functions within their agencies, with an advisory group representing stakeholders. It would become a part of the Governor's cabinet.	Authority*	This body would have final decision making authority and could reduce redundancies between state agencies. However, this would require state agency heads to negotiate with each other on how to operate their agencies, producing a decision making process that could become complex and slow.
		Composition	This body would have state agencies with functions that represent a large portion of the state's investment in early childhood vote. The stakeholders considered pivotal to advancing school readiness would only serve an advisory role.

*If South Carolina used a cabinet form of government, all agencies in this group would be accountable to a Governor with final decision making authority.

Source: LAC

Local Organizational Structure

We reviewed local organizational structures to determine if S.C. First Steps could achieve greater efficiencies through multi-county partnerships while providing the same, or a greater level, of service to local children. We found that there may be benefits to voluntary multi-county partnerships authorized in S.C. Code §59-152-70. However, because state law refers to "County First Steps Partnerships," some officials may not be aware that multi-county partnerships are permitted.

Background

Each of South Carolina's 46 County First Steps Partnership (partnership) boards has members who are educators, family education providers, childcare providers, health care providers, transportation providers, and representatives of the nonprofit, faith, and business communities. The partnership board also includes representatives from the county department of social services, county department of health and environmental control, Head Start, county library, and each school district.

The partnership board has numerous responsibilities, including:

• Coordinate a collaborative effort to identify the area's needs related to the goals of S.C. First Steps and develop a strategic plan.
• Coordinate and oversee implementation of the strategic plan.
• Create and annually revise a county needs assessment.
• Employ personnel necessary to perform these duties.

The current local structure has an office in each county, with the exception that two neighboring counties share an office. Except for two counties who share an executive director, every county in the state has its own executive director.

Partnership executive directors supervise between one and sixty employees/contractors and are responsible for the administrative functions required by their local partnership boards. Several partnerships share program staff. This potentially allows sharing of salary costs and offer full benefits. It also could open up opportunities to provide additional services.

In 2003, the state board commissioned a study on the possibility of regionalization. The study was based on the experiences of North Carolina's Smart Start program and recommended that South Carolina encourage counties to develop shared plans, regionalize by attrition of local executive directors, encourage regional application for state and federal money, and provide incentives for counties to merge. The administrative financial savings stated in the report were primarily the product of fewer executive director salaries and benefits.

The state board regionalized one function in April 2001 by dividing the partnerships into regions for fiscal management. The state currently is divided into two regions for fiscal management, but this is not an example of collaboration across county lines. We reviewed two forms of regionalization: consolidation of offices and boards, and increased coordination between partnerships.

Consolidated Office Staff or Boards

We surveyed local partnership executive directors about sharing staff and consolidating boards.

Of the executive directors that responded, 59% did not favor counties sharing staff, even if it meant no reduction in state funds. Some executive directors raised concerns about stretching staff too thin and the distance between counties. However, other executive directors also stated that sharing staff could result in providing more employee benefits and accessing staff with greater skill sets.

Of the executive directors that responded, 73% did not favor merging the boards, primarily because local identity and presence is a large part of the reason that S.C. First Steps has significant community support. Some executive directors felt that members of a multi-county board would not have the sense of ownership that is felt on local county boards. However, other executive directors pointed out that a greater pool of people to obtain board members from could help with meeting attendance, and that multi-county partnerships could increase funding opportunities.

In addition, consolidating offices or boards could be a no-cost method for improving state office services to the partnerships. As stated above, despite being responsive to the partnerships, state office technical assistants and financial staff are stretched and unable to provide the type of assistance that is sometimes indicated (see p. 27). Fewer executive directors and boards would mean fewer groups to assist.

Despite these possible benefits, the state board has created a funding floor that discourages consolidation by subsidizing counties that generally could not support a partnership (see p. 52).

Regional Coordination of Organizationally-Separate Local Partnerships

Currently, there is voluntary coordination among the organizationally-separate county First Steps partnerships. Multi-county coordination exists in the training of child care providers and in grant applications. In addition, Nurse-Family Partnership funding is awarded to groups of counties.

Because First Steps county partnerships in neighboring counties often offer the same programs, there are opportunities for greater coordination. In addition, neighboring counties may have opportunities to collaborate on media campaigns. Though these types of coordination do not guarantee a reduction in spending, they could result in better services for families.

It is important to note that, if multi-county partnerships were dictated at the state level, the current voluntary coordination and relationships between county partnerships could be diminished.

Recommendation

42. The General Assembly should amend all references to "county partnerships" to "local partnerships" in the S.C. Code of Laws.

Risk Factors by County

The following tables provide detailed county information for the risk factors discussed in chapter two. This data was compiled by the Office of Research and Statistics from the following agencies:

- S.C. Department of Social Services (TANF, SNAP, Abuse/Neglect, Foster Care).
- S.C. Department of Education (Free and Reduced Lunch).
- S.C. Department of Health and Human Services (Medicaid).
- S.C. Department of Health and Environmental Control (Mothers age and education).

Maltreatment of Children

	ABUSE AND NEGLECT (% OF CHILDREN IN FOUNDED CPS CASES)			FOSTER CARE (% OF CHILDREN IN FOSTER CARE)		
	2000	2006	2011	2000	2006	2011
Abbeville	0.90	0.58	0.72	0.29	0.21	0.28
Aiken	1.18	1.82	1.65	0.31	0.27	0.17
Allendale	0.75	1.85	0.73	0.32	0.69	0.58
Anderson	0.89	1.09	1.96	0.38	0.34	0.30
Bamberg	0.56	0.67	0.91	0.08	0.08	0.64
Barnwell	1.00	2.11	0.92	0.10	0.47	0.46
Beaufort	0.45	0.54	0.51	0.14	0.21	0.17
Berkeley	0.92	0.91	1.46	0.19	0.27	0.21
Calhoun	1.57	0.71	1.32	3.84	1.76	0.75
Charleston	1.02	1.34	1.69	0.80	0.96	0.83
Cherokee	2.39	1.98	2.36	0.45	0.49	0.48
Chester	1.19	0.55	0.93	0.22	0.27	0.12
Chesterfield	1.19	0.47	1.09	0.43	0.29	0.80
Clarendon	1.04	1.03	1.39	0.66	0.80	0.25
Colleton	1.19	1.09	2.16	1.41	1.06	0.91
Darlington	1.60	1.29	1.84	0.51	0.76	0.98
Dillon	1.04	1.08	2.04	0.29	0.25	0.39
Dorchester	1.21	1.09	1.66	0.78	0.70	0.35
Edgefield	1.45	1.13	0.79	0.22	0.17	0.46
Fairfield	1.04	1.16	1.51	0.05	0.05	0.12
Florence	1.18	1.13	1.71	0.88	1.09	1.39
Georgetown	1.04	0.75	0.89	0.31	0.53	0.33
Greenville	1.09	1.33	1.76	0.57	0.96	1.21
Greenwood	0.63	0.67	0.58	0.13	0.25	0.19
Hampton	1.87	2.47	1.31	0.58	0.78	0.94
Horry	1.38	1.04	0.89	0.90	0.97	0.72
Jasper	1.37	1.61	1.07	0.33	0.45	0.58
Kershaw	0.80	0.65	0.71	0.12	0.35	0.53
Lancaster	1.78	1.31	1.28	0.21	0.06	0.30
Laurens	1.28	0.90	1.71	0.40	0.98	1.50
Lee	1.30	1.59	1.81	0.52	0.46	1.44
Lexington	0.89	0.61	0.79	0.42	0.20	0.32
McCormick	1.20	0.38	1.07	1.41	0.00	0.21
Marion	3.20	2.95	2.32	1.03	1.42	1.62
Marlboro	3.89	3.30	2.54	0.95	1.08	1.40
Newberry	2.37	0.59	1.81	0.83	0.73	1.23
Oconee	1.54	1.88	3.07	1.10	1.38	0.89
Orangeburg	0.91	0.92	1.05	0.70	0.60	1.38
Pickens	1.43	1.87	3.00	0.67	0.67	1.44
Richland	1.39	1.12	1.13	1.16	1.18	1.19
Saluda	1.48	1.05	1.03	0.61	1.11	0.91
Spartanburg	1.48	1.38	1.51	0.70	0.69	0.81
Sumter	1.96	1.15	1.23	0.67	0.70	0.35
Union	1.63	3.02	1.34	0.48	0.39	0.74
Williamsburg	1.62	1.28	1.13	0.68	1.28	0.81
York	2.29	1.76	1.24	0.80	0.57	0.69
Statewide	1.29	1.22	1.44	.63	.69	.75

