

2014 ANNUAL REPORT



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DIRECTOR'S MESSAGE



In my journeys across South Carolina, families tell me why they choose to live and work in the Palmetto State. Among the many reasons cited: our friendly people, our quality of life, our beautiful mountains and beaches, our productive farms and businesses. However, it is our commitment to children and families that stands out most.

Across the nation, few states can top South Carolina's commitment to very young children.

In 2014, our elected leaders expanded four year-old kindergarten, put additional attention on the needs of very young children, and reauthorized First Steps –our state's early childhood initiative focused on increasing school readiness. Built over 15 years, First Steps' public-private partnerships have harnessed assets locally and at the state level to ensure parents have the tools they seek to prepare their children for school success. In addition, this year the legislature created South Carolina's first legal "school readiness" definition and added new preK and K assessments to help guide instruction. Finally, with added resources focused on early reading through Read to Succeed, South Carolina aims to close the achievement gap for our students.

"And how are the children?" is a legendary greeting among the Masai people. The condition of children denotes the condition of a state and nation. In South Carolina, we always want the answer to be, "The children are well." Many thanks to our elected leaders, volunteers, staff and partners for working together to ensure we place children at the front when making decisions about the future of South Carolina.

Many thanks for your support of our youngest learners,

Susan DeVenny

Director

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ABOUT FIRST STEPS

As the state's comprehensive school readiness initiative, SC First Steps helps parents prepare their young children for school and life success.

Why We Need to Start Early

Investing in strong early learning experiences for kids makes good sense. We know from brain research that 90% of the brain's full potential is formed by age four. We have a great opportunity to help families and caregivers during this critical window. Studies show that positive early experiences for young children help shape their long-term success, while also saving taxpayer dollars in long-term education and social impact costs.

How First Steps Can Help

In each of South Carolina's 46 counties, First Steps expands early learning services available for young children, their families and caregivers. These services fall in six important areas:



How You Can Find Us

Each county is served by a local First Steps Partnership, whose local board of directors and staff are in place to meet the school readiness needs of the community. First Steps provides funding and technical assistance to the state's network of independent, non-profit First Steps Local Partnerships so that services are available to the children who need them.

According to a recent report by Compass Evaluation & Research, through this network "First Steps often and in many ways reaches beyond a circle of agencies and administrators to engage local community stakeholders such as parents, educators, and the Community of Faith in investing in early childhood, with investments

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occurring on the family, caregiver, and neighborhood level. It is these investments that often make the difference for at-risk and high-need children, as these children often require attention and support from multiple sources."

BabyNet

SC First Steps works with other agency and community partners to offer BabyNet, South Carolina's early intervention program under Part C of the federal Individuals with Disabilities Education Act (IDEA). BabyNet



provides early intervention services to infants and toddlers (birth-36 months) with identified disabilities and/or developmental delays.

Home Visitation Programs

We also sponsor two nationally-acclaimed, evidence-based home visitation programs for families in South Carolina: Nurse-Family Partnership (NFP) and Parents as Teachers (PAT).





Private-Public 4K Expansion

In 2014, we began our 8th year of service to SC's eligible 4-year olds, through our First Steps 4K program. This year, the Legislature expanded this vital preschool program to serve low income children in 61 of the state's school districts.



MEASURING OUTCOMES

Each of the six color blocks of the First Steps logo represents a core area of service, outlining our comprehensive strategy to prepare children for longterm school success. With measurable outcomes across each of its six school readiness strategy areas, First Steps is getting results.



Healthy Start

We begin with a focus on providing a healthy start to life. This includes prenatal and post-partum services for both mother and baby. In 2007, First Steps collaborated with key philanthropic and agency partners to bring Nurse-Family Partnership to SC having a significant impact on reducing premature births and Medicaid costs.



Family Strengthening

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Our home visitation strategies, such as Parents as Teachers, Parent-Child Home and Early Steps to School Success, are helping parents understand their responsibilities to care for and be positive models for their children. As a result of First Steps' intervention and parenting support, 66% of clients initially assessed at "low" levels of parenting have achieved moderate or high levels of parenting skill.



