



To: Marc Truesdale, House Ways and Means Committee

From: Mark Barnes, Director of Administration

Date: January 10, 2023

RE: Response to Your Recent Questions

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- 1) List of key officials attending hearing

**Georgia Mjartan, Executive Director**

[GMjartan@scfirststeps.org](mailto:GMjartan@scfirststeps.org)

**Mark Barnes, Director of Administration**

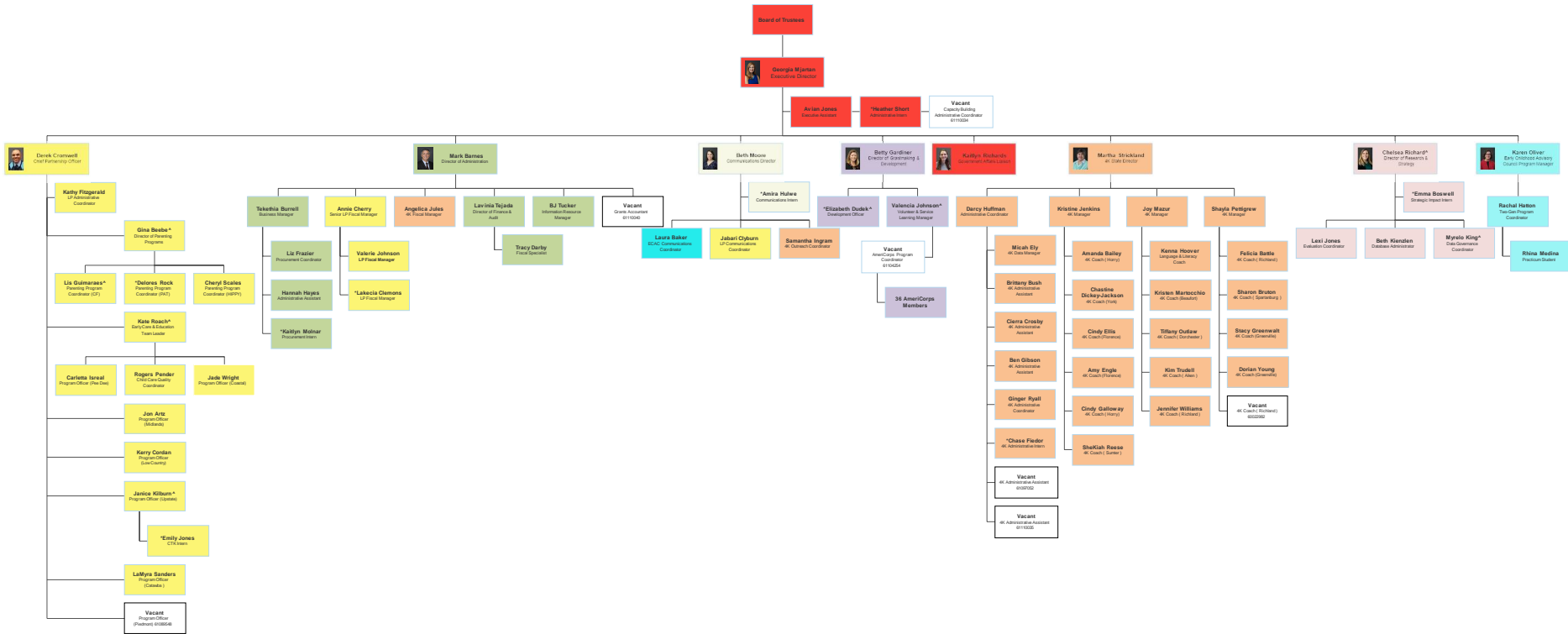
[MBarnes@scfirststeps.org](mailto:MBarnes@scfirststeps.org)

**Kaitlyn Richards, Government Affairs Liaison**

[KRichards@scfirststeps.org](mailto:KRichards@scfirststeps.org)

- 2) Organizational Chart;  
**See attached.**
- 3) Brief Summary of Budget Request  
**See attached.**
- 4) Official Budget Request in its entirety - this should be the most recent version provided to EBO  
**See attached.**
- 5) Accountability Report Summary;  
**See attached.**
- 6) FTE Breakdown  
**See attached.**
- 7) Carry Forward Information  
**See attached.**
- 8) Any other Information your agency wishes to provide

cc: Georgia Mjartan, Executive Director





## SC First Steps Budget Request Summary FY 2023-2024

### Priority #1: Unfunded Personnel Cost Increases (EIA)

- **\$455,392** in recurring funds to cover the recurring increases to Education Improvement Act Funds associated with state-approved cost increases in health insurance, retirement, and mandated across-the-board increases for staff for the last 5 years.
- **Purpose:** This increase for personnel costs will help ensure that previously funded positions do not become unfunded – creating a more sustainable work environment and assisting with recruitment for open positions.
  - A majority of SC First Steps personnel costs are funded by Education Improvement Act funds. While costs have incrementally increased over time EIA funds have not, resulting in a recurring deficit in amounts related to personnel.

### Priority #2: Early Childhood Advisory Council (ECAC)

- **\$851,017** in recurring funds to meet statutory requirements for the South Carolina Early Childhood Advisory Council (ECAC) and continue groundbreaking efforts that have already affected 50,000+ children in South Carolina.
- **Purpose:**
  - To sustain:
    - Joint agency web-based eligibility and application portals (First5SC.org and PalmettoPreK.org)
    - Integrated data sharing and visualization initiatives
    - Interagency collaboration, including a unified Birth through Five Plan
    - Statewide early childhood needs assessments
    - Two-Generation Initiatives
  - To cover costs of two FTEs to provide critical support to the ECAC and its systems
- The ECAC has established groundbreaking efforts to improve the early childhood system in the state, but with the exception of \$105,000, all of the ECAC's work has been funded by short-term grant funds which end in FY2022.

### Priority #3: Local Partnership Funding

- **\$2,263,714** in recurring funds to increase formula funding to our Local Partnerships and to incentivize the regionalization of local partnerships.
- **Purpose:** Increase the number of infants, toddlers and preschoolers participating in programs proven to:
  - Accelerate early learning and development
  - Improve early childhood health
  - Strengthen families, building on a parent’s role as their child’s first teacher
  - Expand access to high-quality child care
  - Support a successful start to school
- In FY2022, First Steps Local Partnerships directly served 57,435 children birth through age five in South Carolina, double the number of children served five years ago and more than ever before in the history of the organization, but the need persists.
  - Since 2017, the cost for providing services through the local partnerships has increased almost 14%, while the formula funding from the state has remained flat.

### Priority #4: Child Care Quality and Parenting

- **\$172,382** in recurring funds to cover the cost of two critical FTEs that provide support for the implementation of evidence-based Quality Enhancement and Parenting Programs. These positions have been funded by short-term grant funds that are ending in FY 2023.
  - Quality Enhancement and Parenting Programs are two of the largest and most important program areas for our First Steps Local Partnerships.
- **Purpose:**
  - Improve parent-child interaction across high-intensity parenting program clients
  - Increase the percentage of children in need who are directly served
  - Increase the percentage of children in child care centers where quality enhancement and training is provided

**Priority #5: READY Grants FTE**

*No New Funds Requested*

- Request for one FTE to evaluate, monitor, and manage the READY Grants that were appropriated in the 2022-23 fiscal year. The cost of this position will come out of the 3% of the READY Grant funds that was approved for this purpose.

**Priority #6: Full Day 4K (CERDEP)**

- **\$5,219,976** in recurring funds to cover the annual implementation costs of statewide expansion of First Steps 4K and replace the amount previously appropriated in non-recurring funds.
  - In FY 2021-22, the General Assembly appropriated funds to cover the full cost of the statewide expansion of the 4K program, including \$5,219,976 to SC First Steps as a one-time amount.
- First Steps 4K served **3,343 students** for at least one day through Day 180 of the 2021-22 school year.
  - This is a **29%** increase over last year's total served for at least one day through Day 180.

### **Proviso Revision Request: 1.55 and 1A.29**

- SDE EIA: Full Day 4K (CERDEP)
- Requesting an increase of **\$300** to match the current annual tuition rate of a child of \$5,100 to private providers.
- Requesting an increase of **\$32.88** to match the current transportation reimbursement per child of \$620.
- Requesting the amount of \$1,000 per child for materials and equipment funding be established as a minimum, not a maximum. Requesting the amount of \$10,000 for a classroom of at least 7 children be set as a minimum.
- Requesting an increase of **\$150,000** to the limitation on one-time supplemental, needs-based incentive grants awarded to private providers to bring the total to \$250,000 per year.
- Requesting minor changes in language for clarity and deletions of sections that are no longer needed.
  - Updating language from child care centers to providers.
  - Deletion of the Public-Private Partnership pilot language which allows up to \$1 million to be expended.
  - Deletion of the COVID-19 section as it will not be needed in 2023-24.
- Requesting the addition of PalmettoPreK and First5SC as the method to inform parents of all the publicly funded full-day 4K programs including Head Start.

### **Proviso Revision Request: 1.105**

- SDE: READY Program
- Requesting that the annual report requirement deadline be changed from June 30, 2023 to December 1, 2023.
- SC First Steps is currently required to produce an annual report each year by Dec 1. By aligning these deadlines, and allowing the existing annual report to include the data associated with the READY proviso, it would prevent the creation of two annual reports while still ensuring compliance with all requirements.

### **New Proviso Request: SDE: First Steps Transfer Plan**

#### *No Funds Requested- Authorization Only*

- New Proviso would allow the Office of First Steps to work with various departments to evaluate and develop a plan to operate independently from the Department of Education.
- Would require a report to be submitted to the Chairman of the Senate Finance Committee, the Chairman of the House Ways and Means Committee, and the Governor.

Agency Name:	First Steps		
Agency Code:	H620	Section:	1



**Fiscal Year FY 2023-2024**  
**Agency Budget Plan**

**FORM A - BUDGET PLAN SUMMARY**

<b>OPERATING REQUESTS</b>  <i>(FORM B1)</i>	<b>For FY 2023-2024, my agency is (mark "X"):</b>	
	<input checked="" type="checkbox"/>	Requesting General Fund Appropriations.
	<input type="checkbox"/>	Requesting Federal/Other Authorization.
	<input type="checkbox"/>	Not requesting any changes.

<b>NON-RECURRING REQUESTS</b>  <i>(FORM B2)</i>	<b>For FY 2023-2024, my agency is (mark "X"):</b>	
	<input type="checkbox"/>	Requesting Non-Recurring Appropriations.
	<input type="checkbox"/>	Requesting Non-Recurring Federal/Other Authorization.
	<input checked="" type="checkbox"/>	Not requesting any changes.

<b>CAPITAL REQUESTS</b>  <i>(FORM C)</i>	<b>For FY 2023-2024, my agency is (mark "X"):</b>	
	<input type="checkbox"/>	Requesting funding for Capital Projects.
	<input checked="" type="checkbox"/>	Not requesting any changes.

<b>PROVISOS</b>  <i>(FORM D)</i>	<b>For FY 2023-2024, my agency is (mark "X"):</b>	
	<input checked="" type="checkbox"/>	Requesting a new proviso and/or substantive changes to existing provisos.
	<input type="checkbox"/>	Only requesting technical proviso changes (such as date references).
	<input type="checkbox"/>	Not requesting any proviso changes.

Please identify your agency's preferred contacts for this year's budget process.

	<u>Name</u>	<u>Phone</u>	<u>Email</u>
<b>PRIMARY CONTACT:</b>	Mark Barnes	(843) 229-1387	mbarnes@scfirststeps.org
<b>SECONDARY CONTACT:</b>	Lavinia Tejada	(803) 734-2716	ltejada@scfirststeps.org

I have reviewed and approved the enclosed FY 2023-2024 Agency Budget Plan, which is complete and accurate to the extent of my knowledge.