Benefits Related to Level of Poverty

	FOOD STAMPS (% OF CHILDREN 0-5 RECEIVING SNAP BENEFIT)			FAMILY INDEPENDENCE (% OF CHILDREN 0-5 RECEIVING TANF BENEFIT)		
	2000	**2006**	**2011**	**2000**	**2006**	**2011**
Abbeville	23.71	33.28	39.47	8.17	7.27	7.82
Aiken	25.48	37.05	54.93	4.85	4.59	9.26
Allendale	62.41	75.49	85.61	21.41	13.18	17.01
Anderson	16.58	34.27	45.94	4.44	7.16	7.58
Bamberg	40.52	54.38	71.85	11.58	13.18	13.44
Barnwell	45.25	60.51	72.04	17.72	14.96	17.62
Beaufort	18.76	22.24	36.86	6.33	5.47	5.65
Berkeley	21.56	27.10	37.39	4.75	4.71	4.80
Calhoun	28.77	34.57	48.49	8.98	8.29	10.00
Charleston	24.90	32.10	41.51	8.51	9.17	8.53
Cherokee	25.13	44.66	64.09	2.39	10.45	11.27
Chester	27.72	49.45	68.95	8.68	12.05	17.08
Chesterfield	36.00	49.69	63.54	9.09	11.11	12.86
Clarendon	49.48	54.91	69.79	15.04	16.63	19.30
Colleton	37.76	55.51	70.74	7.50	11.17	5.68
Darlington	42.63	50.39	60.52	11.34	10.79	15.76
Dillon	50.27	56.93	70.83	16.80	14.50	16.34
Dorchester	20.40	29.38	43.05	4.21	7.98	9.60
Edgefield	30.43	43.77	64.18	7.54	7.83	12.56
Fairfield	32.49	47.94	64.65	5.45	4.65	7.87
Florence	37.16	49.13	58.95	12.57	12.60	13.80
Georgetown	35.92	45.67	59.63	8.36	7.77	10.54
Greenville	15.11	27.21	40.09	3.88	4.51	4.71
Greenwood	22.34	40.56	61.75	7.67	8.73	10.88
Hampton	35.80	53.44	67.39	5.89	9.35	9.10
Horry	29.01	40.04	58.76	7.90	7.57	11.21
Jasper	36.11	58.33	75.57	11.78	13.35	12.35
Kershaw	16.23	32.26	47.43	0.97	1.35	7.55
Lancaster	27.07	41.01	53.63	7.14	8.77	13.92
Laurens	25.48	44.02	63.26	7.15	10.77	12.15
Lee	55.99	73.90	82.70	15.23	23.77	17.75
Lexington	17.49	26.03	41.40	5.43	5.67	9.20
McCormick	43.17	50.48	77.04	10.64	12.57	14.16
Marion	47.70	64.59	77.32	12.96	14.91	12.79
Marlboro	48.46	63.65	79.61	15.53	16.90	18.32
Newberry	30.77	45.70	62.15	8.76	11.04	13.89
Oconee	16.45	34.31	48.13	4.44	6.49	5.97
Orangeburg	45.96	63.20	77.90	12.05	13.65	16.75
Pickens	13.62	31.99	47.22	3.35	6.94	7.09
Richland	24.01	35.83	49.66	8.31	10.21	14.97
Saluda	32.48	45.94	55.50	7.08	9.17	8.71
Spartanburg	16.81	28.09	44.23	5.55	6.89	8.99
Sumter	35.05	48.85	59.02	13.31	11.90	12.68
Union	29.18	48.81	62.43	8.37	9.94	11.73
Williamsburg	53.33	71.91	77.47	15.70	16.19	15.48
York	18.55	30.23	39.91	4.69	5.73	7.08
Statewide	25.35	36.93	50.04	7.24	8.18	9.78

Birth Circumstances

	LOW BIRTH WEIGHT (% OF CHILDREN BORN UNDER 5.5 LBS.)			LOW MATERNAL EDUCATION (% OF CHILDREN BORN TO MOTHER THAT DID NOT GRADUATE HIGH SCHOOL)			TEEN MOTHER (% OF CHILDREN BORN TO MOTHER AGE 15-19)		
	2000	2006	2011	2000	2006	2011	2000	2006	2011
Abbeville	10.78	11.37	9.87	23.80	20.43	19.29	15.15	15.06	13.03
Aiken	3.58	3.37	4.38	11.88	12.29	17.83	8.61	7.10	9.23
Allendale	13.95	14.68	11.92	33.76	37.34	40.70	23.32	26.59	26.60
Anderson	8.06	8.29	8.75	22.81	22.81	22.20	13.63	13.23	13.61
Bamberg	11.10	12.34	12.98	25.61	22.60	23.77	18.00	16.85	15.08
Barnwell	7.96	9.79	9.13	20.06	23.33	26.75	15.13	16.59	15.31
Beaufort	6.86	7.35	8.27	16.36	20.11	22.61	11.03	10.92	9.76
Berkeley	8.10	8.58	7.96	16.12	16.90	16.30	11.99	12.17	10.55
Calhoun	10.37	10.23	10.94	19.18	14.99	15.09	14.30	11.82	11.32
Charleston	10.16	10.81	10.19	19.03	21.47	22.18	11.63	12.24	10.54
Cherokee	8.32	11.46	11.42	28.73	30.41	30.37	16.53	18.35	18.51
Chester	9.18	9.50	9.49	26.46	29.08	30.27	18.03	19.23	19.32
Chesterfield	9.14	9.07	8.83	24.39	19.69	22.37	14.91	12.19	14.26
Clarendon	11.22	13.89	10.96	25.14	23.56	23.26	15.58	18.07	16.43
Colleton	9.04	10.59	10.78	25.77	27.51	29.72	16.35	19.13	17.93
Darlington	11.09	12.08	12.35	26.72	24.81	25.08	16.82	14.68	17.17
Dillon	12.30	12.63	13.79	34.97	35.03	34.40	21.77	21.32	19.89
Dorchester	7.29	7.49	8.11	14.56	14.07	13.45	9.99	9.78	9.56
Edgefield	4.47	4.51	4.10	14.52	13.69	16.52	9.55	7.38	7.80
Fairfield	10.79	11.99	11.14	21.17	22.65	24.64	17.18	17.00	16.16
Florence	12.59	12.79	12.75	22.59	20.40	21.46	15.12	15.04	13.66
Georgetown	11.70	12.06	11.51	22.00	21.28	24.21	16.46	14.38	15.96
Greenville	8.10	8.55	8.38	19.19	21.80	22.47	9.85	10.16	10.10
Greenwood	9.48	11.16	11.30	24.79	26.91	29.52	16.59	15.67	16.12
Hampton	9.45	11.22	11.97	28.10	27.44	26.31	18.43	18.70	17.64
Horry	8.21	9.29	10.06	19.15	22.29	23.35	12.26	11.85	11.54
Jasper	6.36	8.23	9.71	21.75	32.73	37.58	15.56	16.67	14.85
Kershaw	8.59	8.62	8.99	19.23	19.75	20.44	12.65	15.53	12.93
Lancaster	7.59	8.11	7.49	23.81	24.27	21.01	14.25	14.20	12.52
Laurens	7.69	9.94	10.99	28.60	30.83	31.55	14.67	18.00	18.43
Lee	12.64	12.62	14.35	25.66	27.49	28.32	17.95	17.80	18.35
Lexington	7.34	7.42	7.68	13.63	16.52	18.79	8.47	9.78	10.23
McCormick	11.65	9.33	10.30	23.29	16.38	18.88	19.48	12.57	15.24
Marion	12.26	12.99	13.42	23.32	25.77	29.83	18.25	19.04	20.13
Marlboro	11.38	12.52	12.16	33.10	29.57	26.09	22.15	17.37	14.75
Newberry	9.66	11.42	11.74	24.74	32.92	34.85	14.58	15.64	15.29
Oconee	7.06	7.83	8.29	24.77	24.46	25.21	13.02	13.09	13.55
Orangeburg	12.93	13.09	14.35	21.69	24.15	25.31	16.17	17.18	16.97
Pickens	6.48	8.00	8.48	22.76	24.64	24.55	12.19	13.11	13.47
Richland	10.53	10.62	11.08	14.75	13.57	15.25	10.83	9.87	10.17
Saluda	7.61	9.24	9.07	23.72	35.65	41.35	13.54	13.56	11.06
Spartanburg	8.54	9.64	9.99	24.47	24.95	24.97	13.54	14.29	14.05
Sumter	10.21	10.29	10.72	19.11	20.22	21.96	14.80	16.71	14.27
Union	10.53	11.01	12.97	25.91	26.45	28.66	17.10	18.36	20.45
Williamsburg	13.36	16.23	13.09	23.40	23.71	21.80	17.32	17.33	14.91
York	4.60	4.71	4.53	16.00	16.38	15.20	9.26	9.81	9.40
Statewide	8.74	9.28	9.39	20.12	21.02	21.83	12.72	12.75	12.30

S.C. First Steps Partnership Executive Director Survey Results

We surveyed county First Steps partnership executive directors on each partnership's programming and interaction with the state Office of First Steps. We based some questions on surveys used by other organizations to collect data on statewide early childhood programming and employee satisfaction. However, we developed most of the questions and vetted them internally and externally. We used online survey software to send the survey to and collect responses from 44 out of 45 executive directors; 38 out of 44 (86%) responded. The remainder of this appendix includes the detailed responses, with information that could be used to identify the respondent redacted. Some respondents answered open-ended questions with a single character (letter, number, or symbol). We interpreted and noted those as non-responses.