Early Intervention

According to recent federal evaluations, outcomes for clients participating in BabyNet early intervention programs are above national averages. Babynet matches the special needs of infants and toddlers who have disabilities and/or developmental delays with customized, community-based resources.



Quality Childcare

Quality childcare starts with quality childcare providers. Our quality enhancement and training strategies lead to improved teacher-student interaction, which research shows has a significant impact on a child's development and success in school.



Early Education

Private-public partnerships through First Steps 4K (CDEPP) have led to significant cost efficiencies in the delivery of publicly funded 4K. One recent analysis suggests First Steps is achieving comparable results, without the need for costly capital construction, for 80 cents on the dollar.



School Transition

Each of the corresponding blocks of services leads ultimately to the goal of transitioning children successfully to school. Programs like Countdown to Kindergarten and From Day One to Grade One are ultimately preparing children for school success.

HEALTHY START













School readiness starts with healthy children. First Steps is the state sponsor of Nurse-Family Partnership (NFP), an evidence-based home visitation program matching nurse home visitors with first-time, low-income mothers. A recent birth-outcome analysis conducted by DHEC's Bureau of Maternal Child Health showed low-income mothers receiving this evidence-based nurse home visitation program were:

- 63% less likely to require admission to a neonatal intensive care unit (NICU)
- Half as likely to be born pre-term (less than 37 weeks)
- Half as likely to be born at a low birth weight

Independent research suggests that 52% of SC children born at an extremely low birth weight fall into one or more categories of school failure (retention, achievement) by the third grade, making preventative programs such as NFP critical to improving early school success.

Brought to South Carolina by SC First Steps and The Duke Endowment in 2008, Nurse Family Partnership has a large collaborative footprint in 2014, serving South Carolina mothers in more than 20 counties from nine regionally-based hubs. Since inception, South Carolina NFP has:

- Served more than 2,700 low-income mothers and their babies
- Delivered more than 55,000 nurse home visits
- Grown from an original client capacity of 600 to more than 1,200 slots.







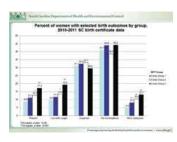




EXTERNAL ASSESSMENT OF NFP OUTCOMES:

Birth Outcomes for SC NFP Clients DeliveringLive Births in 2010-2011

(SC DHEC, Maternal Child Health Bureau - February 2013)





- NFP participants differ substantially in terms of risk factors compared to potentially eligible non-participants, even in the same geographic areas.
- DHEC sites, live births in 2010-2011
- After accounting for these differences, these NFP participants have significantly lower prevalence of LBW, PTB, and NICU admissions.

- NFP Group
- Comparison Group 1: All Medicaid Births
- Comparison Group 2: Medicaid Births at Hospitals Where NFP Clients Delivered
- Comparison Group 3: Medicaid Births at Hospitals Where NFP Clients Delivered
 with Clients Matched on Mother's Race,
 Mother's Education and WIC Status

Program Model

2014

Nurse-Family Partnership (NFP)

Nurses paired with first-time mom prenatally to age 2; training, support and referral

847 mothers 19 counties 11,937 visits

Healthy Families

In-home visits by family support workers provide parents with childhood developmental information in an effort to prevent abuse.

25 children 26 families 298 visits

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FAMILY STRENGTHENING













Families are a child's first and best teachers. First Steps supports parents statewide as they prepare their children for school success. As the state sponsor of Parents as Teachers, South Carolina's largest evidence-based parent education program, the state First Steps office serves as the PAT statewide technical assistance structure to all PAT programs at no cost to schools or communities.

In addition, First Steps underwrites additional parenting models including Parent-Child Home and Early Steps to School Success. Since inception, First Steps has delivered more than half a million parent education home visits to help parents prepare children for school.