	<u>Agency Director</u>	<u>Board or Commission Chair</u>
<b>SIGN/DATE:</b>		
<b>TYPE/PRINT NAME:</b>		

*This form must be signed by the agency head – not a delegate.*

Agency Name:	First Steps
Agency Code:	H620
Section:	1

BUDGET REQUESTS			FUNDING					FTES				
Priority	Request Type	Request Title	State	Federal	Earmarked	Restricted	Total	State	Federal	Earmarked	Restricted	Total
1	B1 - Recurring	Unfunded Personnel Cost Increases (EIA)	455,392	0	0	0	455,392	0.00	0.00	0.00	0.00	0.00
2	B1 - Recurring	Early Childhood Advisory Council (ECAC)	851,017	0	0	0	851,017	2.00	0.00	0.00	0.00	2.00
3	B1 - Recurring	Local Partnership Funding	2,263,714	0	0	0	2,263,714	0.00	0.00	0.00	0.00	0.00
4	B1 - Recurring	Child Care Quality and Parenting	172,382	0	0	0	172,382	2.00	0.00	0.00	0.00	2.00
5	B1 - Recurring	READY Grants FTE	0	0	0	0	0	1.00	0.00	0.00	0.00	1.00
6	B1 - Recurring	Full Day 4K (CDEPP)	5,219,976	0	0	0	5,219,976	0.00	0.00	0.00	0.00	0.00
TOTALS			8,962,481	0	0	0	8,962,481	5.00	0.00	0.00	0.00	5.00

Agency Name:	First Steps
Agency Code:	H620
Section:	1

**FORM B1 – RECURRING OPERATING REQUEST**

<b>AGENCY PRIORITY</b>	<b>1</b>
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*Provide the Agency Priority Ranking from the Executive Summary.*

<b>TITLE</b>	<b>Unfunded Personnel Cost Increases (EIA)</b>
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*Provide a brief, descriptive title for this request.*

<b>AMOUNT</b>	<b>General: \$455,392</b> <b>Federal: \$0</b> <b>Other: \$0</b> <b>Total: \$455,392</b>
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*What is the net change in requested appropriations for FY 2023-2024? This amount should correspond to the total for all funding sources on the Executive Summary.*

<b>NEW POSITIONS</b>	<b>0.00</b>
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*Please provide the total number of new positions needed for this request.*

<b>Mark "X" for all that apply:</b>	
<b>X</b>	Change in cost of providing current services to existing program audience
	Change in case load/enrollment under existing program guidelines



<b>FACTORS ASSOCIATED WITH THE REQUEST</b>	<input type="checkbox"/>	Non-mandated change in eligibility/enrollment for existing program
	<input type="checkbox"/>	Non-mandated program change in service levels or areas
	<input type="checkbox"/>	Proposed establishment of a new program or initiative
	<input type="checkbox"/>	Loss of federal or other external financial support for existing program
	<input type="checkbox"/>	Exhaustion of fund balances previously used to support program
	<input type="checkbox"/>	IT Technology/Security related
	<input type="checkbox"/>	Consulted DTO during development
	<input type="checkbox"/>	Related to a Non-Recurring request – If so, Priority #
	<input type="checkbox"/>	

<b>STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES</b>	<b>Mark "X" for primary applicable Statewide Enterprise Strategic Objective:</b>	
	<input checked="" type="checkbox"/>	Education, Training, and Human Development
	<input type="checkbox"/>	Healthy and Safe Families
	<input type="checkbox"/>	Maintaining Safety, Integrity, and Security
	<input type="checkbox"/>	Public Infrastructure and Economic Development
	<input type="checkbox"/>	Government and Citizens

<b>ACCOUNTABILITY OF FUNDS</b>	<p>These funds would support all agency strategies. The increases in personnel and fringe costs affected all parts of our agency.</p>
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*What specific strategy, as outlined in the most recent Strategic Planning and Performance Measurement template of agency's accountability report, does this funding request support? How would this request advance that strategy? How would the use of these funds be evaluated?*

<b>RECIPIENTS OF FUNDS</b>	<p>SC First Steps</p>
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*What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?*

<b>JUSTIFICATION OF REQUEST</b>	<p>A majority of SC First Steps personnel costs are funded from Education Improvement Act funds. SC First Steps has not received incremental funds associated with state-approved cost increases in health insurance, retirement, and mandated across-the-board increases. These increases have caused a deficit in our personnel accounts. The result is that previously funded positions have become unfunded. We are requesting recurring EIA funds to cover these costs. These include \$211,569 in Personnel, \$105,177 in retirement costs, and \$138,645 in health insurance. The total annual amount as of August of 2022 is \$455,392. There are no salary increases or changes in salaries associated with this request.</p>
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*Please thoroughly explain the request to include the justification for funds, potential offsets, matching funds, and method of calculation. Please include any explanation of impact if funds are not received. If new positions have*

*been requested, explain why existing vacancies are not sufficient.*

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Agency Name:	First Steps		
Agency Code:	H620	Section:	1

## **FORM B1 – RECURRING OPERATING REQUEST**

<b>AGENCY PRIORITY</b>	2
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*Provide the Agency Priority Ranking from the Executive Summary.*

<b>TITLE</b>	<b>Early Childhood Advisory Council (ECAC)</b>
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*Provide a brief, descriptive title for this request.*

<b>AMOUNT</b>	<b>General: \$851,017</b>  <b>Federal: \$0</b>  <b>Other: \$0</b>  <b>Total: \$851,017</b>
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*What is the net change in requested appropriations for FY 2023-2024? This amount should correspond to the total for all funding sources on the Executive Summary.*

<b>NEW POSITIONS</b>	2.00
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*Please provide the total number of new positions needed for this request.*

<b>FACTORS ASSOCIATED WITH THE REQUEST</b>	<b>Mark "X" for all that apply:</b>	
	<input type="checkbox"/>	Change in cost of providing current services to existing program audience
	<input type="checkbox"/>	Change in case load/enrollment under existing program guidelines
	<input type="checkbox"/>	Non-mandated change in eligibility/enrollment for existing program
	<input type="checkbox"/>	Non-mandated program change in service levels or areas
	<input type="checkbox"/>	Proposed establishment of a new program or initiative
	<input checked="" type="checkbox"/>	Loss of federal or other external financial support for existing program
	<input type="checkbox"/>	Exhaustion of fund balances previously used to support program
	<input type="checkbox"/>	IT Technology/Security related
	<input type="checkbox"/>	Consulted DTO during development
<input type="checkbox"/>	Related to a Non-Recurring request – If so, Priority #	

<b>STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES</b>	<b>Mark "X" for primary applicable Statewide Enterprise Strategic Objective:</b>	
	<input checked="" type="checkbox"/>	Education, Training, and Human Development
	<input type="checkbox"/>	Healthy and Safe Families
	<input type="checkbox"/>	Maintaining Safety, Integrity, and Security
	<input type="checkbox"/>	Public Infrastructure and Economic Development
<input type="checkbox"/>	Government and Citizens	

<b>ACCOUNTABILITY OF FUNDS</b>	All strategies. Funds would be used to meet statutory requirements for the Early Childhood Advisory Council which has initiated a number of ground breaking efforts to support the Early Childhood System in the state.
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*What specific strategy, as outlined in the most recent Strategic Planning and Performance Measurement template of agency's accountability report, does this funding request support? How would this request advance that strategy? How would the use of these funds be evaluated?*

<b>RECIPIENTS OF FUNDS</b>	SC First Steps, the agency responsible for supporting the ECAC.
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*What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?*

**JUSTIFICATION OF REQUEST**

South Carolina’s Early Childhood Advisory Council is the statutorily authorized structure for coordinating all of South Carolina’s public investments in early childhood services, ensuring effective and efficient use of state and federal funds, and building a cohesive system that ensures young children are healthy and safe, ready for school, and actively supported by their families and communities. The Early Childhood Advisory Council was established through Executive Order in 2010 and codified in law in 2014, however until 2021, no state dollars were allocated to fund its mandated duties. Time-limited, competitive grants have funded the work of the Early Childhood Advisory Council with the exception of \$105,000 in recurring state funds, which support one staff member. Through the federal Preschool Development Grant, the ECAC has established ground-breaking joint efforts to develop the early childhood system in SC. These include creating joint agency web-based eligibility and application portals, integrated data sharing and visualization initiatives, interagency collaboration, statewide early childhood needs assessments including parent surveying and focus groups, a unified early childhood state plan, two-generation initiatives focused on education and economic stability and a family voice council. The ECAC’s primary source of funds – the federal Preschool Development Grant – will end during the 2022-23 fiscal year. The nationally-renowned efforts developed by the ECAC which have already impacted over 40,000 people, will not continue without recurring funds to support the costs, which include two positions. The positions losing funding include 2 FTE’s, a Public Information Director at \$55,188 and a Program Coordinator at \$64,611. These two staff positions are critical to providing the support to the ECAC and its systems that have been developed with the federal funding that is ending. We currently only have one dedicated position that is funded by the state for the ECAC. With the fringe cost the total personnel cost of the two requested FTE’s comes to \$165,937. In addition, the joint efforts listed above have ongoing operational costs that are required to continue the operations. The cost to continue to develop, maintain, and promote PalmettoPreK and First5SC, and the associated costs of operating the ECAC is \$685,080, which brings the total of this request is \$851,017.

*Please thoroughly explain the request to include the justification for funds, potential offsets, matching funds, and method of calculation. Please include any explanation of impact if funds are not received. If new positions have been requested, explain why existing vacancies are not sufficient.*

Agency Name:	First Steps		
Agency Code:	H620	Section:	1

## **FORM B1 – RECURRING OPERATING REQUEST**

<b>AGENCY PRIORITY</b>	3
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*Provide the Agency Priority Ranking from the Executive Summary.*

<b>TITLE</b>	<b>Local Partnership Funding</b>
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*Provide a brief, descriptive title for this request.*

<b>AMOUNT</b>	<b>General: \$2,263,714</b>  <b>Federal: \$0</b>  <b>Other: \$0</b>  <b>Total: \$2,263,714</b>
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*What is the net change in requested appropriations for FY 2023-2024? This amount should correspond to the total for all funding sources on the Executive Summary.*

<b>NEW POSITIONS</b>	0.00
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*Please provide the total number of new positions needed for this request.*

<b>FACTORS ASSOCIATED WITH THE REQUEST</b>	<b>Mark "X" for all that apply:</b>	
	<input checked="" type="checkbox"/>	Change in cost of providing current services to existing program audience
	<input type="checkbox"/>	Change in case load/enrollment under existing program guidelines
	<input type="checkbox"/>	Non-mandated change in eligibility/enrollment for existing program
	<input type="checkbox"/>	Non-mandated program change in service levels or areas
	<input type="checkbox"/>	Proposed establishment of a new program or initiative
	<input type="checkbox"/>	Loss of federal or other external financial support for existing program
	<input type="checkbox"/>	Exhaustion of fund balances previously used to support program
	<input type="checkbox"/>	IT Technology/Security related
	<input type="checkbox"/>	Consulted DTO during development
<input type="checkbox"/>	Related to a Non-Recurring request – If so, Priority #	

<b>STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES</b>	<b>Mark "X" for primary applicable Statewide Enterprise Strategic Objective:</b>	
	<input checked="" type="checkbox"/>	Education, Training, and Human Development
	<input type="checkbox"/>	Healthy and Safe Families
	<input type="checkbox"/>	Maintaining Safety, Integrity, and Security
	<input type="checkbox"/>	Public Infrastructure and Economic Development
<input type="checkbox"/>	Government and Citizens	

<b>ACCOUNTABILITY OF FUNDS</b>	1.1.2 High-intensity parenting program improvements in parent-child interactions 1.2.1 Percent of children in need served directly by Local Partnerships 1.2.2 Percent of children served directly in high intensity programs from Local Partnerships 1.3.1 Distribution of Profile of the Ready Kindergartner – Copies Distributed 1.3.2 Increase followers of web portals, SC First Steps, Palmetto Pre-K, First5SC, and ECAC 2.2.1 Increase % of children in child care centers where quality enhancement and training is provided 2.2.2 Increase the hours of on-site technical assistance provided to child-care centers 3.1.1 Proportion of service targets reached 3.1.2 Number of AmeriCorps members recruited 3.2.1 Reduce the racial/ethnic gap of children ready for kindergarten (KRA) 3.2.2 Increase the % of children ready for kindergarten (KRA) total and by demographic breakdown
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Funds would be used to support additional formula funding to offset the reduction in services due to increasing cost and to incentivize the regionalization of local partnerships.

*What specific strategy, as outlined in the most recent Strategic Planning and Performance Measurement template of agency's accountability report, does this funding request support? How would this request advance that strategy? How would the use of these funds be evaluated?*

## RECIPIENTS OF FUNDS

Local Partnerships would receive the \$2,263,714 through their formula funding to offset the reduction in services funded through state funds due to increasing costs. Some of the funds would be used to incentivize the regionalization of local partnerships. These incentives would be provided based on a plan to regionalize approved by the SC First Steps Board of Trustees.

*What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?*

## JUSTIFICATION OF REQUEST

Over the last seven years, the cost for providing services through the local partnerships has increased at least 13.95%, while the formula funding from the state has remained flat. During this time, SC First Steps has worked to provide limited time grants in order to increase the number of services that can be provided. In addition, \$3 million in READY Grants were provided by the state for infrastructure and capacity, as well as to increase the number of services that can be provided in the most recent fiscal year. This has helped but has not solved the problem of having too few funds to meet the needs of early education in our state. With the addition of the READY funds and federal grants we were able to obtain, we are only able to directly serve less than half of the children in need. This leaves the local partnerships grossly underfunded to meet the needs of the children in our state that need help in getting ready for school. In order to both provide a steady base funding for the local partnerships to cover their increases in cost and to keep from decreasing funding for services, we are requesting \$2,263,714 in recurring general funding.

In addition, we are planning to obligate some of these recurring funds to incentivize the local partnerships to regionalize in areas that add economic efficiencies.

The total amount of this request is \$2,263,714.