Q1. What region do you serve?	Response Percent
Catawba (Cherokee, Chester, Chesterfield, Fairfield, Lancaster, Union, York)	15.8%
Coastal (Berkeley, Charleston, Dorchester, Georgetown, Horry, Williamsburg)	15.8%
Lowcountry (Allendale, Bamberg, Barnwell, Beaufort, Colleton, Hampton, Jasper)	10.5%
Midlands (Calhoun, Clarendon, Lexington, Orangeburg, Richland, Sumter)	13.2%
Pee Dee (Kershaw, Darlington, Dillon, Florence, Lee, Marion, Marlboro)	13.2%
Piedmont (Abbeville, Aiken, Edgefield, Greenwood, McCormick, Newberry, Saluda)	15.8%
Upstate (Anderson, Greenville, Laurens, Oconee, Pickens, Spartanburg)	15.8%

Q2. The following groups are organized according to percent of people in poverty as defined by the 2010 US Census. What group is your county located in?	Response Percent
Beaufort, Berkeley, Dorchester, Greenville, Lexington, Oconee, York	21.1%
Abbeville, Aiken, Anderson, Calhoun, Charleston, Horry, Kershaw, Lancaster, Laurens, Newberry, Pickens, Richland, Saluda, Spartanburg, Union	34.2%
Cherokee, Chester, Chesterfield, Edgefield, Colleton, Darlington, Fairfield, Florence, Georgetown, Greenwood, Hampton, McCormick, Sumter	26.3%
Bamberg, Clarendon, Dillon, Jasper, Lee, Orangeburg	13.2%
Allendale, Barnwell, Marion, Marlboro, Williamsburg	5.3%

Q3. How long have you served as the Executive Director?	Response Percent
0-4 years	23.7%
5-8 years	13.2%
9+ years	63.2%

Q4. What organization issues your paycheck?	Response Percent
First Steps local partnership	47.2%
Local school district	52.8%

Other organizations
1. Dept of Special Needs and Disabilities
2. Elliott Davis, LLC

Q5. How many individuals, in-house and contract, are currently providing First Steps services on behalf of your local partnership?	Range	Median
Individuals	1 – 60	6.5

Q6. Based on the total from question 5, how many staff receive their paycheck from:	Response Percent
First Steps partnership?	81.6%
Local school district?	71.1%
Other?	26.3%

Q7. What range describes your county's FY 2011-2012 percentage match to state funding?	Response Percent
15%-30%	23.7%
31%-60%	31.6%
61%-100%	44.7%

Q8. How many board members do you currently have?	Range	Median
Board Members	8 – 29	20

Q9. Are you very satisfied, satisfied, dissatisfied, or very dissatisfied with the following aspects of your local board's performance, or does your board not perform this function?

	Very Satisfied	Satisfied	Dissatisfied	Very Dissatisfied	N/A
Fiscal management (fiduciary duty)	21	13	1	0	3
Formulation and communication of policy decisions	19	14	3	0	2
Ethical Care (duty of care, conflicts of interest, duty of loyalty, legal)	27	8	2	1	0
Assessment of local needs	19	13	2	1	3
Fundraising	4	13	13	3	5
Succession planning	9	19	4	2	4
Public outreach	13	18	4	3	0

Comments
1. To date, the Board has not thoroughly explored the option of fundraising but has encouraged, provided guidance, and assisted the staff in obtaining grants & building strong community partnerships to help leverage public and private dollars.
2. The Board has been as large as 32 out of a possible 36. We have always had a quorum present at every Board meeting since inception in 2001; sometimes it is an exact quorum. This is statement of their individual ownership.
3. Our boards have always been very involved and believe their work in "preparing our county's children to arrive at first grade healthy and ready to learn" is an important part of the board's responsibility. Every board member signs up to serve on one or more committees, and has a job or jobs to do.
4. 1 (No response)

Q9. Are you very satisfied, satisfied, dissatisfied, or very dissatisfied with the following aspects of your local board's performance, or does your board not perform this function?

Comments
 (continued)

5. The Board Composition set by legislative mandate has issues related to size and categories and would benefit from some streamlining and updating. At the current time our Board is not function in the capacity that it should. Efforts are underway to fix this issues through Board Training and Recruitment.
6. We have 80% plus attendance and participation from our board members. Also, we have a strict attendance policy.
7. We are very proud of our board and their contributions.
8. It can become complicated when trying to operate with a board the size mandated by first steps. Also, even though the board is well-intentioned, fund raising activities have mainly been staff events
9. The way the legislation set up the board composition is conducive to the achievement of the mission of First Steps. The agency designees (who are usually directors) are decision-makers who partner with First Steps to fill gaps in services to children and their families as needs are identified. The elected board members represent a diverse cross section of community leaders with a diverse set of skills and contacts that advance the mission of the organization.
10. Board composition reflects SERVICE PROVIDERS very well. However, in order to be an effective non profit, there needs to be more spots for BUSINESS COMMUNITY MEMBERS
11. Very satisfied.
12. On the board for personal gain, position, former disgruntle employees once supervised by the executive director serving on the board (very selective on who serves on the board).
13. The composition of the Board needs to be modified to allow more Community Leaders to be engaged as part of the Board. Their involvement will provide the needed networking skills and contacts to properly develop stable local funding sources. This additional funding can leverage the State provided infrastructure into more services being provided within the county.
14. The board is a bit large. While I understand why, perhaps 7-11 board members might be a bit more practical.
15. Actually, a lot of the board duties has been watered down by the State Office of First Steps. The program decision and uniqueness of county partnerships has been taken away. First Steps has become more of a cookie cutter program.

Q10. Is the First Steps funding formula equitable?	Response Percent
Yes	52.6%
No	47.4%

Comments

1. It is my understanding that a large percentage of funding is based on how many babies are born in your county and many of the babies whose parents reside in my county travel to neighboring counties to deliver. There has to be a better way to determine funding around this aspect.
2. Yes, as far I understand. However, I would advocate for a slightly larger portion for the smallest 14 counties at the expense of a reduction of the remaining 32 counties. This is my personal opinion and not reflective of the Board. I feel it must be a one-for-all and all-for-one support system statewide to survive and flourish. We have never discussed the issue of fairness at the Board level.
3. No, we are always shortchanged as we are considered a "rich" county. But, as our Superintendent of Education has said many times, "We are a "rich" county with poor children." We are a county of haves and have nots!
4. Absolutely not! Basing a funding formula on the number of preschool children in a county is a poor way of providing services. To improve: the formula MUST take into account private resources available to counties [foundations, businesses, private donors etc] and the soft borders that are now a result of hard economic times [families living with relatives, births being recorded in different counties because of insurance etc.] The present formula is antiquated and does not reflect needs of children and families trying to obtain services.
5. Counties that need funding the most are the ones that receive the lease based on the current funding formula

Q10. Is the First Steps funding formula equitable?

Comments
(continued)
6. The disparity between the partnerships in the population centers and those in the rural areas could be lessened. The partnerships in the population centers have greater access to private funding resources and still receive a preponderance of state funds. Additionally, the majority of program opportunities are usually reserved for the larger counties, i.e., Nurse Family Partnerships.
7. Need and poverty weight should playa greater percentage. Smaller counties should be budgeted on at $250,000 budget and consideration should be given to the lack of industry and economic development in some counties
8. It is fairly divided based purely on state population and needs. However, it would be more effective if delivered as a competitive grant based on Board goals
9. More funding should be directed to the communities where less resources are available.
10. More consideration should be given to small, rural, poverty-stricken counties. I
11. However, I wish the formula would take into account the resources located in a county. Larger, more urban counties have significantly more financial and other resources than the smaller, more rural counties.
12. I'm not sure how funds are distributed amongst the County Partnerships. But, I do know counties with less resources and industries receives less funding. We're not even sure how much funding the State Office has to divided among the Partnerships.

Q11. Is the First Steps funding formula transparent?	Response Percent
Yes	65.8%
No	34.2%

Comments
1. No, especially since many counties are awarded grants based on their connections in state office, or so it seems. Also, it is difficult to wrap my head around the fact that the state office run programs and their function, based on legislation is to monitor programming across the state.
2. It is available, but again not an issue for County.
3. I don't believe any County Partnership Executive Director has ever understood the formula and it has changed many times through the years. In addition, the data used is most often out of date.
4. It can be difficult to understand
5. The formula for funding the county partnerships is quite transparent because the allocations are published; however, the county partnerships never see the budget for the state office or how funds are spent. Comment on #12: The school readiness needs of st-risk children should not be based on the subjective judgments of SCFS staff/board. A competitive funding system could open the door for punitive or retributive actions against county partnerships, simply because grant evaluations as well as performance evaluations are likely to be subjective.
6. Not sure of how transparent the formula is.
7. I think the State Office does a great job in being transparent with financial information.
8. As I stated, we cannot calculate how much funding we're expected too receive.

Q12. Do you strongly agree, agree, disagree, or strongly disagree with the following statements:

	Strongly Agree	Agree	Disagree	Strongly Disagree
Partnership grant funding should be based on a competitive grant application system.	3	7	14	14
Partnership grant funding should be based on the county's prior year's performance.	9	17	5	7

Q13. Are the following resources within your county abundant, available, somewhat available, scarce, or nonexistent?

	Abundant	Available	Somewhat Available	Scarce	Nonexistent
State funds allocated by the First Steps Board of Trustees	2	23	9	4	0
Other state funds	1	1	7	10	19
Local government funds	2	1	3	12	20
Foundation grants	2	8	5	16	7
Corporation/business grants and/or donations	2	3	7	18	8
Individual donations	2	4	7	20	5
In-kind donations	9	18	7	4	0

Q14. Do you have experience with the following state office administered programs?

	Yes	No
BabyNet	27	11
CDEPP	17	21
Nurse Family Partnership	18	20
Countdown to Kindergarten	30	8

Q15. Are you very satisfied, satisfied, dissatisfied, or very dissatisfied with the effectiveness of the state office's management of the following programs:

	Very Satisfied	Satisfied	Dissatisfied	Very Dissatisfied	N/A
BabyNet	4	17	5	5	7
CDEPP	3	6	5	4	20
Nurse Family Partnership	2	13	5	2	16
Countdown to Kindergarten	14	13	3	1	7

Q16. Assuming no decrease in funding to your county, what are your thoughts on counties sharing staff?

Comments

1.   I do not foresee any problems with sharing staff when feasible; however, some counties would definitely struggle with the considerable distance between two counties. One of the most successful attributes of First Steps is the ability of each local county partnership being visible and accessible within the county. This helps ensure provider's accountability, care, and education. Another great asset is the staff's keen knowledge of the county itself: its community, available resources & working relationships, and most important is the understanding of the culture and needs of the county one serves

2.   I don't think it will work for a myriad of reasons. The savings you might see would be eaten up with travel and travel time. There will be discrepancies in when one county might need the staff person and the other county might need them as well. It would be a bad decision to try and share staff when our counties are not operating the same programs and are not set up like state agencies. There would definitely be turf wars if this would occur.