- In 2007, the SC First Steps Board of Trustees created comprehensive, statewide program fidelity standards that often exceed those of the national, evidence-based models on which they are based.
- Evaluation Notes Significant Improvements in Parenting: In a recent external evaluation, 66% of parents who initially scored at a low level of parenting skill improved their abilities to moderate or high levels after participation in a First Steps parent education program. (HighScope, Keys to Interactive Parenting Scale Analysis, 2010)
- Evaluation Notes Significant Improvements in Interactive Literacy: Both parents and children participating in First Steps family strengthening programs demonstrate improvements in early literacy, with parents increasing their use/demonstration of key early literacy strategies by 32% (pre to post) and children increasing their own demonstration of these behaviors by 33%. (HighScope, Adult-Child Interactive Reading Inventory Analysis, 2010)

Home Visitation Includes

- Personal Visits with Families
- Child Developmental Screening & Assessment
- Community Resource & Referral

"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



Program Model

2014

| Parents as Teachers (PAT) Parent mentor trained to enhance effective parent-child interaction, developmental parenting skills, and literacy for children 0-5. Developmental screenings, validated curriculum, and assessment. | 1,388 families 1,497 children 24,694 visits 31 counties |
|---|--|
| curriculum, and assessment. | 140 families |
| Parent-Child Home (PCH) | 134 children |
| Parent mentor trained to support effective early literacy behaviors in children ages 0-5 | 6,683 visits 3 counties |

Save the Children Early Steps to School Success

Community and school tied to home visitor and literacy activities; assessment and mentoring, group meetings augment program.

3,565 visits 4 counties

189 families 213 children 3,565 visits 4 counties

EARLY INTERVENTION





Finding and serving our state's children with developmental delays as early as possible can reduce later remediation and can help children prepare for school success along with their typically developing peers. South Carolina's BabyNet Early Intervention System provides special education services to infants and toddlers with disabilities and developmental delays. The program's outcomes consistently meet or exceed national averages on measures of key school readiness skills.

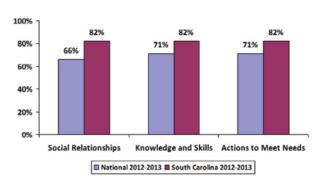


Part C Early Intervention National and State Percentages for Summary Statement 1











During SC FY13:

- 82% of enrolled children increased their demonstration of positive social emotional skills (16% above the national average of 66%)
- 82% increased their acquisition and use of knowledge and skills including early language (11% above the national average of 71%)
- 82% of BabyNet clients increased their ability to use actions to meet their personal needs (11% above the national average of 71%)
- 59% of children were functioning within age expectations by the time they exited BabyNet in the use of appropriate behaviors to meet their needs and demonstrating positive social-emotional skills - both key prerequisites to school success.

QUALITY CHILDCARE



Two-thirds of SC mothers with young children depend on child care providers to help care for their children during the work day. Since a child's brain is forming rapidly during these early years, child care teachers are significant partners to families in helping children develop to be successful in school.



According to an independent analysis by the HighScope Educational Research Foundation, child care providers participating in First Steps' quality improvement programs made statistically significant gains in each of seven domains quality measured.



During FY14, First Steps:

- Provided quality-enhancement programming in 202 SC child care settings, enrolling 7,164 children.
- Made 3,370 on-site, provider visits.

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- Provided 1,408 accredited child care training hours to 5,137 child care teachers, directors and staff.
- Provided preschool scholarships to 596 children, in 148 qualified private settings.







To enhance school readiness outcomes, First Steps works with partners in support of QUALITY CHILD CARE at state and local levels.