*Please thoroughly explain the request to include the justification for funds, potential offsets, matching funds, and method of calculation. Please include any explanation of impact if funds are not received. If new positions have been requested, explain why existing vacancies are not sufficient.*

Agency Name:	First Steps		
Agency Code:	H620	Section:	1

## **FORM B1 – RECURRING OPERATING REQUEST**

<b>AGENCY PRIORITY</b>	<b>4</b>
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*Provide the Agency Priority Ranking from the Executive Summary.*

<b>TITLE</b>	<b>Child Care Quality and Parenting</b>
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*Provide a brief, descriptive title for this request.*

<b>AMOUNT</b>	<b>General: \$172,382</b>  <b>Federal: \$0</b>  <b>Other: \$0</b>  <b>Total: \$172,382</b>
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*What is the net change in requested appropriations for FY 2023-2024? This amount should correspond to the total for all funding sources on the Executive Summary.*

<b>NEW POSITIONS</b>	<b>2.00</b>
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*Please provide the total number of new positions needed for this request.*

<b>FACTORS ASSOCIATED WITH THE REQUEST</b>	<b>Mark "X" for all that apply:</b>	
	<input type="checkbox"/>	Change in cost of providing current services to existing program audience
	<input type="checkbox"/>	Change in case load/enrollment under existing program guidelines
	<input type="checkbox"/>	Non-mandated change in eligibility/enrollment for existing program
	<input type="checkbox"/>	Non-mandated program change in service levels or areas
	<input type="checkbox"/>	Proposed establishment of a new program or initiative
	<input checked="" type="checkbox"/>	Loss of federal or other external financial support for existing program
	<input type="checkbox"/>	Exhaustion of fund balances previously used to support program
	<input type="checkbox"/>	IT Technology/Security related
<input type="checkbox"/>	Consulted DTO during development	
<input type="checkbox"/>	Related to a Non-Recurring request – If so, Priority #	

<b>STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES</b>	<b>Mark "X" for primary applicable Statewide Enterprise Strategic Objective:</b>	
	<input checked="" type="checkbox"/>	Education, Training, and Human Development
	<input type="checkbox"/>	Healthy and Safe Families
	<input type="checkbox"/>	Maintaining Safety, Integrity, and Security
	<input type="checkbox"/>	Public Infrastructure and Economic Development
<input type="checkbox"/>	Government and Citizens	

<b>ACCOUNTABILITY OF FUNDS</b>	<p>1.1.2 Across high-intensity parenting program clients will improve in Parent-child interaction</p> <p>1.2.1 The percentage of children in need who are directly served will increase</p> <p>1.2.2 The percentage of children in high intensity programs will increase</p> <p>2.2.1 Increase % of children in child care centers where quality enhancement and training is provided</p> <p>3.2.1 Reduce the racial/ethnic gap of children ready for kindergarten (KRA)</p> <p>3.2.2 Increase the % of children ready for kindergarten (KRA) total and by demographic breakdown</p> <p>Funds would be used to fund two staff to ensure that SC First Steps and the Local Partnerships achieve the program and strategic goals mentioned above.</p>
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*What specific strategy, as outlined in the most recent Strategic Planning and Performance Measurement template of agency's accountability report, does this funding request support? How would this request advance that strategy? How would the use of these funds be evaluated?*

**RECIPIENTS OF FUNDS**

SC First Steps

*What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?*

**JUSTIFICATION OF REQUEST**

Funds would cover the cost of two employees whose funding is ending due to the loss of the Preschool Development Grant in April 2023. These are critical positions that support the implementation and provide oversight to Local Partnerships. They work to improve and ensure high quality in Evidence Based Quality Enhancement and Parenting Programs throughout the state. The two positions are Program Coordinator II's, and combine for a total of \$118,744 in personnel cost, with \$47,498 in Fringe costs for a total of \$166,242, with operating cost of \$6,140 which includes \$4,140 in travel, based on 600 miles per month per year, and \$2,000 in supplies and curriculum cost which is needed for quality improvement and training. This brings the total cost to \$172,382.

*Please thoroughly explain the request to include the justification for funds, potential offsets, matching funds, and method of calculation. Please include any explanation of impact if funds are not received. If new positions have been requested, explain why existing vacancies are not sufficient.*



Agency Name:	First Steps		
Agency Code:	H620	Section:	1

## **FORM B1 – RECURRING OPERATING REQUEST**

<b>AGENCY PRIORITY</b>	5
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*Provide the Agency Priority Ranking from the Executive Summary.*

<b>TITLE</b>	READY Grants FTE
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*Provide a brief, descriptive title for this request.*

<b>AMOUNT</b>	<p><b>General: \$0</b></p> <p><b>Federal: \$0</b></p> <p><b>Other: \$0</b></p> <p><b>Total: \$0</b></p>
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*What is the net change in requested appropriations for FY 2023-2024? This amount should correspond to the total for all funding sources on the Executive Summary.*

<b>NEW POSITIONS</b>	1.00
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*Please provide the total number of new positions needed for this request.*

<b>FACTORS ASSOCIATED WITH THE REQUEST</b>	<b>Mark "X" for all that apply:</b>	
	<input checked="" type="checkbox"/>	Change in cost of providing current services to existing program audience
	<input checked="" type="checkbox"/>	Change in case load/enrollment under existing program guidelines
	<input type="checkbox"/>	Non-mandated change in eligibility/enrollment for existing program
	<input type="checkbox"/>	Non-mandated program change in service levels or areas
	<input type="checkbox"/>	Proposed establishment of a new program or initiative
	<input type="checkbox"/>	Loss of federal or other external financial support for existing program
	<input type="checkbox"/>	Exhaustion of fund balances previously used to support program
	<input type="checkbox"/>	IT Technology/Security related
	<input type="checkbox"/>	Consulted DTO during development
<input type="checkbox"/>	Related to a Non-Recurring request – If so, Priority #	

<b>STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES</b>	<b>Mark "X" for primary applicable Statewide Enterprise Strategic Objective:</b>	
	<input checked="" type="checkbox"/>	Education, Training, and Human Development
	<input type="checkbox"/>	Healthy and Safe Families
	<input type="checkbox"/>	Maintaining Safety, Integrity, and Security
	<input type="checkbox"/>	Public Infrastructure and Economic Development
	<input type="checkbox"/>	Government and Citizens

<b>ACCOUNTABILITY OF FUNDS</b>	There are no funds requested as part of this item.
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*What specific strategy, as outlined in the most recent Strategic Planning and Performance Measurement template of agency's accountability report, does this funding request support? How would this request advance that strategy? How would the use of these funds be evaluated?*

<b>RECIPIENTS OF FUNDS</b>	There are no funds requested as part of this item.
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*What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?*

**JUSTIFICATION OF  
REQUEST**

The General Assembly provided \$3 million in recurring funds for READY, a grants program supporting SC First Steps local partnerships in the 2022-23 state budget. 3% of that funding is appropriated for evaluating, monitoring and managing these funds. This position would be posted as a BE30 Grants Administrator I at a hiring amount of \$61,323 with associated fringe. This cost will come out of the 3% already appropriated. This FTE's purpose will be to monitor, evaluate and manage the activities and services provided with these funds by the local partnerships.

*Please thoroughly explain the request to include the justification for funds, potential offsets, matching funds, and method of calculation. Please include any explanation of impact if funds are not received. If new positions have been requested, explain why existing vacancies are not sufficient.*

Agency Name:	First Steps		
Agency Code:	H620	Section:	1

## **FORM B1 – RECURRING OPERATING REQUEST**

<b>AGENCY PRIORITY</b>	6
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*Provide the Agency Priority Ranking from the Executive Summary.*

<b>TITLE</b>	<b>Full Day 4K (CDEPP)</b>
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*Provide a brief, descriptive title for this request.*

<b>AMOUNT</b>	<b>General: \$5,219,976</b>  <b>Federal: \$0</b>  <b>Other: \$0</b>  <b>Total: \$5,219,976</b>
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*What is the net change in requested appropriations for FY 2023-2024? This amount should correspond to the total for all funding sources on the Executive Summary.*

<b>NEW POSITIONS</b>	0.00
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*Please provide the total number of new positions needed for this request.*

<b>FACTORS ASSOCIATED WITH THE REQUEST</b>	<b>Mark "X" for all that apply:</b>	
	<input checked="" type="checkbox"/>	Change in cost of providing current services to existing program audience
	<input checked="" type="checkbox"/>	Change in case load/enrollment under existing program guidelines
	<input type="checkbox"/>	Non-mandated change in eligibility/enrollment for existing program
	<input type="checkbox"/>	Non-mandated program change in service levels or areas
	<input type="checkbox"/>	Proposed establishment of a new program or initiative
	<input type="checkbox"/>	Loss of federal or other external financial support for existing program
	<input type="checkbox"/>	Exhaustion of fund balances previously used to support program
	<input type="checkbox"/>	IT Technology/Security related
	<input type="checkbox"/>	Consulted DTO during development
<input type="checkbox"/>	Related to a Non-Recurring request – If so, Priority #	

<b>STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES</b>	<b>Mark "X" for primary applicable Statewide Enterprise Strategic Objective:</b>	
	<input checked="" type="checkbox"/>	Education, Training, and Human Development
	<input type="checkbox"/>	Healthy and Safe Families
	<input type="checkbox"/>	Maintaining Safety, Integrity, and Security
	<input type="checkbox"/>	Public Infrastructure and Economic Development
	<input type="checkbox"/>	Government and Citizens

<b>ACCOUNTABILITY OF FUNDS</b>	<p>This funding supports the following strategies: 1.1.1, 1.2.1, 1.3.2, 1.3.3, 2.1.1, 2.1.2, 2.1.3, 2.2.1, 2.2.2, 3.2.1, 3.2.2, 4.1.1. This amount would provide for the full implementation on a recurring basis for state wide expansion of 4K through First Steps. The funds would be used to cover the tuition costs for the children to be served. These services are evaluated annually by multiple assessments including pre and post services, as well as the Kindergarten Readiness Assessment, annual Education Oversight Committee evaluations, and regular 3rd party independent program evaluations.</p>
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*What specific strategy, as outlined in the most recent Strategic Planning and Performance Measurement template of agency's accountability report, does this funding request support? How would this request advance that strategy? How would the use of these funds be evaluated?*

<b>RECIPIENTS OF FUNDS</b>	<p>Funds would be distributed based on current statutes and provisos as well as SC First Steps 4K operating policies. Minimum rates are established in proviso and paid to Child Care contractors that meet the SC First Steps program operating policies and quality standards.</p>
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*What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?*

**JUSTIFICATION OF  
REQUEST**

During the 2021-22 state fiscal year, the full cost of statewide implementation of the 4K program was appropriated to SC First Steps. \$5,219,976 of the total needed was appropriated as a one time amount. These funds are required to be recurring in order to cover the annual cost of statewide implementation. This was based on the estimated 4,388 students projected in the First Steps 4K Program for statewide needs which was developed by the Office of Fiscal Affairs during their fiscal impact of the expansion. Our request is to receive this amount as recurring funds to cover the annual costs of the program.

During the height of the COVID-19 pandemic, the 4K providers struggled with many issues, including retention and recruitment of staff. This slowed down the statewide expansion. As we regain growth, these funds will be needed to cover our costs.

*Please thoroughly explain the request to include the justification for funds, potential offsets, matching funds, and method of calculation. Please include any explanation of impact if funds are not received. If new positions have been requested, explain why existing vacancies are not sufficient.*

# **FORM D – PROVISO REVISION REQUEST**

**NUMBER**

NEW

*Cite the proviso according to the renumbered list (or mark "NEW").*

**TITLE**

SDE:First Steps Transfer Plan

*Provide the title from the renumbered list or suggest a short title for any new request.*

**BUDGET PROGRAM**

VIII, Education Improvement Act, I First Steps to School Readiness, XIII First Steps to School Readiness

*Identify the associated budget program(s) by name and budget section.*

**RELATED BUDGET REQUEST**

N/A

*Is this request associated with a budget request you have submitted for FY 2023-2024? If so, cite it here.*

**REQUESTED ACTION**

Add

*Choose from: Add, Delete, Amend, or Codify.*

**OTHER AGENCIES AFFECTED**

State Department of Education, Department of Administration, Executive Budget Office

*Which other agencies would be affected by the recommended action? How?*

**SUMMARY & EXPLANATION**

Proviso would allow the Office of First Steps to work with various departments to evaluate and develop a plan to operate independently from the Department of Education. It requires a report to be submitted to the Chairman of the Senate Finance Committee, the Chairman of the House Ways and Means Committee and the Governor.

*Summarize the existing proviso. If requesting a new proviso, describe the current state of affairs without it. Explain the need for your requested action. For deletion requests due to recent codification, please identify SC Code section where language now appears.*

**FISCAL IMPACT**

The proviso has a minimal fiscal impact and can be absorbed by the agency, as this is only the development of the plan and a report on the plan. There may be a fiscal impact from the plan once it is developed.

*Provide estimates of any fiscal impacts associated with this proviso, whether for state, federal, or other funds. Explain the method of calculation.*

**PROPOSED  
PROVISO TEXT**

**NEW.** *(SDE: First Steps Transfer Plan) The Office of First Steps shall work with the Department of Administration, Executive Budget Office, in consultation with the Department of Education, to develop a plan to operate independently from the Department of Education. The plan should include, but is not limited to, proposed program structure, the amount of personal services, operating expenses, employer contributions funding which shall be transferred from the Department of Education, and personnel required to perform human resource and accounting functions. A report shall be submitted to the Chairman of the Senate Finance Committee, the Chairman of the House Ways and Means Committee, and the Governor by December 1, 2023.*

*Paste existing text above, then bold and underline insertions and strikethrough deletions. For new proviso requests, enter requested text above.*

# **FORM D – PROVISO REVISION REQUEST**

**NUMBER**

1.48 &amp; 1A.