3.   It can work if all have an understanding of their roles and responsibilities.

Q16. Assuming no decrease in funding to your county, what are your thoughts on counties sharing staff?

Comments
(continued)

4.   Good idea!
5.   Each county is unique within it's self and reserves the right to function independently.
6.   It would depend on what the staff member's duties were. I think it is critical that there be a presence in every county for public awareness.
7.   … a long history of sharing staff. In addition, every employee or contracted TA has been shared and all employees have been shared. This makes it possible to have full benefits for all 3 employees.
8.   I consider the extra work I do, over and above what I am paid, as my " giving back to my community".
9.   It depends on the program. For some programs it would be extremely difficult to share staff.
10.   Bad idea for those of us in the rural counties
11.   the program is designed currently at the best efficiency for effective program results. As an ED, I could, however, effectively and efficiently run one or two more counties from an admin perspective. It would be very difficult though to leverage funds, write grants, and provide strong PR to other counties which is a significant aspect of leadership and success for children.
12.   Excellent for most staff positions, even Director for a group of smaller counties.
13.   Every county deserves staff focused exclusively on meeting the needs of their area. Service may become too "watered down" and less effective if staff is stretched across county lines.
14.   We already share staff. One of my staff members has worked in 2 other counties part-time, while also working in my county.
15.   We are currently sharing staff and have been for years.
16.   It is harder for larger counties to share staff with smaller counties. I think it has been more successful with adjoining smaller counties.
17.   From review of other agencies that share staff, you would find that one of the counties sharing staff will lack support and not have their needs met
18.   1 (No response)
19.   This could work. For certain County Partnerships including us, this could be the means of increasing staffing from part-time to full-time.
20.   when it can work - great.
21.   This is possible if the staff is capable and qualified.
22.   Given the current economic status of our county it is imperative that jobs are maintained to support continued economic development and the branding of First Steps to the local community. We do not agree to sharing staff. Collaborative memorandums of agreements would be better.
23.   Not favorable
24.   If any of the well staffed counties want to send administrative support to counties who have none that would be just fine. Otherwise, I do not believe counties sharing staff, generally speaking, enhances the capability of county partnerships to best meet its local needs. First Steps works because its programs are locally driven by staff who understand local needs, local solutions and local resources. Furthermore, mileage reimbursement for travel distances required for staff sharing would seem to be an inefficient use of funds.
25.   Staff are already overloaded in individual counties. Having added responsibilities in another county or reduced workloads in both counties could negatively impact overall outcomes
26.   Sharing staff for implementing some services and programs. However, it can be a strain on serving families in the more rural areas who have many issues, and this could have an enormous impact on travel time for staff. It would need to be well planned.
27.   Counties should merge overhead and service delivery operations to reduce overhead. Should be MANDATED by SCFS and Legislators
28.   There could be great benefit.
29.   No.
30.   Where my county is located would make it very difficult to share staff with another county. Located approximately an hour to an hour and a half from each surrounding counties' offices.

Q16. Assuming no decrease in funding to your county, what are your thoughts on counties sharing staff?

Comments
(continued)
31. What would be the benefit? We are stretched so thin now that we can't get everything done we need to get done. We use a neighboring counties TA's to assist with our Child Care initiative. But we work...and work hard...and our county is bare bones.
32. We are such a rural county, so far from any other county that I think it would be hard to do.
33. Given the distance between counties I feel it is best to keep staff within each individual county. Shating staff would add an additional expense such as travel.
34. I believe that this option can help provide additional efficiencies in how the infrastructure funding is spent. Especially in the smaller counties, having access to the needed skills in leadership and working within the public realm to advocate for early interventions is limited.
35. It is almost impossible to share staff with other county partnership. I know some counties share employees and office space to cut cost. But, these are rare cases.
36. For some counties, that would work because they actually have staff that can be shared. Our partnership and the neighboring partnership only have one staff person each.
37. I would be hesitant because I want people delivering service to be county people who relate to the needs of the county.
38.   I think that sharing staff with small counties would be an efficient way to utilize funding.

Q17. Assuming no decrease in funding to your county, what are your thoughts on multi-county partnership boards?

Comments
1.   The ingenious concept of having a local partnership board for each county is nothing less than brilliant. Each county board is made up of very busy, passionate, and dedicated individuals that volunteer their time and talents to serve, advocate, improve and educate their community. The rationale for such a commitment is the desire to improve the quality of life where they choose to spend their time either working or living and truly believe and comprehend the ROI of early childhood education and school readiness.
2.   I think the county boards are proud of their respective counties and the accomplishments of their boards. They don't know each other well and it would be difficult to get to know each other living and working in different counties. As well, it would likely cause competition which we do not need. Many of my colleagues and I have spoken with our boards about this option and it is not appealing to any that I have been in discussions with. If they would have been set up in this manner initially it might not be a bad idea. However, as LAC might have been informed, when Gov. Hodges instituted this program the plan was to mirror Smart Start in NC and bring on counties in stages, but the legislators insisted that all counties be given the opportunity to begin at the same time. Here, it is evident that the spirit of competition and turfdom is among our state in general. As well, I don't know how it would work with the legislative requirement for the make up of our boards to include professionals from various disciplines, even requiring specific numbers in various categories. In short, it WILL NOT work in South Carolina.
3.   This may work with for counties that have problems getting board members to attend meetings, etc.
4.   Great idea!
5.   I feel that each county should maintain its own partnership board in order provide for the needs of the individual county.
6.   I think that it would hinder the work. Since Board members are volunteers, it would not be practical to ask them to attend meetings out of their home counties. Also, I don't think it would be a good idea. You need a Board that is located and from your county so they know the county needs and resources and will be more invested.
7.   Sounds good on paper, but ownership will be a big challenge for Board members if shared.
8.   Our boards have discussed this concept many times, and we have always been opposed to this idea due to the fact that when this has happened with other organizations, our county is always short-changed.
9.   Do not think it would be effective
10. NO. LOCAL partnerships for LOCAL county work. Every county is unique. People who work and/or live in the county have more of a vested interest in that county. Multi-county partnerships do not work. Check with DDSN to find this has already been tried without success.
11. As noted above, leveraging funds, PR, and writing grants, etc. is so necessary from a board of volunteers. I believe multi-county boards would be a mistake. They are the local passion and cause. Another county would not have that mission for my county.

Q17. Assuming no decrease in funding to your county, what are your thoughts on multi-county partnership boards?

Comments
(continued)

12. Excellent, would require several board trainings with a understanding shared leadership.

13. Although finding and retaining quality Board members is an ongoing challenge, my only concern would be counties having equal representation on the Board. There may also be issues with convenient meeting venues, and how to fairly distribute funding. I prefer that the people making decisions about our programs actually live in our communities.

14. not sure - fear of losing the grass roots feeling of serving my local county, but consortiums can be strong.

15. Limited to none. Each County should have their own board of directors.

16. I think that local control and accountability is very important.

17. From review of other agencies that share staff, you would find that one of the counties sharing staff and services will lack support and not have their needs met

18. 1 (No response)

19. Not as sure this will work. If this combined board where to assess risk and fund based on risk area then I see services to our county's families decreasing. This again would feed into the historical perception in our county that one county gets everything sometimes at our expense.   If we were matched with a like risk and like funded neighboring county I could see some benefits as noted in #16.

20. challenging in both composition and number of members.

21. This is possible if the board members are capable and qualified.

22. Our preference is to maintain a quality local community board that knows its people.

23. Favorable

24. Again, the enabling legislation structured the county partnership boards correctly after much due diligence taken into account lessons learned from other states' readiness programs.   Multi-county partnerships boards would not focus equitably on each county's unique needs just by the nature of politics.

25. Since each county is unique and territorial, this may not prove to be a good idea

26. Small counties would never get the direct support and voice they deserve. each county is unique and First Steps should work for collaboration.

27. Each county should have its own board to better represent the needs of those individual communities, but service delivery should be regional

28. It's hard enough to get very active local board participation... multi-county boards would have greater difficulty functioning.

29. No.

30. It is difficult enough trying to get a one county board together, not sure now a multi-county partnership board would work.

31. No way. Our boards would NOT want to travel to another county. Our county board is very active, very invested and would not want to serve another county.

32. I don't think that is a good idea. The people on my board are from my county and care about the programs in my county.

33. Multi-county partnership boards is a great idea, however, given the make-up of the region it may be more difficult to have full participation from the board. Many counties have expressed concerns with board members not attending meeting in their own counties. Also considering the fact that each county has individual needs in terms of resources needed, it may be more difficult for the board to make decisions based on one board make-up.

34. I believe that this option is less attractive since one of the major benefits of the current structure is the ability to tailor county interventions to meet specific county needs in collaboration with existing partners and agencies within the county. This does not preclude the option to have county board to county board interactions and collaborations to address needed services that cross county lines.

35. It will be difficult to manage board members from multi-counties. It's difficult managing board members from different agencies wanting a piece of the pie. I can't imagine county representatives wanting more funding in their community with different needs and wants.

36. It could work. I just worry about one county having more representation than another on the board, and of course, the county to which they are more loyal and/or supportive will get all of the resources while the others will be neglected.

37. I believe this could be valuable for small counties.

38. Same as above, multi-county boards could provide diversity and additional opportunity for funding from other sources.