| | - | | Le | ngth of Pa | ertick | pation (N | Sonth | o) | |
|------------------------|--------------|--------------|-----|--------------|--------|--------------|-------|--------------|----|
| | | Dverall | | 1-5 | | 6-12: | | >12 | |
| ECERS Scale | | Mean | N | Mean | N | Mean | N | Mean | N |
| Overall Score | Post Post | 8.74 4.55 | 146 | 8.98 4.91 | * | 8.90 4.68 | 69 | 1.55 4.38 | M |
| Space and Furnishings | Post. | 1.84 4.67 | 125 | 1.52 4.68 | 8 | 4.77 | 61 | 9.57 4.56 | 55 |
| Personal Care Routines | Post Post | 4.00 | 124 | 131 468 | 8 | 3.37 3.95 | 61 | 1.66 1.95 | 55 |
| Language- Reasoning | Pre Post | 4,77 | 124 | 6.26 4.72 | 9 | 4.16 | 60 | 3.72 4.62 | 55 |
| ALTIVITIES. | Pre Post | 3.06 4.21 | 125 | 3.70 4.68 | 9 | 4.40 | 61 | 2.79 2.93 | 50 |
| Interaction | Prof. | 4.64 5.26 | 129 | 4.96 5.37 | 9 | 4.69 5.22 | 61 | 4.54 5.29 | 99 |
| Program Structure | Pre Post | 3.93 4.20 | 125 | 5.44 | 9 | 4.28 4.97 | 61 | 3.41 4.27 | 50 |
| Parents and Staff | Post Post | 4.67 5.16 | 66 | 5.0 5.9 | * | 4.71 5.07 | 37 | 5.18 | 25 |

Intensive Quality Enhancement Strategies

17 Counties

202 Centers Enrolling 7,164 children

3,370 Technical Assistance Visits Completed

7,601 Technical Assistance Visit Hours

13.9% Average Improvement in Center Quality (Measured Pre -Post using the Environmental Rating Scales)





| 2001 to 2014 | | Average Per Year |
|---|---------|---------------------|
| Providers served | 4,123 | 295 |
| Children enrolled in centers served by First Steps | 179,312 | 12,808 |
| 2008 to 2014 | | Average Per Year |
| Child care quality assessments administered | 1,911 | 137 |
| Assessment improvement pre- to post (7 point scale - 2014 figure) | | .97 |
| Technical assistance visits to providers by First Steps | 23,072 | 3,845 |
| Technical assistance hours | 48,536 | 8,089 |

EARLY EDUCATION



Quality prekindergarten can improve a child's success in school, particularly for low-income or disadvantaged students. Since the creation of the public-private 4K model in 2006-2007, First Steps has served more than 4,900 four-year-olds in private, community- and faith-based preschool settings.



First Steps partners with high-quality private and community-based preschools to offer full-day four-year-old kindergarten for families in eligible counties.



Approved programs focus on developmental and learning supports that children must have in order to be ready for school, incorporate research-based curriculums, ongoing assessment, and parenting education.





After 8 years as a pilot program, First Steps 4K was codified in June 2014 as part of the Read to Succeed/4K Expansion Act. First Steps 4K program utilizes a public-private service delivery model to give families in 61 of the state's school districts the ability to choose a public school or a community-based program for their eligible children.



Eligible children must be four on or before September 1, reside in one of the specified school districts, and qualify for free- or reduced-price lunch or Medicaid. The 4K program in South Carolina is jointly administered by SC First Steps (private and community-based schools) and the SC Department of Education (public schools).

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Assessing Early Literacy

- During August and September of 2014, First Steps provided professional development to more than 300 teachers and center directors on the use of mClass Circle, the state's new school readiness assessment focused on early literacy.
- More than 99% of First Steps private 4K students were successfully assessed during the first 45 days of the 2014-2015 school year.
- All First Steps 4K students will participate in pre- and post-testing, exceeding the minimum requirement established by the SC Department of Education.

| PROGRAM YEAR | CHILDREN SERVED | PROVIDERS |
|--------------------------------|--------------------|-----------|
| 2006-07 (FY 07) | 309 | 40 |
| 2007-08 (FY 08) | 482 | 48 |
| 2008-09 (FY 09) | 459 | 40 |
| 2009-10 (FY 10) | 524 | 39 |
| 2010-11 (FY 11) | 549 | 36 |
| 2011-12 (FY 12) | 577 | 43 |
| 2012-13 (FY 13) | 601 | 42 |
| 2013-14 (FY 14) | 1402 | 93 |
| 2014-15 (FY 15) anticipated | 1800 | 145 |

SCHOOL TRANSITION













In 2003, SC communities reported a lack of school transition services for children. In response, First Steps collaborated with local, state and national partners to create Countdown to Kindergarten (CTK). This home visitation program matches families of high-risk rising kindergartners with their upcoming 5K teachers during the summer before school entry. Teachers complete six visits with each family, centered on classroom and curriculum expectations.