*Cite the proviso according to the renumbered list (or mark "NEW").***TITLE**

SDE: Full-Day 4K

*Provide the title from the renumbered list or suggest a short title for any new request.***BUDGET PROGRAM**

VIII, Education Improvement Act, I First Steps to School Readiness, XIII First Steps to School Readiness

*Identify the associated budget program(s) by name and budget section.***RELATED BUDGET REQUEST**

N/A

*Is this request associated with a budget request you have submitted for FY 2023-2024? If so, cite it here.***REQUESTED ACTION**

Amend

*Choose from: Add, Delete, Amend, or Codify.***OTHER AGENCIES AFFECTED**

Department of Education

*Which other agencies would be affected by the recommended action? How?***SUMMARY & EXPLANATION**

Proviso specifies the requirements and limitations on the expenditure of funds for the Full-Day 4K Program. (CERDEP). Requested changes build on changes made during the 2022-23 fiscal year. These include

1. Deleting the language indicating "Beginning with the current fiscal year," as this is not the first year that the licensing requirement is not required for public schools and non-profit independent schools.
2. Updates the instructional costs from \$4,800 to the current rate of \$5,100. Also updates the transportation reimbursement from \$587 to the current rate of \$620.
3. Establishes the amount of \$1000 per child for materials and equipment funding as a minimum, not a max. This item would also set the \$10,000 as a minimum for a classroom of at least 7 children. The previous amount will not provide enough funding to provide for the needs in a classroom. The amount has never been updated since CERDEP began in 2006. The actual cost of providing this material is approximately \$15,000 per classroom.
4. Updates the language from child care centers to providers. SC First Steps provides tuition for child care centers, military child care centers, and non-profit independent schools.
5. Increase the limitation on one-time supplemental, needs-based incentive grants from \$100,000 to \$250,000 per year. These grants would only be awarded based on critical needs.



6. Delete the Public-Private Partnership pilot language which allows up to \$1 million to be expended. This provision is no longer needed.

7. Delete the COVID-19 section as it will not be needed in 2023-24.

8. Adds PalmettoPreK and First5SC as the method to inform parents of all of the publicly funded full-day 4K programs including Head Start.

*Summarize the existing proviso. If requesting a new proviso, describe the current state of affairs without it. Explain the need for your requested action. For deletion requests due to recent codification, please identify SC Code section where language now appears.*

## FISCAL IMPACT

The fiscal impact for item 1 would be a maximum of an additional \$445,000, based on the current cost of providing materials and equipment for the classrooms. We are currently covering this amount from carry forward funding. The fiscal impact for item 2 would be a maximum of \$150,000. Together the total potential fiscal impact would be \$595,000 which can be absorbed with the current level of funding and carryforward.

*Provide estimates of any fiscal impacts associated with this proviso, whether for state, federal, or other funds. Explain the method of calculation.*

**1.48 & 1A.26** (SDE: Full-Day 4K) Beginning with the current fiscal year, eligible students residing in any school district may participate in the South Carolina Early Reading Development and Education program (CERDEP) pending the availability of space and funding. Student eligibility as defined by Section 59-156-130 of the 1976 Code is an annual family income of one hundred eighty-five percent or less of the federal poverty guidelines as promulgated annually by the United States Department of Health and Human Services or a statement of Medicaid eligibility. A parent or guardian may choose to enroll their child in a public school participating in the program and approved by the Department of Education pursuant to Section 59-156-210 or in a private provider participating in the program and approved by the Office of First Steps pursuant to Section 59-156-200. A private provider includes, but is not limited to, a child care center, a military child care facility regulated by the United States Department of Defense, or a non-profit independent school. State funds appropriated for the provision of CERDEP services in military child care facilities may not be used to supplant existing federal child care funds. ~~Beginning with the current fiscal year,~~ 4K programs in public schools and non-profit independent schools participating in CERDEP are not required to be approved, registered, or licensed by the Department of Social Services in order to participate in CERDEP. Instead, the Department of Education and the Office of First Steps are responsible for ensuring that providers deliver high-quality educational programs pursuant to Section 59-156-160. Public and private providers shall be funded for instructional costs at a minimum rate of ~~\$5,100~~~~\$4,800~~ per student enrolled. Eligible students enrolling during the school year or withdrawing during the school year shall be funded on a pro rata basis determined by the length of their enrollment. Private providers transporting eligible children to and from school shall also be eligible for reimbursement at a minimum of ~~\$620~~~~\$587~~ per eligible child transported. First Steps and the Department of Education must provide an equitable distribution above the minimum between public and private providers. First Steps and the Department of Education must provide a quarterly report beginning October 1 detailing funding above the minimum made to any provider to the Governor, the Chairman of the Senate Finance Committee,

**PROPOSED  
PROVISO TEXT**

and the Chairman of the House Ways and Means Committee. All providers who are reimbursed are required to retain records as required by their fiscal agent. New providers participating for the first time in the current fiscal year and enrolling between one and six eligible children shall be eligible to receive **a minimum of up to \$1,000** per child in materials and equipment funding, with providers enrolling seven or more such children eligible for funding **at a minimum of not to exceed \$10,000**. The Department of Education and the Office of First Steps Readiness are authorized to utilize carry forward funds and federal funds to supplement the amount expended for materials and equipment. Providers receiving equipment funding are expected to participate in the program and provide high-quality, center-based programs as defined herein for a minimum of three years. Failure to participate for three years will require the provider to return a portion of the equipment allocation at a level determined by the Department of Education and the Office of First Steps to School Readiness. Funding to providers is contingent upon receipt of data as requested by the Department of Education and the Office of First Steps. The Department of Education shall only provide funding for public school students whose complete records have been entered into PowerSchool based on the one hundred and thirty-five day student average daily membership. For the current fiscal year, providers may enroll pay-lunch children who score at or below the twenty-fifth national percentile on two of the three DIAL-3 subscales by July 1 if at least seventy-five percent of the total number of children eligible or the Child Early Reading Development and Education Program in a district or county are projected to be enrolled in that program, Head Start, or ABC Child Care Program as determined by the Department of Education and the Office of First Steps, Child Early Reading Development and Education Program. Providers may receive reimbursement for these children if funds are available. Funding appropriated for CERDEP may be carried forward and expended for the same purpose. Annually, the Department of Education is directed to audit the annual allocations to public providers to ensure that allocations are accurate and aligned to the appropriate pro rata per student allocation, materials, and equipment funding. In the event the department, during the audit process determines that the annual allocations of the prior fiscal year are not accurate, the department must adjust the allocations for the current fiscal year to account for the audit findings. The department must provide the results of the annual audit findings to the General Assembly no later than December first. Likewise, in the event the Office of First Steps determines that the annual allocations of the prior fiscal year to private providers are not accurate, the Office of First Steps must adjust the allocations for the current fiscal year to account for the findings. Of the funds appropriated, \$300,000 shall be allocated to the Education Oversight Committee to conduct an annual evaluation of the South Carolina Child Development Education Pilot Program and to issue findings in a report to the General Assembly by March first of each year. To aid in this evaluation, the Education Oversight Committee shall determine the data necessary and both public and private providers are required to submit the necessary data as a condition of continued participation in and funding of the program. This data shall include developmentally appropriate measures of student progress. Additionally, the Department of Education shall issue a unique student identifier for each child receiving services from a private provider. The Department of Education shall be responsible for the collection and maintenance of data on the public state funded full day and half-day four-year-old kindergarten programs. The Office of First Steps to School Readiness shall be responsible for the collection and maintenance of data on the state funded programs provided through private providers. The Education Oversight Committee shall use this data and all other collected and maintained data necessary to conduct a research based review of the program's implementation and assessment of student success in the early elementary grades along with information, recommendations, and a timeline for how the state can increase the number of students served in high-quality programs. For each school district that chooses not to participate in CERDEP, the district shall receive the same amount of EIA funds as allocated in the prior fiscal year for the provision of a half-day 4K program from the funds appropriated to the Department of Education for CERDEP or from any funds carried forward from the prior fiscal year to CERDEP. For eligible children residing in school districts that do not participate in CERDEP, the Department of Education is required to develop and implement inter-district transfer policies that give parents or guardians the option of their eligible child attending an out-of-district school that participates in CERDEP. For the current fiscal year, the Office of First Steps may expend: (1) up to \$2,000,000 to pilot a program to provide higher reimbursement rates to high-quality **providers** ~~child care centers~~. The reimbursement rate for students enrolled by ~~child care~~ providers rated B or higher in the ABC Quality System operated by the Department of Social Services may be increased by up to 10% of the per-student base following guidelines developed by the Office of First Steps; and (2) up to **\$250,000** ~~\$100,000~~ to provide one-time supplemental, needs-based incentive grants in an amount not to exceed \$30,000 for newly created and/or newly approved private providers proposing to expand service to ten or more CERDEP eligible children in communities unable to enroll all eligible students in a public, private, or Head Start setting during the prior fiscal year. These grants are designed to address building renovations, documented as necessary to bring proposed classrooms into compliance with licensing regulations, materials and staffing costs, and/or other obstacles currently preventing their participation in the program. The First Steps Board of Trustees shall develop and approve an application process that incorporates formal review and fiscal safeguards designed to ensure grant funds are used solely to address documented barriers to program participation. Providers receiving this one-time supplement shall be expected to participate in the program and provide high-quality, center-based programs as defined herein for a minimum of three years. Failure to participate for three years shall require the provider to return a portion of the supplemental allocation at a level determined by the Office of First Steps to School Readiness. First Steps shall submit a

report detailing its process, expenditures and expanded enrollment to the Chairman of the House Ways and Means Committee and the Chairman of the Senate Finance Committee by March 15.; and (3) up to \$1,000,000 may be used to provide grants to public-private partnerships to address building renovations and designs necessary to get the building and classrooms into compliance with licensing regulations and other obstacles that prevent participation in CERDEP following guidelines developed by the Office of First Steps. Providers participating in this pilot shall be expected to participate in the program and provide high-quality, center-based programs as defined herein for a minimum of three years. Failure to participate for three years shall require the provider to return a portion of the supplemental allocation at a level determined by the Office of First Steps. If by August first, the Department of Education or the Office of First Steps determines that appropriations will exceed expenditures, available funds may be used to fund an extended program and to increase the length of the program to a maximum of eight and a half hours per day or two hundred and twenty days per year or to fund summer programs. If a district chooses to fund summer enrollment, the program funding shall conform to the funding in this act for full year programs; however, it shall be reduced on a pro rata basis to conform with the length of the program. A summer program shall be no more than eight and a half hours per day and shall be not more than ten weeks in length. The per pupil allocation and classroom grant must conform with the appropriated amount contained in this act and end of year adjustments shall be based on the one hundred and thirty-five-day student average daily membership or later student average daily membership for districts choosing to extend the program past one hundred and eighty days. Funds may also be used to provide parent engagement, professional development and quality evaluations of programs. No later than April first, the Department of Education and the Office of First Steps shall report to the Chairman of the Senate Finance Committee and the Chairman of the House Ways and Means Committee on the expenditure of these funds to include the following information: the amount of money used and specific steps and measures taken to enhance the quality of the 4K program and the amount of money used for professional development as well as the types of professional development offered and the number of participants. The Office of First Steps is directed to determine if the provision of extended programs in private centers improves the ability of parents to enter the workforce or to pursue postsecondary training or industry credentials. On or before November 15, the Department of Education and the Office of First Steps shall share data that identifies the total number of children enrolled in CERDEP in both public and private providers. If available appropriations exceed the instructional costs of serving children enrolled in the program and if a waiting list of eligible children can be documented by the Department of Education and by the Office of First Steps, then the Executive Budget Office may authorize the transfer of funds between the Department of Education and the Office of First Steps. The Office of First Steps and the Department of Education shall collaborate with the South Carolina Head Start State Collaboration Office to inform parents of all publicly funded full-day 4K programs including Head Start **by participating in PalmettoPreK and First5SC**. For Fiscal Year 2022-23, in response to the COVID-19 crisis, children who were eligible to participate in the Child Early Reading Development and Education Program in the prior fiscal year but did not participate, shall be eligible to participate in the program during Fiscal Year 2022-23, subject to classroom availability and funding. Funding appropriated for CERDEP may be carried forward and expended for the same purpose.