Q18. Are you very satisfied, satisfied, dissatisfied or very dissatisfied with your relationship with the following local organizations:

	Very Satisfied	Satisfied	Dissatisfied	Very Dissatisfied
DSS	22	12	3	1
DHEC	19	13	4	2
Head Start	16	15	3	4
School districts	28	9	1	0
Libraries	26	10	2	0

Q19. Are the First Steps program standards (e.g., targeting, service delivery, assessment, data submission, and cost) in the following areas very clear, clear, unclear, very unclear, or do you not have programs in this area:

	Very Clear	Clear	Unclear	Very Unclear	N/A
Early Education	16	11	2	0	9
Family Strengthening	22	13	2	0	1
Child Care Quality	22	9	1	0	6
Healthy Start	12	6	3	0	17
School Transition	18	8	2	0	10

Q20. Are the First Steps program standards, regarding expected output goals (number of visits, etc.), in the following areas very clear, clear, unclear, very unclear, or do you not have programs in this area:

	Very Clear	Clear	Unclear	Very Unclear	N/A
Early Education	16	13	0	1	8
Family Strengthening	23	10	4	0	1
Child Care Quality	20	10	2	0	6
Healthy Start	9	5	3	1	20
School Transition	19	7	0	1	11

Q21. What are your thoughts on whether First Steps programming improves school readiness?

Comments
1.   The data that is collected locally, at the state level, and nationally certainly indicates school readiness improvement. First Steps is just one very significant piece of that educational continuum that is required to ensure children are healthy and ready for school. First Steps provides direct and intense programming targeted at the most at-risk children and their families. Yes, without a doubt, First Steps improves school readiness at the most critical time. Through the First Steps programs for families and providers, we give children their best chance to prepare for school and a lifetime of learning.
2.   First Steps programming greatly improves school readiness in all areas of development! The first day of school is not 4K. Readiness begins during the prenatal stage and we MUST continue to get them Healthy and Ready for School. Zero to Three-Invest in Me!

Q21. What are your thoughts on whether First Steps programming improves school readiness?

Comments
(continued)

3.   I think school districts should implement the early education program but First Steps should not be the source of funding for this effort. First Steps funding should be dedicated to the other program standards not funding early education for school district programs.

4.   Early Education of children provides the basis school readiness.

5.   Since First Steps is serving children at such a young age, I think the impact is very great.

6.   Absolutely but always difficult to qualify. If it were easy to measure, then it would have been qualified long ago.

7.   I think some of the FS programming improves school readiness; however, I have a problem with the following; Each fiscal year, the State Board of Trustees "tacks" on additional program standards/requirements to the parenting programs seemingly without first determining if the prior year's standards are having the desired impact on the families served. As a result of all the red tape and additional paperwork, our board is concerned that potential vendors will eventually "shy away" from continuing to submit bids to operate our county programs. I am providing the following example: In-Home Parenting Education: We have to complete an "Ages and Stages Assessment; Keys to Interactive Parenting {KIPS} Assessment; an Adult/Chld Interactive Reading Inventory {ACIRI} Assessment, and for FY 12-13, a Life Skills Progression Assessment.

8.   I believe our programming make a significant impact to school readiness. It would be great if we could track our program participants longitudally.

9.   Absolutely these programs make a positive difference. For those of us in rural areas, we have no other source to help prepare these children for school. Offering quality care and teaching the parents to expect QUALITY has been a major step forward. Teaching the parents how important it is that their child is ready for school has made a tremendous positive difference in the lives of the few children we have funding to serve.

10. There is no doubt in my mind that if funding was at the original levels from 2000-01-02 countywide effectiveness would be very significant countywide. We are very effective and efficient in our county because we are quite targeted with our strategies. Effectiveness is realized individually and for a program, but will likely not be systemic unless funding increases. Having said this, it is important to note that the results gleaned are effective for many and involve many partners. It is just that many more need to be served. Does this improve school readiness? Yes, but again for the targeted ones. That alone is a strong indicator for increasing funding to First Steps. When targeted programs are creating success for some it can certainly be realized for many more when money is available to cover the cost of programming.

11. We know from "Neurons to Neighborhoods" Harvard Institute research that early environments matter and that nurturing relationships are essential for children to improve their futures, so yes, in the present context First Steps programs make a difference in school readiness but there is constantly new research and ideas that need to be implemented to make greater improvements for children's welfare.

12. Absolutely. When we began in 1999, 1 in 4 children started school "not ready". Now that ratio is 1 in 7. We fill so many gaps in services to at-risk families (that would otherwise fall through the cracks), we are absolutely necessary. No other agency can provide the services we offer, with the quality and dedication that we do. The school district loves us!!

13. yes, I feel First Steps programming improves school readiness. Our child care staff is more trained and professional, the child care environment is enhanced and provides quality programs for the children. The PAT program definitely helps to improve the quality of life for many of our children.

14. Long term has limited focus on school readiness--data is basically outputs verses outcomes.

15. f (No response)

16. I feel that the programs funded through First Steps benefit the children being served. What I am not so sure of is the bang for the buck for First Steps funded programs when you look at cost vs. reach. Yes, the programming improves school readiness but is the reach of programming enough to make a difference?

17. Yes, but it is one of many inputs and factors contributing to school readiness.

18. First Steps definitely is the lead in improving school readiness across the state. This is why it is so perplexing about its inability to revamp the basic structure to accommodate the changing environment that influences the delivery of programs.

19. First Steps serves as a visionary in providing innovative strategies to improving school readiness to the children and families that are served. Documented data and program compliance supports evidence that First Steps is preparing our children for a healthier, academically based transition into the first grade.

20. Our families have shared that they are very satisfied with their child/children readiness upon enrolling in kindergarten. A pre-K teacher informed me that she knows when a child/family has participated in our home visitation program.

Q21. What are your thoughts on whether First Steps programming improves school readiness?

Comments
(continued)

21. They do in this county. Not only do our independent evaluations demonstrate that our programs have a positive impact on school readiness, but also we regularly learn of individual successes from the testimonies of program participants. As part of our board meeting agenda, we invite parents who have completed one of our programs to share their experiences.

22. I strongly believe it does improve school readiness. Early intervention is the key to school readiness and we provide a unique wrap-around service that includes everyone who has an input in the child's success.

23. We need capacity building and support at the local levels to follow our children in a systematic manner and to be able to state how the children and families served by First Steps have excelled. Also, we need to ensure that the state has "one readiness" assessment that is universally use in the state by all LEA's (public and private).

24. School Readiness is not measured currently, so until there is a state approved mandatory readiness instrument used by all rising 5K children, we will never know for sure. That said, when First Steps implements programs faithful to the national models, the outcomes are very positive.

25. As a new initiative in SC, I believe we have done a great job in awareness, support and improvement as related to school readiness and family/parent involvement in their children's early development.

26. First Steps is very effective and greatly improves school readiness to the poor and disadvantage.

27. I do not have the data to respond to this question. I don't think the state office has anything in place for local county partnerships to track the children once they exit county programs.

28. Absolutely improves school readiness...I would work so hard and be so passionate about our mission if I didn't believe that our programs improve school readiness. Data collected on children that have participated gives proof for our county that our programs are working. Children that have participated in First Steps programs have been tracked through the school district and we have seen a tremendous improvement over the years.

29. I think that every FS program in our county improves school readiness. Without the program, we would have many at-risk children starting school with a real disadvantage.

30. I have been with the organization since inception working in various other roles. Many changes has occurred within the county that are a direct link to the services being provided by First Steps programming. We have had a number of success stories from each of the strategies of concentration through our local partnership.

31. The option of programs allows for the flexibility to work with local agencies and other service providers to insure that there are no gaps in service where funding can be applied. With limited funds there are still children not being served, but those children and families that are being served are making steps to be properly prepared as they enter school.

32. What is School Readiness? We haven't defined school readiness.

33. The programs we implement are research-based and proven effective in promoting school readiness in young children. Every effort has been made by the State Office of First Steps, local partnerships and local partners to ensure that programs are being implemented with fidelity. Even so, some populations of people, no matter how great the program, no matter how great the staff, no matter the incentives, etc. offered, just will not do what they need to do in order for their children to reap the most from the intervention offered. Still, we try, and will continue to try because, in the final analysis, our children are worth it!

34. I have seen first hand the difference that pre-school services can give a child a boost toward success.

35. I feel strongly that the school readiness programs that are utilized in my county are improving school readiness and I have seen the results in children that have been served by our county.

Q22. How does your partnership use the program data reported to the First Steps data system?

Comments

1. The data is extremely important in measuring outcomes, justifying programs and funds used for services, educating the Board and community, understanding where improvement is needed and to leverage additional funds and invaluable partnerships. The data enables local partnerships to fill the gaps and continue linking families to needed services.

2. We use this data and demographic information to make our case when applying for funding via United Way, corporations, foundations, businesses, individuals, civic groups, churches, etc.

3. Data is used for prioritizing funding, see gaps, what works and what does not, and to guide staff.

Q22. How does your partnership use the program data reported to the First Steps data system?