- In 2009 the High/Scope Educational Research Foundation completed an external review of Countdown to Kindergarten, noting the strategy's potential to powerfully shape both subsequent interaction and classroom practice. Researchers noted that:
 - "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."
 - "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." (Further Steps to School Readiness-HighScope Educational Research Foundation, 2010)
- In 2013, 100% of participating teachers reported that Countdown to Kindergarten parents were as or more involved than non-participating parents. This included involvement in activities such as parent/teacher conferences, attending school events and activities, maintaining contact with teachers, and volunteering in classroom or school activities.

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During the summer of 2014, First Steps served 867 children, 863 families, and delivered 5,079 Countdown to Kindergarten home visits.

FIRST STEPS' SCHOOL TRANSITION IMPACT

9.316 families served since 2004

55,603 teacher visits since 2004



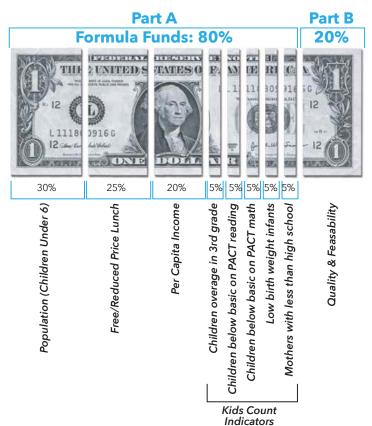
In 2007, First Steps' Countdown to Kindergarten program was recognized as a promising state practice by the National Governor's Association in their report, Building the Foundation for Bright Futures.

"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

Allocation of Resources

The First Steps Board of Trustees funds the operations of local First Steps Partnerships through an annual grant process. The amount of funding provided to each county is determined via the funding formula, which takes a variety of demographic and economic risk factors into account.



FINANCIAL ACCOUNTABILITY

| Program Revenues Federal Grants Medicaid Reimbursements Local & Private Grants Reimbursement from SC Dept. of Education Total Program Revenues | FY 2014 \$5,978,733 \$863,404 \$230,239 \$927,536 \$7,999,912 |
|---|--|
| General Revenues State Appropriations Interest Income | \$27,225,789 \$176,927 |
| Total General Revenues Total Revenues | \$27,402,716 \$35,402,628 |
| | 700,000,000 |
| F | |
| Allocations to Other Entitites Contractual Services Salaries Employer Fringe Benefits Rent & Leases Materials Travel Equipment | \$20,152,537 \$7,487,576 \$3,061,135 \$1,018,488 \$240,520 \$123,505 \$153,716 53,406 |
| Allocations to Other Entitites Contractual Services Salaries Employer Fringe Benefits Rent & Leases Materials Travel | \$7,487,576 \$3,061,135 \$1,018,488 \$240,520 \$123,505 \$153,716 |
| Allocations to Other Entitites Contractual Services Salaries Employer Fringe Benefits Rent & Leases Materials Travel Equipment | \$7,487,576 \$3,061,135 \$1,018,488 \$240,520 \$123,505 \$153,716 53,406 |
| Allocations to Other Entitites Contractual Services Salaries Employer Fringe Benefits Rent & Leases Materials Travel Equipment Total Expenditures | \$7,487,576 \$3,061,135 \$1,018,488 \$240,520 \$123,505 \$153,716 53,406 |



LEGISLATIVE GOALS

- Provide parents with access to the support they might seek and want to strengthen their families and to promote the optimal development of their preschool children;
- 2. Increase comprehensive services so children have reduced risk for major physical, developmental, and learning problems;
- 3. Promote high quality preschool programs that provide a healthy environment that will promote normal growth and development;
- 4. Provide services so all children receive the protection, nutrition, and health care needed to thrive in the early years of life so they arrive at school ready to succeed; and
- Mobilize communities to focus efforts on providing enhanced services to support families and their young children so as to enable every child to reach school healthy and ready to succeed.

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