*Paste existing text above, then bold and underline insertions and strikethrough deletions. For new proviso requests, enter requested text above.*

Agency Name:	First Steps		
Agency Code:	H620	Section:	1

## **FORM E – AGENCY COST SAVINGS AND GENERAL FUND REDUCTION CONTINGENCY PLAN**

<b>TITLE</b>	SC First Steps
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<b>AMOUNT</b>	\$293,213
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*What is the General Fund 3% reduction amount? This amount should correspond to the reduction spreadsheet prepared by EBO.*

<b>ASSOCIATED FTE REDUCTIONS</b>	No FTE's would be reduced. Any general fund reductions for staffing would be covered by other sources of funds.
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*How many FTEs would be reduced in association with this General Fund reduction?*

<b>PROGRAM / ACTIVITY IMPACT</b>	<p>The cuts would include the following reductions:</p> <p>Personnel \$8,525 with associated fringe of \$1,962. These cuts would be offset from other funds. The CDEPP (4K) Program would be reduced by \$192,726 which could result in a reductions of as many as 38 low income children in the program. The remaining amount, \$90,000 would be reduced from the READY Grants to the Local Partnerships, which could result in the reduction of as many as 900 children from various services being provided to low income children.</p> <p>Total reduction in Funding of \$293,213</p>
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*What programs or activities are supported by the General Funds identified?*

<b>SUMMARY</b>	<p>3% of the recurring General Funds would be <math>\\$9,773,753 \times .3 = \\$293,213</math> and would be broken down as follows. The Classified personnel are staff members at SC First Steps in various programs.</p> <ol style="list-style-type: none"> <li>1. Classified \$8,525</li> <li>2. Fringe \$1,962</li> <li>3. CDEPP (4K) \$192,726 Full day 4 year old kindergarten in private providers throughout the state.</li> <li>4. READY Local Partnership Grants \$90,000 Grants provided to Local Partnerships for direct evidence based services along with capacity and infrastructure.</li> </ol> <p>Total Funding \$293,213</p>
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*Please provide a detailed summary of service delivery impact caused by a reduction in General Fund Appropriations and provide the method of calculation for anticipated reductions. Agencies should prioritize reduction in expenditures that have the least significant impact on service delivery.*

**AGENCY COST  
SAVINGS PLANS**

None at this time.

*What measures does the agency plan to implement to reduce its costs and operating expenses by more than \$50,000? Provide a summary of the measures taken and the estimated amount of savings. How does the agency plan to repurpose the savings?*

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Agency Name:	First Steps		
Agency Code:	H620	Section:	1

## **FORM F – REDUCING COST AND BURDEN TO BUSINESSES AND CITIZENS**

<b>TITLE</b>	SC First Steps
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*Provide a brief, descriptive title for this request.*

<b>EXPECTED SAVINGS TO BUSINESSES AND CITIZENS</b>	SC First Steps does not assess fines or fees associated with its services. First Steps has no regulations on businesses or members of the public.
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*What is the expected savings to South Carolina's businesses and citizens that is generated by this proposal? The savings could be related to time or money.*

<b>FACTORS ASSOCIATED WITH THE REQUEST</b>	<b>Mark "X" for all that apply:</b>	
	<input type="checkbox"/>	Repeal or revision of regulations.
	<input type="checkbox"/>	Reduction of agency fees or fines to businesses or citizens.
	<input type="checkbox"/>	Greater efficiency in agency services or reduction in compliance burden.
	<input type="checkbox"/>	Other

<b>METHOD OF CALCULATION</b>	N/A
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*Describe the method of calculation for determining the expected cost or time savings to businesses or citizens.*

<b>REDUCTION OF FEES OR FINES</b>	N/A
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*Which fees or fines does the agency intend to reduce? What was the fine or fee revenue for the previous fiscal year? What was the associated program expenditure for the previous fiscal year? What is the enabling authority for the issuance of the fee or fine?*

<b>REDUCTION OF REGULATION</b>	N/A
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*Which regulations does the agency intend to amend or delete? What is the enabling authority for the regulation?*

<b>SUMMARY</b>	N/A
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*Provide an explanation of the proposal and its positive results on businesses or citizens. How will the request affect agency operations?*

<b>AGENCY NAME:</b>	South Carolina First Steps to School Readiness		
<b>AGENCY CODE:</b>	(H630) SC Dept. of Education	<b>SECTION:</b>	SC First Steps

**FORM D – PROVISO REVISION REQUEST**

<b>NUMBER</b>	<b>1.105</b>
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*Cite the proviso according to the renumbered list for FY 2020-21 (or mark "NEW").*

<b>TITLE</b>	<b>SDE: READY Program</b>
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*Provide the title from the FY 2019-20 Appropriations Act or suggest a short title for any new request.*

<b>BUDGET PROGRAM</b>	<b>Sec. 1, XIII First Steps to School Readiness, READY</b>
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*Identify the associated budget program(s) by name and budget section.*

<b>RELATED BUDGET REQUEST</b>	<b>No</b>
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*Is this request associated with a budget request you have submitted for FY 2020-21? If so, cite it here.*

<b>REQUESTED ACTION</b>	<b>Amend</b>
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*Choose from: Add, Delete, Amend, or Codify.*

<b>OTHER AGENCIES AFFECTED</b>	<b>None</b>
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*Which other agencies would be affected by the recommended action? How?*

<b>SUMMARY &amp; EXPLANATION</b>	<p>Proviso describes the implementation and restrictions on the READY Program funds allocated by the General Assembly. Establishes a competitive grant process implemented by the Board of Trustees, prioritizes children 0 to 3 in rural communities and in those with low KRA scores. Restricts counties from receiving more than 10% and allows SC First Steps to receive up to 3% for administering, monitoring and evaluating the grants. It also requires an annual report to be provided by June 30, of 2023.</p> <p>The requested change combines the annual report requirement with the statutory requirement that SC First Steps currently has to produce an annual report each year by Dec 1. This would allow the annual report to include the data associated with the READY reporting requirement as to prevent two annual reports while meeting all reporting requirements in one.</p>
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*Summarize the existing proviso. If requesting a new proviso, describe the current state of affairs without it. Explain the need for your requested action. For deletion requests due to recent codification, please identify SC Code section where language now appears.*



<b>AGENCY NAME:</b>	<b>South Carolina First Steps to School Readiness</b>		
<b>AGENCY CODE:</b>	<b>(H630) SC Dept. of Education</b>	<b>SECTION:</b>	<b>SC First Steps</b>

<b>FISCAL IMPACT</b>	<p>The change ensures there would be no fiscal impact from the reporting requirement, and depending on the implementation, may actually save money due to consolidated reporting.</p>
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*Provide estimates of any fiscal impacts associated with this proviso, whether for state, federal, or other funds. Explain the method of calculation.*

<b>PROPOSED PROVISO TEXT</b>	<p><b>1.105.</b> (SDE: READY Program) Funds for the Resources for Early Acceleration and Development in Youth (READY) program must be awarded by the South Carolina First Steps to School Readiness Board of Trustees to First Steps local partnerships through a competitive and targeted grants process. Grant awards must prioritize evidenced-based programs for children from birth through age three who live in rural communities and in communities where kindergarten readiness scores are consistently below the state average. Of the funds appropriated, no more than ten percent may be distributed to any one county, and no more than three percent may be retained by the Office of First Steps for administering, monitoring, and evaluating the program. An annual report on the state's investment in early learning and development must be provided by the Office of First Steps to the General Assembly and the Governor by <del>June 30,</del> <b><u>December 1,</u></b> 2023.</p>
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*Paste FY 2012-23 text above, then bold and underline insertions and strikethrough deletions. For new proviso requests, enter requested text above.*

	<b>First Steps to School Readiness</b>	
	<b>H620</b>	<b>SECTION:</b>

## **AGENCY'S DISCUSSION AND ANALYSIS**

### **South Carolina First Steps: Working Together So Every Child Reaches Their Highest Potential**

South Carolina First Steps is the state's only dedicated, comprehensive early childhood initiative focused on getting children ready for success in school and life. As both a state agency and a 501(c)(3) nonprofit, First Steps works with families, early educators, and partners statewide to support children from birth through age five to close the gap on student's preparedness for success in school. Since the beginning, we have taken a holistic approach to accomplishing our mission, offering services that improve children's health, strengthen families, expand access to quality early care and education, and help transition rising kindergartners into school.

To have the greatest impact on young children requires collaboration across public agencies, community-based entities, and the private sector at both the local and state level. First Steps local partnership boards include a cross section of key early childhood stakeholders who assess local early childhood needs and provide services to young children and their families. First Steps 4K is a partnership between the South Carolina First Steps and private and faith-based child care centers, charter schools and private schools. At the state level, First Steps operates the Early Childhood Advisory Council, the statutorily authorized structure for coordinating all of South Carolina's public investments in early childhood services, ensuring efficient use of federal, state and local funds, and building a cohesive system that ensures young children are healthy and safe, ready for school, and supported by engaged families and communities. Our trustees serve concurrently as ECAC members and our staff coordinates their collaborative efforts.

In FY22, South Carolina First Steps directly served 75,057 children birth through age five with programs that improve children's health, strengthen families, expand access to quality child care, increase participation in four-year-old kindergarten, and help transition rising kindergartners into school. The agency's work with child care teachers, early educators, and child care providers impacted an additional 50,000+ children whose teachers and caregivers participated in First Steps teacher training and child care quality enhancement programs.

Like recent fiscal years, First Steps experienced another year of significant programmatic growth, serving double the amount of children directly than last fiscal year. During FY22, First Steps...

- Served 75,057 children directly through our local partnerships and First Steps 4K (+102% over FY21)
- Enrolled 3,433 students in in-person, full-day 4K in 312 classrooms within private, non-profit, and faith-based First Steps 4K providers through the 180th day of school (+29% over FY21)
- Served 4,513 children in high-intensity programs through our local partnerships, which includes evidence-based home visiting and early care and education programs (+30% over FY21)
- Supported 1,415 rising kindergartners in their transition to school through the Countdown to Kindergarten program in summer 2021(+262% over FY21)
- Hosted over 4,461 hours of professional development for child care providers through on-site technical assistance via local partnerships (+116% over FY21)

### **Established New Programs and Initiatives**

- Received \$14.7 million over three years from the SC Department of Education through the Elementary and Secondary Schools Emergency Relief (ESSER) funding to...
  - Assist underserved students with school transition to kindergarten and Child Early Reading and Development Education Program (CERDEP) classes
  - Recruit and retain South Carolina First Steps CERDEP teachers

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- Provide summer and afterschool learning opportunities that leverage literacy with preschool-aged children throughout the state to accelerate learning
- Support parents in actively engaging in their child’s education through evidence-based parenting programs, included but not limited to Parents as Teachers (PAT) and Home Instruction for Parents of Preschool Youngsters (HIPPIY)
- Screen and identify early childhood health and development concerns early, provide support to parents to ensure optimal maternal and child health, and make referrals through Healthy Steps and PASOs
- Secured \$3 million in recurring General Funds to expand First Steps programs, the single largest increase to the local partnerships in the history of First Steps with support from Governor McMaster and bi-partisan legislative support from the General Assembly.
- Awarded \$282,731 in competitive early childhood innovation grants to seven local First Steps partnerships
  - Anderson County First Steps (\$11,374): to implement the Ready Rosie Active Family Engagement System in partnership with four Anderson County school districts (Anderson School Districts One, Two, Three, and Four).
  - Berkeley, Charleston, and Dorchester County First Steps (\$198,000 over two years): to support the Tri-County Pyramid Play Collaborative, a multi-faceted initiative that integrates the principles of the evidence-based Pyramid Model for supporting children’s healthy development into programs and services for young children and their caregivers.
  - Cherokee County First Steps (\$19,00 over two years): to implement the Reach Out Project, a county-wide community education and outreach initiative to provide Cherokee County families with the information they need to access available programs and services that support their child’s development and family well-being.
  - Chesterfield County First Steps (\$39,357 over two years): to establish a three-year-old classroom at Compass Point, a child development center operated by Chesterfield County First Steps on the campus of Northeastern Technical College that currently serves as a First Steps 4K center.
  - Colleton County First Steps (\$15,000 over two years): to create Bags for Babes, an outreach program to provide every Colleton County family with a child under 3 with information about developmental milestones and local services, as well as an age-appropriate book for the child to keep.
- Launched Connected Families in seven counties (Berkeley, Charleston, Colleton, Lexington, Richland, Pickens, and York) through a collaborative philanthropic investment of \$3.8 million over three years from the Duke Endowment and Doris Duke Charitable Foundation. Through Connected Families, Department of Social Services case workers refer families to a local First Steps, where they can participate in Parents as Teachers, an evidence-based home visitation program. Families who need additional support may receive Attachment and Biobehavioral Catch-Up (ABC) services. ABC is an in-home mental health intervention that is proven to increase parent sensitivity and promote positive parent-child interactions.
- Developed and launched Countdown to 4K. Modeled after the popular and successful Countdown to Kindergarten program, it pairs the child’s soon-to-be 4K teacher or teaching assistant with the child and parent for one-on-one sessions the summer before school starts. The Countdown teachers follow a curriculum and model activities to promote learning at home, provide high-quality learning materials, and – perhaps most importantly - create relationships for strong home-school connections.
- Developed and launched Catch-up to Kindergarten as a response to schools that told us that several students were entering kindergarten in turmoil due to the strains and isolation of the pandemic. Not only were they significantly lacking in learning skills, many were in emotional

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distress and needed additional support. The Countdown model was implemented in Fall 2021, after the start of school to bolster the children and parents during these difficult times.