Comments
(continued)

4. To evaluate effectiveness of work in the county and share with potential funders to demonstrate our impact in the communities we serve.
5. It helps to provide valuable information for continuing programs.
6. We use our data to determine if our programs are being successful in reaching the children most at risk and if the children are developmentally on track.
7. This drives decision making with every program; however, we could do a better job at this.
8. We use data from the system to be sure we are on track in fulfilling our FS responsibilities as there is so much of the information in the system we have to use in our renewal applications each year. We also use the information in reports to the board on how we are fulfilling our goals and objectives in serving the children of our county.
9. For grants and to tell our story.
10. We use this data for grants and to keep the community knowledgeable of what we are doing.
11. Monitoring programs. Noting any trends occurring good or bad Results and outcomes Making program decisions Indications of new gaps or needs
12. Sparingly. Our programs collect different data that is more useful than the FS data system for us.
13. It helps us to monitor the numbers we are serving, and to ensure we are seeing results and meeting our goals.
14. to ensure we are meeting First Steps standards. to keep the board informed regarding how many children/families are served, to ensure we are spending funds in the appropriate programs.
15. We do not use FS data system. We use other databases.
16. We use it to ensure programs are providing high quality services. We also use it to ensure that we are reaching the most at risk children and families.
17. The data information is used to determine client planning and to document progress
18. f (No response)
19. The only way we use program data is to complete our Renewal Application yearly and monitor compliance with program standards. While I know prevention programs, which I consider First Steps to be, take time and are difficult to document I do wonder that after 12 years in existence is there data that supports school readiness/success from our early intervention efforts over the years for SC First Steps Program either across the board or for individual program?
20. Not user friendly and you cannot download information,
21. Very sparingly. The data collection system needs to be updated and streamlined. Collecting data is important, but brief concise reports would be much more helpful to county partnerships. Spending hours of staff time inputting data robs programs of staff and innovative approaches.
22. The data system is utilized to ensure compliance with our standards, to track our outcomes, to serve as a report card on productivity and as a visual to promote positive improvements.
23. Annual Report which is share with our contributors.
24. Although all our programs are evidence-based, they are not categorized as SCFS' prevalent strategies. SCFS has not developed a system for reporting outcome based data. The data system is limited to input and output reporting for non-prevalent strategies. So therefore our use is very limited.
25. To determine what areas are or strengths and/or weaknesses. It also helps us to see where best to utilize our limited resources.
26. Monitor and Evaluate program and services. Determine if we are meeting the standards and also helps to understand the difficulties of at-risk children and their families. Also, there are some aspects of working with at-risk families that can not be captured in the "data system"
27. We don't understand how to use the data system for anything other than entering data and outputs
28. A measure of quality, community awareness, funding
29. The First Steps data system provides a means to track families and their success. The data system provides a means of sharing current data with the board and community leaders.
30. Update board members on county program, renewal plan and annual report.
31. To report to our board monthly To monitor each program monthly/quarterly/yearly and to hold contractors accountable To apply for other grants
32. I use that information to report progress to the board. I also use it to evaluate and make changes in the programs. It is invaluable for keeping up with what is happening in my programs.

Q22. How does your partnership use the program data reported to the First Steps data system?

Comments
(continued)
33. We use the data to track visits for each program, identify risk factors for families served, used data when doing needs assessment for the community, data used to determine future goals of First Steps, some data used to share information with board, data used for grants as well as a variety of others strategic planning efforts.
34. We use the data to monitor how our contracted partners are meeting the model standards and fidelity. We also use the data to assess whether we need to redirect our funds to more effective options.
35. We use it too complete the Annual Report and Renewal. It helps too determine the overall effective of a program based on FS Standards.
36. We use the data to improve and/or make modifications to the way we are delivering services. If something is working particularly well, we keep it and even share it with our peers in other counties, etc. However, if something is not working, we do what we can to revise it so as to make it more effective, but not so much as to compromise the integrity of it.
37. To report to our board, the local school boards, and to measure the strengths and needs of our programs.
38. We revise the data and use it in the process of trying to receive additional funding from other sources.

Q23. How do you prefer to communicate with the state office?	Response Percent
Email	50.0%
Phone	13.2%
In-person	23.7%
Webinar	13.2%
Mail	0.0%
Fax	0.0%

Q24. What is the best way to contact the state office to receive a response?	Response Percent
Email	84.2%
Phone	7.9%
In-person	7.9%
Webinar	0.0%
Mail	0.0%
Fax	0.0%

Q25. How often do you communicate with the state office?	Response Percent
Varying basis	76.3%
Monthly	2.6%
Weekly	21.1%
Daily	0.0%

Q26. What is the average length of time between an inquiry and response from the state office?	Response Percent
Less than a day	23.7%
1-2 Days	42.1%
Less than a week	13.2%
More than a week	18.4%
N/A because I do not make regular inquiries to the office of First Steps	2.6%

Q27. Are you very satisfied, satisfied, dissatisfied, or very dissatisfied with the response time from the state office?	Response Percent
Very Satisfied	21.6%
Satisfied	45.9%
Dissatisfied	27.0%
Very Dissatisfied	5.4%

Q28. Are you very satisfied, satisfied, dissatisfied, or very dissatisfied with the information you receive from the state office to do your job?	Response Percent
Very Satisfied	10.5%
Satisfied	63.2%
Dissatisfied	15.8%
Very Dissatisfied	10.5%

Q29. Are you very satisfied, satisfied, dissatisfied, or very dissatisfied with communication from the state office in the following areas to support your role as Executive Director:	Very Satisfied	Satisfied	Dissatisfied	Very Dissatisfied
Frequency of contact	6	25	5	2
Content	6	21	8	3
Timeliness	5	16	12	5
Accuracy of information	5	23	8	2

Comments
1.   I think EDs should be more genuinely involved in decision-making and more assistance with grant writing and funding would be extremely beneficial. They would have more time for this if they were not conducting programs from the state office, which is not among their menu of functions.
2.   It depends on which people you are trying to get in the state office. My designated TA is very responsive. The finance department is not as quick.
3.   I have answered questions 24, 25, 26, 27, 28, and 29 as it relates to my TA and Parenting Contact Person.   I receive very timely responses from both of them;   however, if you wait until the Director or Deputy Director returns your call or responds to an email, it would be best to "not hold your breath"!
4.   This question is very hard to answer. There is one person at the State office who answers quickly. There are several who answer after several attempts at getting info from them. A couple of them seem to never acknowledge that you have requested information. The TA ALWAYS responds. The financial folks are slow to never. It sometimes takes weeks to get a response from [top management]. My responses reflect communication with my TA, which is the person I contact most often, and copy on any other communication. # 29 is answered as the STATE Office as a whole, not referencing the TA.

Q29. Are you very satisfied, satisfied, dissatisfied, or very dissatisfied with communication from the state office in the following areas to support your role as Executive Director:

Comments
(continued)

5.   Always depends on who one speaks to at the state office. Mostly I speak to one person who supports the counties, [a technical assistant], she is the most responsive, timely and helpful on all issues. Finance office is not so responsive, timely or helpful. Most staff in the state office don't seem happy and are overworked in some areas, therefore communication is negative and not helpful, except for [my technical assistant].

6.   My answers to Question 25- 29 are based on the fact that not all communication/support from the OFS is equal in respect to quality and timeliness of inquiries.   This question should have been separated out into categories like TA. Finance Budget, Parenting, Countdown to Kindergarten to name a few.   I see that on the next page there is an attempt to break things down but it does not get to the level of who we interact with to provide support. Since many people and functions make up the OFS.

7.   Fiscal responses are often delayed and not helpful.

8.   The obstructive policies of the state office require repeated needless contact with the state office that detract from productive work time. Instead of SCFS' policies supporting the county partnerships, their vague and inconsistent intent complicates what should be simple matters of common sense. The management demeanor in the state office is not supportive of the work of the county partnerships.

9.   Agendas, PowerPoint, and Minutes are not provide until a week or two following the conference calls

10.   Executive Director is nearly NEVER in her office, and seldom does she or her staff respond to inquiries

11.   The State Office is not very supportive towards some of the County Partnerships. In fact, I would say, some of the rules and policies have been created too limited some partnership.

12.   Issues within the Financial over sight area need to be addressed to provide a more practical set of policies reflective of the controls that already exist. Effort needs to be aimed at allowing the organization to exist as a non profit with variable funding sources including private funds and grants having their own set of requirements in spending that should not be subject to an additional layer of State Office restrictions that provide barriers to securing private funds.

13.   This is a difficult question to answer. My TA is very responsive but, other individuals, such as [top management] are difficult to receive a response from and often never do receive a response. The very dissatisfied response is not for my TA, it is for the other staff mentioned previously. It seems that they just "forget" to respond to emails, phone calls, and letters.

Q30. Are you very satisfied, satisfied, dissatisfied, or very dissatisfied with state office's technical assistance, consultation, and support in the following areas, or do you not need help in this area:

	Very Satisfied	Satisfied	Dissatisfied	Very Dissatisfied	N/A
Model programs	5	20	5	3	5
Strategic planning	4	19	6	5	4
Leadership development	3	16	7	7	5
Best practice	7	22	5	2	2
Successful strategies	7	20	7	2	2
Collaboration	5	15	9	5	3
Financing	2	13	9	13	1
Evaluation	2	20	4	7	5
Grant writing	1	5	15	11	5
Data usage	7	23	5	2	1

Q31. Are you very satisfied, satisfied, dissatisfied, or very dissatisfied with the help from the state office in the following areas, or do you not need help in this area:

	Very Satisfied	Satisfied	Dissatisfied	Very Dissatisfied	N/A
Annual budget spending plan	8	15	5	3	7
Clarification of rules and regulations	6	20	7	3	2
State level reporting and accountability	5	17	7	7	2
Connections to local or state business leaders	3	10	13	6	5
Connections to political leaders	4	11	8	8	7
Partnership strategic planning and implementation processes	4	17	5	5	7
Assisting with community needs assessment	3	14	9	4	8
Local board training	3	8	14	5	8

Q32. Which of the following do you use to access state office documents and information? Please check all that apply.	Response Percent
Intranet/shared networks	92.1%
Telephone	52.6%
Webinar	63.2%
Email	81.6%
In-person	34.2%

Q33. Are you very satisfied, satisfied, dissatisfied, very dissatisfied with your involvement in state level (board and state office) decisions that affect your work?	Response Percent
Very Satisfied	7.9%
Satisfied	34.2%
Dissatisfied	34.2%
Very Dissatisfied	23.7%

Agency Comments

Ogletree Deakins

OGLETREE, DEAKINS, NASH,
SMOAK & STEWART, P.C.

Attorneys at Law

The Ogletree Building
300 North Main Street, Suite 500 (29601)
Post Office Box 2757
Greenville, SC 29602
Telephone: 864.271.1300
Facsimile: 864.235.8806
www.ogletreedeakins.com

Lewis T. Smoak
864.240.8215
lewis.smoak@ogletreedeakins.com

June 12, 2013

The Honorable John Courson
President Pro Tempore
SC Senate
412 Gressette Building
Columbia, SC 29202-0142

The Honorable Bobby Harrell
Speaker of the House
SC House of Representatives
506 Blatt Building
Columbia, SC 29201

Dear President Courson and Speaker Harrell:

Over the past year and a half, the Legislative Audit Council has conducted a review of South Carolina First Steps and has recently published its recommendations. We always benefit from external feedback and are gratified to find that the report largely mirrors a set of structural recommendations we ourselves have already proposed to the General Assembly in the form of draft reauthorization language.

Of the report's 42 recommendations, First Steps has already taken action or completed work on 20 (48%), with 12 recommendations directly mirroring language proposed within the existing reauthorization bills. As with prior evaluations, we welcome these newest recommendations, which will almost certainly serve to improve our operations.

We must reiterate our Board's very strong belief that the South Carolina General Assembly acted with great wisdom in enacting this legislation, and that First Steps - as one component of the state's collective investment in children and families - has helped to push the preparedness of the state's youngest learners to new heights.

You may be aware that the SC General Assembly chose to eliminate our state's formal school readiness assessment in 2008. We agree with the LAC that the time has come to reinstate such a measure. In its absence, however, we take exception to the Audit Council's portrayal of one key indicator of child success.

While the number of SC children possessing school readiness risk factors, such as low birth weight and births to mothers with less than a high school diploma has not substantially decreased since the First Steps legislation was enacted, one critical, cost-saving demographic has been reduced by 48% -- the number of South Carolina children repeating first grade has been cut in half.

Atlanta ▪ Austin ▪ Berlin (Germany) ▪ Birmingham ▪ Boston ▪ Charleston ▪ Charlotte ▪ Chicago ▪ Cleveland ▪ Columbia ▪ Dallas ▪ Denver ▪ Detroit Metro ▪ Greenville ▪ Houston
Indianapolis ▪ Jackson ▪ Kansas City ▪ Las Vegas ▪ Los Angeles ▪ Memphis ▪ Miami ▪ Minneapolis ▪ Morristown ▪ Nashville ▪ New Orleans ▪ New York City ▪ Orange County
Philadelphia ▪ Phoenix ▪ Pittsburgh ▪ Portland ▪ Raleigh ▪ St. Louis ▪ St. Thomas ▪ San Antonio ▪ San Diego ▪ San Francisco ▪ Stamford ▪ Tampa ▪ Torrance ▪ Tucson ▪ Washington

While 4,202 South Carolina students repeated first grade in 2000, only 2,263 repeated in 2010. Similarly positive improvements (33%) have occurred since 2005 in 5k retention reductions. Combined, public school savings (at the state's average per student cost of $10,994) produce more than $30 million in yearly savings to SC taxpayers.

Five hundred thirty-two thousand seven (532,007) parent education home visits by local county partnership educators and more than 35,071 hours of technical assistance to SC child care providers - *when combined with other First Steps, School District and partner agency programs* - have produced a marked difference in early school success, as evidenced by this nearly 50% drop in retention (Attachment A).

After First Steps' funding of a 2007 study to pinpoint the state's most high-risk children and their extremely high school failure rates (Attachment B), our State Board and county partnerships have focused on these at-risk kids with an eye toward driving overall retention rates down statewide. With no statewide readiness assessment after 2008, there is currently no better way to trend the effectiveness of the state's collective investment in early childhood programs.

We applaud the efforts of South Carolina's child serving agencies and organizations, most of which serve on our Board, who have all contributed significantly to this systemic achievement. Preparing our children for kindergarten and first grade is a great success story which can be maintained and improved as we implement LAC's recommendations, expand CDEPP, and continue to reach at-risk children county by county across South Carolina.

While we are disappointed the LAC did not focus on accomplishments, services delivered, and overall results, we understand it was directed to look only at bureaucratic compliance. Unfortunately, this report is in no way a reflection of the success of the thousands of hours of work of dedicated volunteers, or our state and local partnership staffs. Their raising of $97,329,428 locally to match $213,413,977 in State funding is not mentioned by the LAC (Attachment C).

It is with a sense of pride and accomplishment that we disagree that the 2000-2010 reduction in retention is a mere coincidence with First Steps' launch and first ten years of work. When little else has changed during that period, and results are so overwhelming, success is more likely the result of South Carolina's focused efforts to support young children and families. It is not a coincidence that our local partnerships raised $97 million to match the State's $213 million investment, and it is not a coincidence that these funds and focused efforts have fueled huge early learning advances across South Carolina.

The 1,939 South Carolina children, who would have repeated First Grade in 2010 but did not, thank the legislature for the difference between an educational success and failure in grade one, and for all that initial success means to their lives going forward.

Respectfully,
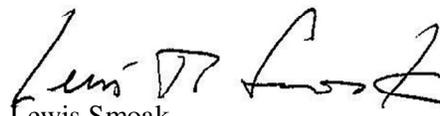
Lewis Smoak
Vice-Chair
SC First Steps Board of Trustees

LTS:cag
Enclosures

First Steps Documents Attached:

A.	County by County Retention Reduction and Savings
B.	SC Data Warehouse Analysis of SC Children Experiencing Early School Failure
C.	Local Partnership Leverage Report – 2001-2012
D.	Parent Home Visitation
E.	Child Care Quality Enhancement and Training
F.	South Carolina Child Development Education Pilot Program (CDEPP)
G.	Countdown to Kindergarten
H.	Quick Facts – First Steps

SOUTH CAROLINA FIRST STEPS
Getting children ready for school.

County Name	Number Repeating 1st Grade 2001-2002	Percentage Repeating 1st Grade 2001-2002	Number Repeating 1st Grade 2009-2010	Percentage Repeating 1st Grade 2009-2010	Reduction in 1st Grade Retention Expressed as Percentage
Abbeville County	32	10.4%	13	4.9%	52.9%
Aiken County	161	8.1%	81	4.2%	48.1%
Allendale County	25	14.1%	18	12.0%	14.8%
Anderson County	169	7.7%	84	3.5%	54.5%
Bamberg County	29	12.4%	15	8.5%	31.4%
Barnwell County	140	35.2%	29	8.3%	76.4%
Beaufort County	50	4.0%	46	3.0%	25.0%
Berkeley County	208	10.0%	226	9.4%	6.0%
Calhoun County	20	10.9%	10	7.2%	33.9%
Charleston County	300	8.2%	93	2.7%	67.0%
Cherokee County	27	3.7%	18	2.5%	32.4%
Chester County	85	14.0%	45	9.5%	32.1%
Chesterfield County	38	5.9%	10	1.8%	69.4%
Clarendon County	32	7.2%	34	7.6%	+ 5.5%
Colleton County	57	9.9%	50	10.0%	+ 1%
Darlington County	86	8.8%	67	7.5%	14.8%
Dillon County	46	9.7%	32	6.4%	34.0%
Dorchester County	47	3.5%	57	3.2%	8.0%
Edgefield County	25	7.2%	18	5.9%	18.0%
Fairfield County	18	5.5%	3	1.2%	78.1%
Florence County	142	8.5%	82	4.6%	45.8%
Georgetown County	69	8.7%	27	3.6%	58.6%
Greenville County	450	8.9%	274	4.8%	46.0%
Greenwood County	108	11.1%	23	2.6%	76.5%
Hampton County	48	14.9%	16	5.4%	63.7%
Horry County	132	5.9%	59	2.0%	66.1%
Jasper County	23	8.9%	4	1.4%	84.2%
Kershaw County	53	6.8%	32	3.9%	42.6%
Lancaster County	64	7.6%	47	5.1%	32.8%
Laurens County	54	7.0%	29	4.4%	37.1%
Lee County	40	16.7%	12	5.7%	65.8%
Lexington County	163	4.5%	53	1.3%	71.1%
Marion County	54	10.2%	28	6.6%	35.2%
Marlboro County	56	11.9%	30	9.0%	24.3%
McCormick County	6	6.8%	8	11.6%	+ 70%
Newberry County	38	7.8%	27	5.9%	24.3%
Oconee County	70	7.8%	27	3.3%	57.6%
Orangeburg County	156	12.7%	56	5.4%	57.4%
Pickens County	82	6.2%	38	3.0%	51.6%
Richland County	227	6.5%	122	3.3%	49.2%
Saluda County	7	4.3%	17	8.6%	+ 100%
Spartanburg County	131	3.8%	89	2.5%	34.2%
Sumter County	134	8.7%	80	6.1%	29.8%
Union County	55	12.9%	10	2.9%	77.5%
Williamsburg County	157	24.8%	45	9.9%	60.0%
York County	88	3.8%	72	2.3%	39.4%
TOTALS:	4202	7.9%	2263	4.1%	48.1%

1939 fewer children @ $10,974* = $21,278,586

*SC Budget and Control Board Revenue Per Pupil Report by School District for FY 2012-13
http://ors.sc.gov/economics/revperpupil.html

SC Children Experiencing Early School Failure:

Characteristics of Young Children Subsequently Retained or Scoring "Below Basic" by 3rd Grade

Percentage of Children Possessing This Risk Factor "Not Succeeding by 3rd Grade"	Readiness Risk Factors	Percentage (and Estimate) of 0-6 Child Population Possessing This Risk Factor
53%	Abused, Neglected, or in Foster Care	3% (10,173)
52%	Extremely Low Birth Weight (under 3.3 lbs./1500 g.)	2.11% (7170)
48%	Low Maternal Education (Less than High School)	24.13% (81,852)
45%	Temporary Assistance to Needy Families (TANF) (50% of Federal Poverty)	8.4% (28,690)
43%	Very Low Birth Weight (3.3-4.4 lbs/1500 - 2000 g.)	2.77% (9,390)
43%	Teen Mother (Under 18)	4.6% (15,618)
42%	Food Stamps (130% of Federal Poverty)	20% (67,897)
37%	Mother (age 18 - 20)	8.83% (29,946)
36%	Low Birth Weight (4.4-5.5lbs./2000 - 2500 grams)	5.53% (18,780)

SC Data Warehouse, adapted and updated from the January 2007 PACT/Retention analysis of Dr. Baron Holmes.