- Conceptualized, developed, and implemented First Steps 4K + Siblings, an interagency, nationally-recognized innovation which braids state and federal funds and in this inaugural year resulted in 1,723 children being able to access this additional support for their and their siblings' enrollment in a high-quality child care program.

### **Expanded the Reach of our Existing Programs**

- Implemented the first year of statewide expansion of First Steps 4K successfully with 4,159 students served through day 220 (highest number ever) and expanded geographic accessibility and reach of the program.
- Expanded 4K in Underserved Communities through four grants totaling \$100,000
  - C.A.R.E. Academy, Charleston (\$20,000): to contribute towards remodeling construction of a building with a classroom to meet licensing requirements serving a class of ten four-year-olds.
  - New Generation Daycare and Learning Center, LLC, Greenville (\$30,000): to contribute towards construction of a building with a classroom to meet licensing requirements serving a class of twenty four-year-olds.
  - Plymouth Childcare Development Center, Charleston (\$20,000): to contribute towards construction of a bathroom to meet licensing requirements to serve a class of twenty four-year-olds.
  - This is My Child, Middle Tyger Community Center, Lyman (\$30,000): to contribute towards remodeling construction of a building with a classroom to meet licensing requirements serving a class of ten four-year-olds.
- Supported the opening of a 4K classroom at the Bethlehem Center in Spartanburg in November 2021. In 2020, First Steps awarded \$300,000 in state funds to The Bethlehem Center based on the community's plans to renovate an underutilized, city-owned building and establish a First Steps 4K program serving 18 children from the Highland community and surrounding areas.
- Granted \$17,664,476 to our network of 46 local First Steps partnerships. A combination of state, federal and private dollars, the funds will directly impact more than 30,000 children and will expand parenting programs, increase the quality of child care, support positive transitions between early childhood and elementary school and improve the health of South Carolina's youngest citizens.
  - \$14,435,228 in state funding to all 46 local First Steps partnerships.
  - \$3,229,248 in federal, state, and private funds in targeted and competitive grant funding to help 44 counties expand and add new programs that successfully prepare children for school.
- Had a successful second year of the First Steps AmeriCorps national service program. Highlights include:
  - 35 AmeriCorps members recruited, of which 27 (77%) completed their term of service
  - 20 sites participated in First Steps AmeriCorps, of which 18 (90%) were First Steps Local Partnerships
  - 17,782 hours were served by AmeriCorps members, of which 16,839.5 (95%) were direct service hours.
  - \$76,242 in Segal Education Awards were provided to members after completing their service term, which are used to pay student loan debt or upcoming tuition costs.
  - 90 volunteers supported the statewide MLK Week of Service project, where 198 First Steps 4K centers received a reading of the same book, 'Different' by Michael Buxton, and 3,600 copies of the book were distributed to First Steps 4K students.

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- 110 families were recruited for participation in Home Instruction for Parents of Preschool Youngsters, of which 66 (60%) families completed the program of at least 26 lessons.
- 337 families received a referral, screening, or attended a meeting facilitated by Family and Community Engagement members.
- 3,196 promotional materials were provided to families to promote school readiness, like the South Carolina, Profile of a Ready Kindergartner.

**Increased Competence and Confidence of Early Care and Education Workforce**

- Taught over 1,000 teachers of four-year-olds across the state at the virtual, two-day Palmetto Pre-K Jamboree with the theme, “Rooted in Nature: Inspiring Curiosity”
- Trained and oriented 248 total First Steps 4K directors, of which 105 (42%) were new, and 411 total First Steps 4K teachers, of which 125 (30%) were new, in a series of one to two day trainings in our First Steps 4K Academies in preparation for the 2021-22 school year.

**Released the State’s First Comprehensive Birth through Five Strategic Plan**

- Developed South Carolina’s inaugural Birth through Five Plan (2022-2027) over almost three years gathering voices from thousands of families, service providers, and leaders from a variety of sectors.
- Released the plan at a February 2022 press conference at the State House with Governor McMaster, Lieutenant Governor Evette, and all agency directors who serve on the ECAC and whose agencies participate in the Interagency Collaboration Committee.
  - Included four goal areas
    - South Carolina’s youngest children are healthy and safe. - 6 objectives with 17 strategies
    - South Carolina’s youngest children are actively supported by their families and communities. - 4 objectives with 12 strategies
    - South Carolina’s children arrive at school ready to reach their highest potential. - 4 objectives with 17 strategies
    - South Carolina’s early childhood system is aligned, coordinated, and family-centered. - 5 objectives with 16 strategies
  - Included seven “key measures of progress”

**Increased Reach and Collaborative Relationships with State and National Partners**

- Spoke as panelists on national stages
  - Martha Strickland, State Director of First Steps 4K, spoke at a national webinar presented by the Hunt Institute titled, “Supporting Children and Families through a Mixed-Delivery Pre-K System”. Other speakers included: Dr. Barbara Cooper (Secretary, Alabama Department of Early Childhood Education); Dr. W. Steven Barnett (Senior Co-Director, National Institute for Early Education Research); Dr. GG Weisenfeld (Senior Early Childhood Education Policy Specialist, National Institute for Early Education Research)
  - Georgia Mjartan, Executive Director of First Steps and the Early Childhood Advisory Council, spoke as a panelist for the Hunt Institute’s virtual “2021 Big Wins for Little Kids”. Other speakers included: Stephen Blanford (Director, Washington Children’s Alliance); Dr. Barbara Cooper (Secretary, Alabama Department of Early Childhood Education); Bill Jaeger (Vice President of Early Childhood and Policy Initiatives, Colorado Children’s Campaign); Chris Jones (Director of North Dakota Department of Human Services); Ted Lempert (President, Children Now); Representative Tana Senn (Chair of Children, Youth, and Families Committee,

	<b>First Steps to School Readiness</b>	
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Washington State Legislature); Stephanie Spencer (Executive Director, Urban Baby Beginnings)

- Rachal Hatton-Moore, Two-Generation Coordinator of the Early Childhood Advisory Council, served on a four state panel at the Education Commission of the States Kindergarten Transition Policy Symposium in Denver, CO to highlight the development of the SC Pre-K to K Transition Plan: Family Engagement, which is aligned with the SC Birth-Five Plan.
- Director Mjartan and Rachal Hatton-Moore highlighted the work of FirstFive SC on the nationally-distributed Preschool Development Grant Policy Matters Podcast
- Added to the Joint Citizens and Legislative Committee on Children as an ex-officio agency member.
- Supported the House Legislative Oversight process for the Department of Commerce by testifying before the Economic Development, Transportation, and National Resources and the Education and Cultural Subcommittees as members of the education to workforce pipeline.
- Visited our counterpart agency that we were initially modeled after, the North Carolina Partnership for Children, and have started working on collaborative initiatives.
- Received continued support from the Alliance for Early Success to partially fund a government affairs liaison position and to connect us with technical assistance from national experts.
- Communicated to internal and external stakeholders about South Carolina First Steps' strategic plan including mission, values and priorities. A national group funded by the federal Administration for Children and Families (Office of Child Care) sought permission from First Steps to use South Carolina First Steps' strategic plan as an example in the "Systems Building Resource Guide" published by the national Child Care State Capacity Building Center, which provides support and technical assistance to state child care administrators.
- Secured support from the Education Commission of the States to develop a PalmettoPreK Transition Plan to engage families in successfully supporting their child's transition from early childhood to Kindergarten.

**Enhanced the Public's Awareness of and Ability to Access our Programs**

- Developed and launched First Five SC, the state's single portal into publicly-funded early childhood programs and services across 10 state agencies and more than 60 different programs and services for young children (local, state, and federally funded). In the four and a half months since launch (February 17 – June 30, 2022), the site had 26,626 unique visitors and 69,003 page views. 2514 unique families completed the eligibility screener and of those who completed the screener, 83% were eligible for at least one program.
- Continued to lead the development, marketing, and interagency collaborative work driving the success of PalmettoPreK.org, South Carolina's single portal into all publicly-funded PreK programs for 3 and 4 year-olds. In FY2022, this included adding dozens of additional school districts (EIA and CERDEP funded) to the portal with targeted efforts to secure their participation. The site, which launched in February 2020, has now generated 114,923 unique visitors, 17,409 total leads, with 14,619 people children being eligible for at least one program, an 84% eligibility rate.
- Earned state and national media attention with at least 26 pieces of earned media, including television spots and newspaper articles.
- Deepened our partnership with SC ETV by collaborating on the *Countdown to Kindergarten* interstitial series, delivering messages to early learning families via Bright by Text, and producing an early learning focused episode of *Carolina Classrooms* called "First Five SC".
- Launched a tiered approach to this year's Countdown to Kindergarten, including:
  - Public Awareness. The #COUNTDOWNSC social media campaign directs families and communities to countdownsc.org, where they can find useful information to help prepare

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children for kindergarten. The new website includes tips and resources, a school directory, and calendar of local Countdown to Kindergarten events.

- Community Events. Across the state, communities hosted celebrations and learning opportunities for rising kindergartners and their families. SC First Steps partnered with 19 organizations to offer free events at locations including children’s museums, libraries, parks, schools, and community centers.
- Family Engagement. SC First Steps coordinates with local First Steps nonprofits and schools to provide one-on-one support for children who may be at-risk for academic challenges. The program connects 4K and 5K teachers with their incoming students and families during the summer before school, with five sessions in the home and a final visit in the kindergarten classroom. Specialized support is available for dual-language learners and children with disabilities. In 2022, approximately 400 teachers are expected to participate, serving up to 2500 children.
- Held the annual South Carolina Summit on Early Childhood with the theme, “From the Start: Prenatal to Three”. Highlights of the two-day, online event include:
  - 465 attendees
  - 22 presentation
  - 14 exhibitors
  - 1,890 chat messages
  - 1 Champion for Children, Debbie Robertson, who after over two decades of service to young children in South Carolina retired in July 2021 from First Steps
- Developed and successfully executed our inaugural fundraising event, “A Night to Celebrate Community” in Spring 2022, which attracted individual and corporate donations to fund local early childhood community needs. The event exceeded its goal of raising \$70,000, generating a net sufficient to fund each county partnership with an additional unrestricted grant award of over \$1,000.

**Centered Family and Client Voice**

- Measured the impact of First Steps 4K’s intervention on parents’ ability to return to work and / or school through direct participant surveying, results of which were so positive (70% can now work) that the Governor shared this data in his 2022 State of the State address.
- Continued establishing a culture of listening to and valuing "client voice" through the implementation of "Your Voice Matters," a surveying / continuous feedback loop process involving clients participating in First Steps local partnership programs and First Steps 4K programs. To date, 10 feedback loops have been completed on First Steps 4K, Parents as Teachers, Child Care Quality Enhancement, and Quality Counts with 2,368 individual survey responses from clients ranging from teachers and childcare directors to families. One-time grant funding from national funder Listen4Good ended on June 30, 2022, but the agency is committed to continuing these feedback loops and has developed a strong, ongoing partnership with Listen4Good that extends beyond the grant period.
- Put families at the center of our work, prioritizing their feedback and input in design, development, and continuous quality improvement. This included successfully completing 10 feedback loops of surveying with clients involved in First Steps programs (local partnership and 4K program) and conceptualizing, obtained funding for, and establishing South Carolina’s inaugural Family Voice Council, a leadership body created to provide a formal avenue for engagement, input, and feedback from participants and beneficiaries of public programs to the leadership of agencies responsible for administering those programs for children birth through five and their families. During this first full year of existence, the Family Voice Council consisted of 21 members from across the state and

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provided feedback and input on a variety of initiatives and state efforts including First5SC.org and South Carolina’s first interagency plan to ensure optimal engagement of families during the pivotal transition from early childhood into Kindergarten.

**Improved our Accountability and Transparency**

- Completed an all-team survey and meaning making focus groups with an external facilitator to understand the agency climate and culture. From the 56 respondents, we learned:
  - 53% highly recommended First Steps as a place to work to family and friends (20% increase from last year)
  - Over 90% of respondents agreed that First Steps is:
    - Family-friendly
    - A positive influence on professional growth
    - Encouraging the voices of families
    - Providing adequate feedback to employees
    - Providing fair and equitable compensation
  - About 50% of respondents agreed that First Steps:
    - Keeps them informed about important news and activities
    - Affirms diversity, equity, and inclusion
- Commissioned the Institute for Families in Society at the University of South Carolina to evaluate the reach and impact of our largest investment through local partnership state formula funding, Parents as Teachers (FY17-19). The study found:
  - 2,602 children from 2,150 families from 34 counties were served during the time period of interest
  - 85% of children were below the age of three at enrollment
  - 3.4 risk factors for early school failure were present per family on average
  - 61,969 total home visits were conducted for an average of 2.3 per family per month
  - Average parenting quality (+30%) and interactive reading (+9%) scores increased from the first assessment to the final assessment
  - Program participation was significantly related to school and well-child visit attendance rates
    - PAT program students were present for a significantly higher percentage of school days than their like-peers. On average, PAT students missed less than 6% of school days.
    - Children of PAT families who were enrolled in Medicaid attended the recommended number of well-child visits at a significantly higher rate than their like-peers. On average, PAT children met approximately half the recommended visits, while non-PAT children met only one-third.
- Secured the services of the Institute for Families in Society at the University of South Carolina to evaluate our local partnership’s child care technical assistance programs, which includes intensive, on-site coaching and child care training from FY19-21. The results of this evaluation will be provided to the SC General Assembly by November 1, 2022.
- Continued and improved upon regional meetings between local partnership board members and state board members after a successful first year. These meetings have provided helpful opportunities for connection, learning, and input. The 2022 sessions have also had an added component of soliciting feedback on reauthorization and the current legislation governing and defining First Steps.
- Concluded year one of development for the First Steps’ Knowledge, Information, and Teaming System, a program and case management system for 4K and local partnerships, with AnLar.



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- Proceeded on the development of the South Carolina Early Childhood Integrated Data System (SC ECIDS). As the governing body for SC ECIDS, in FY22, the ECAC:
  - Adopted key questions that focus on the state’s early childhood landscape providing distinct, unduplicated counts of children that are eligible and enrolled in early childhood programs, and how existing programs support children’s future success.
  - Adopted the Data Governance Charter to ensure that current and future early childhood integrated data initiatives follow a consistent framework, which outlines the scope of the SC ECIDS, roles and responsibilities of the ECAC, the Data Governance Work Groups, and individual members of the Work Groups, and the authority within the governing structure.

**Grew our Team**

- Increased our team from 52 to 68 full-time equivalents and leveraged other workforce and associated human capital contributions. Including all position types, there were 101 team members on June 30, 2022 out of 119 total positions, constituting a 15% vacancy rate. This included: 60 of 68 FTE’s; 27 out of 37 AmeriCorps positions; 2 out of 2 full-time, temporary, grant-funded positions, 4 out of 4 full time, time-limited positions; 1 full-time, temporary employee; and 7 interns.
- Welcomed an inaugural Government Affairs Liaison, Kaitlyn Richards. Prior to joining First Steps, Kaitlyn was most recently working as a legal clerk in the Pennsylvania State Senate.
- Onboarded three new Board members
  - Michelle Gough Fry, J.D., Ph.D., LL.M, State Director of the Department of Disabilities and Special Needs, by virtue of her position
  - Jacque Curtin, COO/CFO at the South Carolina Association of Certified Public Accountants, as a member of the business community
  - Representative Paula Calhoon, as a member of the House of Representatives
- Wished farewell to Representative Rita Allison as a Board member. After over a decade of service on the Board, Representative Allison delegated her seat to Representative Calhoon.

**Risk Assessment and Mitigation Strategies**

Should First Steps fail to meet its goals and objectives, South Carolina’s young children will be less prepared for success in school and life. But it doesn’t end there. The evidence-based strategies delivered by the initiative are documented by research to help reduce the occurrence of costly negative outcomes, including child abuse and neglect, poor health, special education placements, academic remediation, unemployment, incarceration and more. In this sense, the work of SC First Steps is not only advancing the long-term success and prosperity of its clients, but reducing substantial taxpayer burdens associated with a host of undesirable outcomes.

In order to promote success and mitigate against these negative outcomes, First Steps requires the ongoing support of its public and private partners, Governor McMaster, and the SC General Assembly.

To mitigate against this failure and better ensure the success of the First Steps initiative, policy makers might consider expanding the resources made available to local First Steps Partnerships – allowing for the expansion of evidence-based early childhood interventions proven to impact the long-term success and prosperity of their participants.

**SC First Steps FTE Summary**  
**4-Jan-2023**

FTE Summary

Program	Type	Filled	Vacant	Total
First Steps 4K	Permanent	25	3	28
Policy & Accountability	Permanent	21	6	27
Local Partnership Team	Permanent	11	2	13
Total		57	11	68



**SC First Steps**  
**Ending State Fund Cash Balances Last Two Years**  
**10-Jan-23**

<b>State Fiscal Year End</b>	<b>2022</b>	<b>2021</b>
EIA Funds	\$25,161,705	\$12,328,311
State General Funds	\$392,616	\$412,004
<b>Total Carry Forward Funds *</b>	<b>\$25,554,321</b>	<b>\$12,740,315</b>
<b>4K Program (Included in totals above)</b>	<b>2022</b>	<b>2021</b>
EIA Funds	\$15,642,422	\$3,292,446
State General Funds	\$160,019	\$118,250
<b>Total 4K Program *</b>	<b>\$15,802,441</b>	<b>\$3,410,696</b>

\* The 4K Program was supplemented with almost \$10 million in funds from federal sources since July 2020. We project over \$7 million of the current 4K Program cash balance to be eliminated by June 30, 2023.



# South Carolina First Steps FY 2023 – 2024 Budget Request

January 18, 2023



# Agency Attendees

Georgia Mjartan, Executive Director

Mark Barnes, Director of Administration

Kaitlyn Richards, Government Affairs Liaison



As the hub of early childhood services in every county, **First Steps Local Partnerships** give young children the best start to life by providing evidence-based programs in homes, childcares, schools, and clinics, sharing knowledge of community resources, and mobilizing partners.



**First Steps 4K** offers full-day, curriculum-driven, four-year-old kindergarten to eligible children in more than 250 private, nonprofit, and faith-based centers and schools across the state. With wrap-around and sibling care, the whole family benefits from First Steps 4K.



The **Early Childhood Advisory Council** coordinates public investments in early childhood statewide, building a cohesive and efficient system so young children are healthy and safe, ready for school and actively supported by their families and communities.

# FY2022 – Impacting More Children Than Ever Before



**57,435**

children directly served (+55%)

**50,000+**

children impacted by child care quality enhancement and teacher training



# Budget Requests



# Unfunded Personnel Cost Increases

## Priority 1

**Request:** \$455,392 in recurring funds

Provide recurring funding to cover the cost increases to Education Improvement Act Funds from recurring cost increases in Retirement, Health Insurance Costs, and Across the Board Increases for staff for the last 5 years. Education Improvement Act Funds are not increased when the costs are increased which has resulted in a recurring deficit of this amount in accounts related to personnel.

# Early Childhood Advisory Council

## Priority 2

**Request:** \$851,017 in recurring funds


The Early Childhood Advisory Council (ECAC) is the statutorily required structure for coordinating South Carolina's public investments in early childhood services, ensuring efficient use of state and federal funds, and building a cohesive system that ensures young children are healthy and safe, ready for school, and actively supported by their families and communities.

The ECAC has established ground-breaking efforts to improve the early childhood system in the state, but with the exception of \$105,000, all of the ECAC's work has been funded by grant, most notably the Preschool Development Grant, which ends in FY2022.

This request is necessary to sustain: joint agency web-based eligibility and application portals (First5SC.org and PalmettoPreK), integrated data sharing and visualization initiatives, interagency collaboration, statewide early childhood needs assessments, a unified Birth through Five Plan, two-generation initiatives, and more. Also included in this request are two FTE's, who, together with the Program Manager, support the work of the ECAC (and are currently funded by a grant that ends this fiscal year).

# Flow of State and Federal Funds into the South Carolina Early Childhood State System

Federal Funds Direct to 25 Local Counties



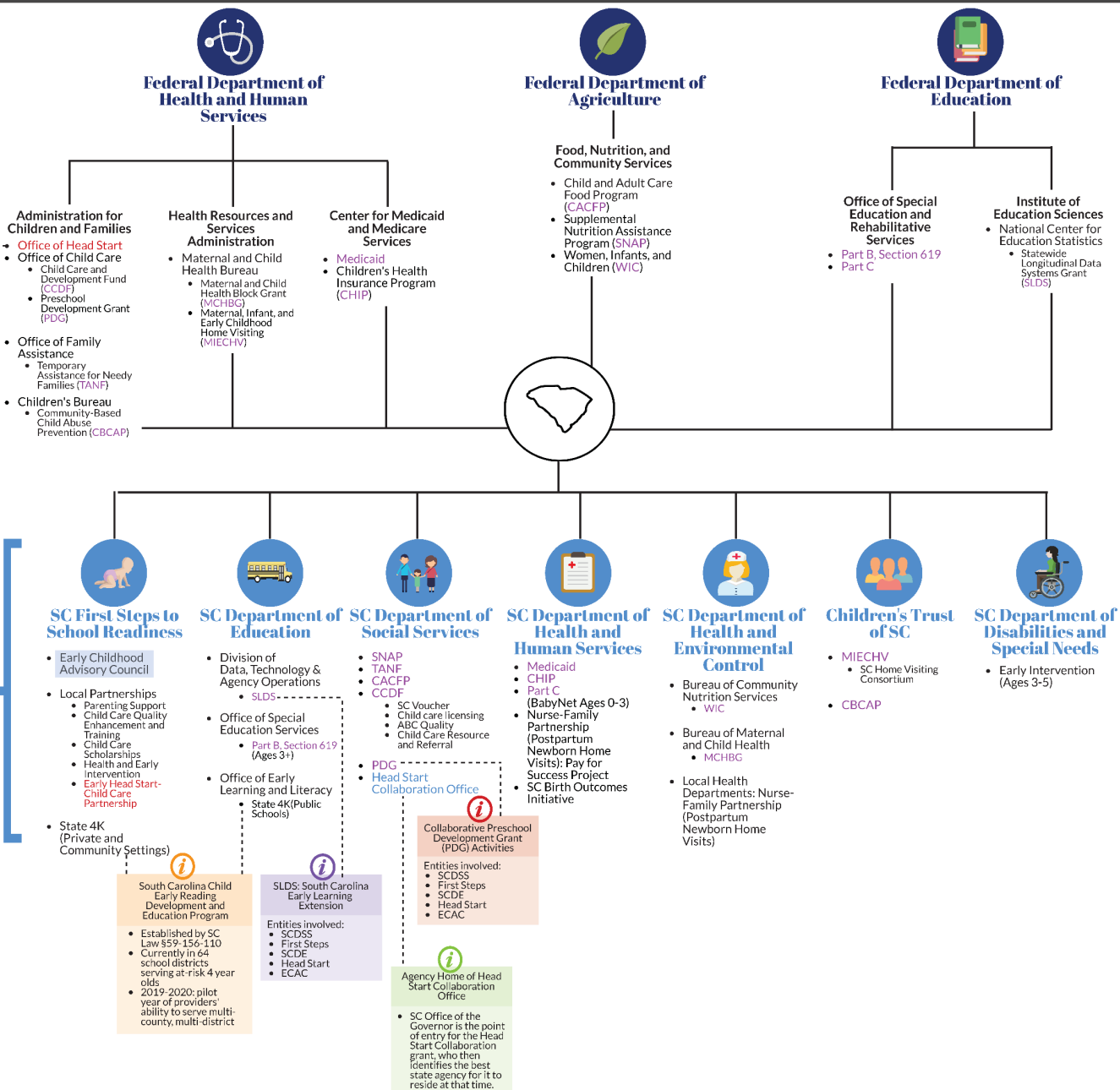
Established by SC Law §63-11-1725 in 2007 to comply with federal law that requires each state to have an early childhood advisory council

- Each entity included here in light blue is a legislatively (§63-11-1720) mandated member of the ECAC
- The agency home of the ECAC is First Steps



### Local Head Start Programs

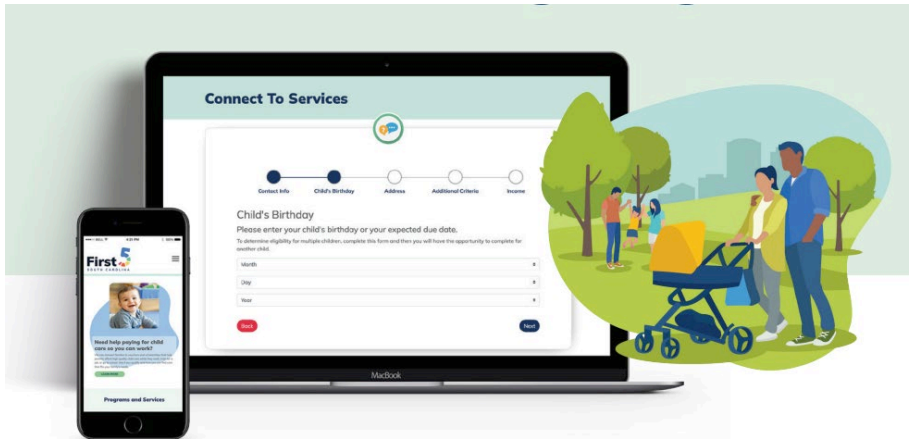
- Preschool Head Start
- Early Head Start
- Migrant Head Start
- American Indian Head Start
- Early Head State-Child Care Partnerships





## Find the support your child needs from birth through age five

Check your eligibility for over 40 programs  
and services across 10 state agencies



Child Care & Early  
Education



Health & Safety



Special Needs & Early  
Intervention



Food & Nutrition



Parenting & Family  
Support

[first5sc.org](http://first5sc.org)

# Impact of First5SC.org



**Feb. 1 – Dec. 31, 2022**

**95,807** unique visitors

**8,537** unique families completed eligibility screener

**78%** of families who completed screener were eligible for at least one program

**214,809** page views

# Palmetto Pre-K



Increasing access, family engagement, and quality in South Carolina's publicly-funded Pre-K programs.