SOUTH CAROLINA
FIRST STEPS
Getting children ready for school.

LOCAL PARTNERSHIP LEVERAGE REPORT
2001-2012

County Name	Total Amount by State	Total Local Leverage	Percent Leveraged
1. Abbeville	$2,673,582	$751,829	28%
2. Aiken	$6,377,352	$1,643,697	26%
3. Allendale	$2,457,501	$718,362	29%
4. Anderson	$7,145,172	$2,770,625	39%
5. Bamberg	$2,194,859	$1,344,597	61%
6. Barnwell	$3,215,720	$1,192,831	37%
7. Beaufort	$5,469,338	$1,254,885	23%
8. Berkeley	$7,427,589	$1,151,846	16%
9. Calhoun	$2,010,177	$485,766	24%
10. Charleston	$11,647,322	$4,049,443	35%
11. Cherokee	$3,292,212	$859,058	26%
12. Chester	$2,404,898	$905,513	38%
13. Chesterfield	$2,609,301	$1,364,766	52%
14. Clarendon	$2,747,172	$805,586	29%
15. Colleton	$2,616,868	$1,213460	46%
16. Darlington	$3,672.502	$1,510,550	41%
17. Dillon	$3,844,329	$641,312	17%
18. Dorchester	$3,781,124	$673,660	18%
19. Edgefield	$2,073,429	$1,002,353	48%
20. Fairfield	$2,195,860	$840,642	38%
21. Florence	$7,989,706	$1,407,103	18%
22. Georgetown	$4,307,841	$2,678,299	62%
23. Greenville	$16,531,301	$6,452,100	39%
24. Greenwood	$3,376,159	$650,107	19%
25. Hampton	$2,724,960	$523,198	19%
26. Horry	$6,782,059	$3,285,151	48%
27. Jasper	$2,422,001	$593,237	24%
28. Kershaw	$2,863,807	$956,298	33%
29. Lancaster	$3,598,411	$3,102,911	86%
30. Laurens	$4,101,316	$1,841,197	45%
31. Lee	$3,596,310	$1,998,891	56%
32. Lexington	$9,277,080	$4,927,511	53%
33. Marion	$3,593,814	$437,993	12%
34. Marlboro	$2,463,825	$614,762	25%
35. McCormick	$2,148,466	$1,378,956	64%
36. Newberry	$3,477,480	$642,020	26%
37. Oconee	$2,736,799	$2,922,264	107%
38. Orangeburg	$5,090,938	$887,065	17%
39. Pickens	$4,851,998	$1,326,588	27%
40. Richland	$12,147,682	$8,406,798	69%
41. Saluda	$2,552,284	$881,177	35%
42. Spartanburg	$10,915,465	$19,508,628	179%
43. Sumter	$5,068,548	$1,191,889	24%
44. Union	$2,266,094	$706,079	31%
45. Williamsburg	$4,402,381	$1,520,254	35%
46. York	$5,288,932	$3,308,162	63%
TOTAL	**$213,431,977**	**$97,329,428**	**46%**

SOUTH CAROLINA

FIRST STEPS

Getting children ready for school.

Parent Home Visitation

"Under First Steps' leadership, Parents as Teachers in South Carolina has set the national example in fidelity and accountability. We hold you up to other states doing home visitation as an example of how it can be done right."

- Scott Hippert, CEO, Parents as Teachers National Office

First Steps' Home Visitation Impact:

- ✓ 58,770 families served since 2001
- ✓ 532,007 home visits since 2001

High/Scope Evaluation:

"Parents in First Steps' home visitation programs saw **significant increases in their pre- and post-assessments.** Overall, 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."

First Steps Evaluation

High/Scope Educational Research Foundation, 2009

SOUTH CAROLINA

FIRST STEPS

Getting children ready for school.
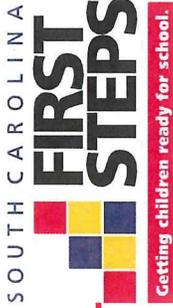
Child Care Quality Enhancement and Training

High/Scope Evaluation

Universally, child care centers and providers who participated in First Steps Quality Enhancement strategies showed significant increases in pre/post scores of assessed child care quality.

First Steps Evaluation
High Scope Educational Research Foundation, 2009

2001 to 2012		Average per year
Providers served	3,856	350
Children enrolled in centers served by First Steps	167,198	15,200
Staff attending First Steps child care training	58,088	5,281
FY 2008 to FY 2012		**Average per year**
Child care quality assessments administered	1,488	298
Assessment improvement pre- to post (7 point scale)	-	10 % (.68)
Technical assistance visits to providers by First Steps	17,066	3,401
Technical assistance hours	35,071	7,014

Through this project, we have have been able to provide more information to the parents. I have also seen my staff interact more with parents, helping them to understand their child's development. The ability to reward staff has been wonderful, and helps us to let them know how much they are appreciated.

Judy Layman, Director
Creative Learning Center
Edgefield, SC

SOUTH CAROLINA
FIRST STEPS

Getting children ready for school.

South Carolina Child Development Education Pilot Program (CDEPP)

"Despite negative economic conditions, the General Assembly should continue funding CDEPP and similar pre-kindergarten programs and when funds are available, expand the program in both public schools and private centers statewide. The across year modest yet meaningful gains made by students in CDEPP provide evidence of the program's success in better preparing young children who are at-risk for school failure for kindergarten."

Education Oversight Committee
Child Development Education Pilot Program (CDEPP):
2009-10 Student and Classroom Assessment Report

High Scope Evaluation:

"With only one year of data, [private] CDEPP children were not significantly different... on every SCRA scale compared to [public school] full-day 4K and non-4K children. They also had significantly lower speech impairment and learning disability diagnoses. This may demonstrate the potential for implementing public programs in private settings in a less expensive manner with similar results." pp. 148-149

Further Steps to School Readiness: 2009 Evaluation of the South Carolina First Steps to School Readiness Initiatives, High/Scope Educational Research Foundation.

First Steps' CDEPP Impact:

- 3,441 children served in private CDEPP settings since 2006-07.
- Parental choice amongst approved providers
- 20% lower cost than public school 4K ($4,690 vs. $5,812 per child)
- Announced and unannounced monitoring

SOUTH CAROLINA

FIRST STEPS

Getting children ready for school.

Countdown to Kindergarten

"Countdown is the greatest thing that's ever happened to children in South Carolina. The relationships built over the summer between the teacher and families created a trust and support that has helped the children blossom in kindergarten. The only way to break the cycle is to model for parents how effectively they can work with their own children through reading and playing and learning with hands on materials."

Gayle Troutman, Kindergarten Teacher, Burnside Elementary School

First Steps' School Transition Impact:

✓ **7,600** families served since 2004

✓ **45,600** teacher visits since 2004

During the summer of 2012, Countdown to Kindergarten served **756** children at an estimated cost of **$311** per child.

High Scope Evaluation:

"*Over 75% of home visitors reported making some or a great deal of change in their instruction, experiences, practices, activities on the first day of school and the methods by which they communicate with parents as a direct result of their CTK experience.*" (p.93)

"*All participants, whether home visitor or parents, report the significant impact this strategy has on professional practice, parent-teacher relationships, and parent participation in and child attitudes toward kindergarten.*" (p.148)

2009 First Steps Evaluation

High/Scope Educational Research Foundation

QUICK FACTS – FIRST STEPS

4

Independent Audits of Performance – 2003, 2006, 2009 (LAC – 2012 pending).

14

Years in existence – 1999-2012

$6.05 million

Federal BabyNet dollars administered annually through First Steps.

$17.9 million

Current state appropriation.

$21 million

Saved each year by reduced Grade 1 retention.

48%

Reduction in first grade retention – 2001-2010.

65.9%

Percentage of parents with low parenting skills who improved to moderate or high levels of skill after parent education home visits.

$311

Costs per child for 6 summer home visits from kindergarten teachers.

1,939

Reduction in number of children repeating first grade – 2001 vs. 2010.

$10,974

Average costs for one student to repeat first grade.

$97 million

Private, philanthropic and other funds leveraged by First Steps partnerships since inception

75%

Percentage of teachers changing their instruction and method of communication with parents after Countdown to Kindergarten home visits.

35,071

Hours of technical assistance delivered to child care centers.

45,600

Visits by Countdown to Kindergarten teachers to students' homes.

58,088

Child care training attendees.

532,007

Parent home visits completed