**WEB PORTAL**



**SUPPORT FOR TRANSITIONS**



**PROFESSIONAL DEVELOPMENT**

**Feb. 1, 2020 – Dec. 31, 2022**

**142,949** unique visitors

**20,415** unique families completed eligibility screener

**83%** of families who completed screener were eligible for at least one PreK program

Head Start: 8,376

Public School 4K: 7,866

First Steps 4K: 5,357

SC Voucher: 2,927



South Carolina  
**Early Childhood  
Advisory Council**

# Local Partnership Funding

## Priority 3

**Request:** \$2,263,714 in recurring funds

Since 2017, the cost of services provided through our Local Partnerships has increased almost 14%. They have not received any increases in general operating funds through their formula funding since that time. This has resulted in decreases in services and difficulty in recruiting and retaining qualified staff as well as maintaining offices for services.

\$3 million in READY Grants were provided by the state but this has not fully solved the problem of having too few funds to meet the needs of early education in our state.

These funds would stabilize the services being provided and ensure access for many of the families being served. In addition to providing enough funds to stabilize the services, some of these funds would be used to provide recurring incentivization for regionalization of local partnerships.

First Steps **Local Partnership services work.** Children who received **First Steps' Local Partnership services** were...



**74% more likely**  
to score at the highest level on the  
Kindergarten Readiness Assessment



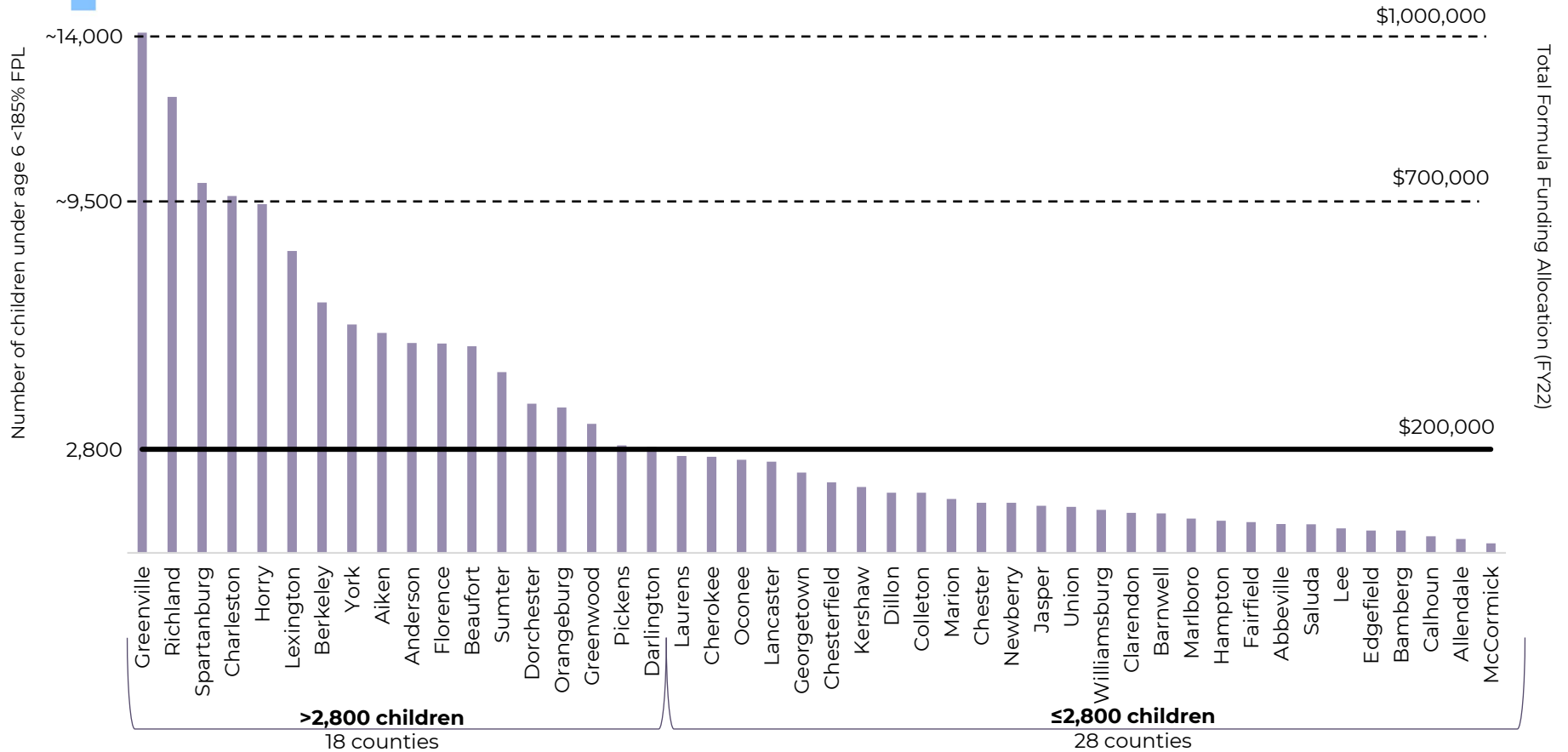
**34% less likely**  
to be chronically absent in  
kindergarten

...than their like peers who did not receive these services.

External Evaluation of First Steps Local Partnerships from FY2014 through FY2018. University of South Carolina Institute for Families in Society (October 2019).



# 28 First Steps Local Partnerships receive only \$200,000 in state formula funding.



Additional allocation based on county's proportion of remaining children <age 6 <185% FPL over 2,800

# Child Care Quality and Parenting

## Priority 4

**Request:** \$172,382 in recurring funds

These funds would cover the cost of two critical FTE's that provide support for the implementation of evidence-based Quality Enhancement and Parenting Programs. These are two of the largest and most important program areas for the Local Partnerships.

These two positions are currently funded under the Federal Preschool Development Grant that ends this fiscal year. The positions are Program Coordinator II's and the personnel costs combined with fringe comes to \$166,242 per year. In addition, \$6,140 in operating funds are needed to cover their travel costs and the costs of curriculum and supplies.

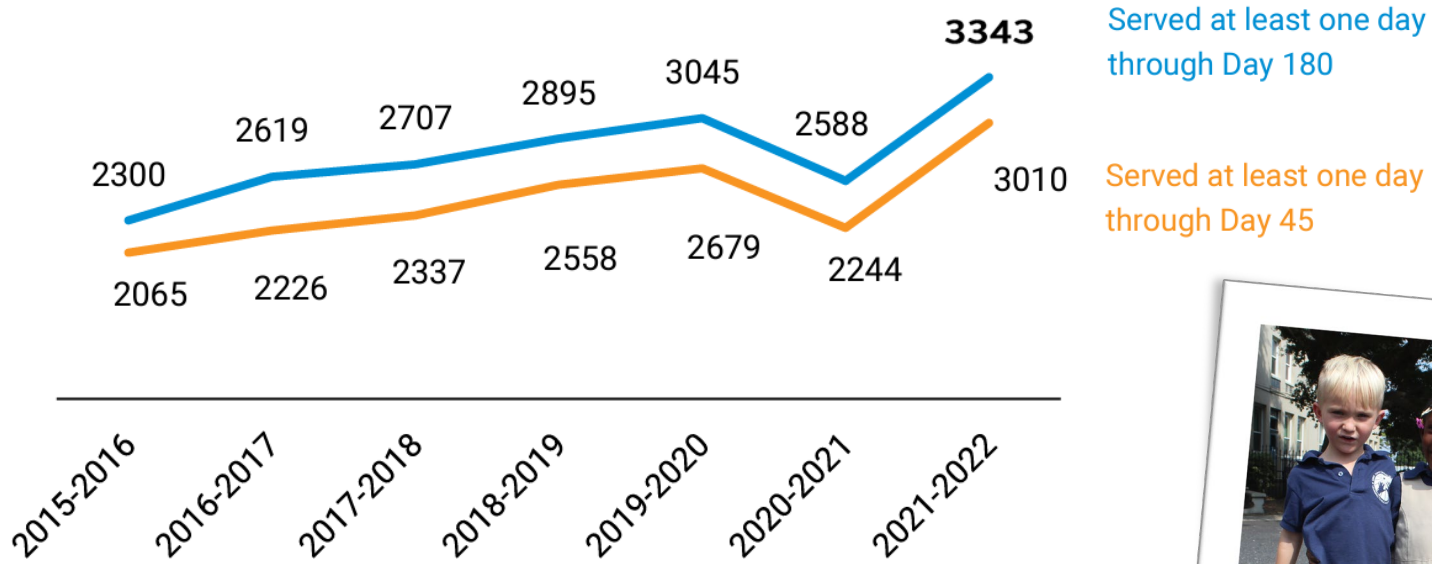
# READY Grants

## Priority 5

**Request:** No funding is requested

Request is for one FTE to evaluate, monitor and manage the READY Grants that were appropriated in the 2022-23 fiscal year. This position would be posted as a Grants Administrator I. The cost of this position will come out of the 3% of the READY Grant funds that was approved for this purpose.

**First Steps 4K** is reaching more children than ever before while enabling parents to go to work or school.



**29%+**

More children enrolled in First Steps 4K than in the previous fiscal year (FY21)



# First Steps 4K

## Priority 6

**Request:** \$5,219,976 in recurring funds

During the 2021-22 state fiscal year, the General Assembly appropriated funds to cover the full cost of statewide expansion of the 4K program. \$5,219,976 of the total needed was appropriated as a one-time amount to SC First Steps. These funds are required to be recurring in order to cover the annual cost of statewide implementation.

The SC Revenue and Fiscal Affairs Office computed 4,388 students as the estimated number of participants required for full statewide expansion of First Steps 4K.

# Proviso Revision Request: 1.48 & 1A.26

## SDE EIA: Full Day 4K

### Request:

- Increases the minimum amount of tuition from \$4,800 to \$5,100 which is the current amount reimbursed.
- Increases the minimum amount of reimbursement for transportation cost to \$620, which is the current amount reimbursed.
- Establishes the amount of \$1,000 per child for materials and equipment for classrooms as a minimum, not a maximum. Also establishes the \$10,000 per classroom as a minimum. The current cost per classroom is \$15,000.
- Increases the limitation on one-time supplemental, needs-based incentive grants from \$100,000 to \$250,000.
- Make minor changes in language for clarity and deletes sections that are no longer needed.
- Adds PalmettoPreK and First5SC as the method to inform parents of all of the publicly funded full-day 4K programs including Head Start.

Sign up today for

# FREE

## FOUR-YEAR-OLD KINDERGARTEN



**4K**  
**FIRST STEPS**  
**+SIBLINGS**



Apply Online:  
[FREE4KSC.ORG](http://FREE4KSC.ORG)

**NEW! +SIBLINGS - FREE CARE & EDUCATION FOR THE WHOLE FAMILY**

In partnership with  
**SC Voucher**  
*A program of SCDSS*

**FIRST  
STEPS**  
SOUTH CAROLINA

# Proviso Revision Request: 1.105

## SDE: READY Program

Request: Amending the annual report deadline from June 30 to December 1.

The requested change would combine the annual report requirement listed within Proviso 1.105 with the statutory requirement that SC First Steps currently has to produce an annual report each year by December 1.

This would allow the recurring annual report to include the data associated with the READY reporting requirement as to prevent two annual reports.



# Proviso Request: NEW First Steps Transfer Plan

NEW Proviso would allow the Office of First Steps to work with various departments to evaluate and develop a plan to operate independently from the Department of Education.

Would require a report to be submitted to the Chairman of the Senate Finance Committee, the Chairman of the House Ways and Means Committee and the Governor.

No changes in status would result from this proviso.

# COVID 19 Expenditures:

	Funding Total	Expended 6-30-22	Remaining
DSS Grant	\$ 787,000	\$787,000	\$ 0
GEER Funds	\$ 5,000,000	\$5,000,000	\$ 0
COVID Relief	\$ 4,221,863	\$4,221,863	\$ 0
ESSER Funds	\$ 14,683,500	\$1,084,386	\$13,599,114

- Contract with DSS: Funds used to cover 10% Quality Payment to Private 4K Providers.
- GEER Funds: Covered the extended day and year cost for Private 4K Providers.
- COVID Relief Funds: Reimbursement for COVID Expenditures.
- ESSER Three-year award from Department of Education of \$14,683,500 Period runs from September 1, 2021, through September 2024. Funds will allow Local Partnerships to provide an increase in services to children and families and will allow the 4K Program to retain and recruit teachers for providers and improve language and literacy skills for 4 year olds.

# Cost Savings Plan

Reduction in General Funds =	3% \$293,213	2% \$195,475	1% \$97,738
• Classified Positions	\$8,525	\$5,683	\$2,842
• Employer Contributions	\$1,962	\$1,308	\$ 654
• CDEPP Operating	\$192,726	\$128,484	\$64,242
• READY Grants	\$90,000	\$60,000	\$30,000

- Majority of these funds are allocated for the CDEPP Program (4K) for children. This level of reduction could affect up to 38 children. The READY Grants reduction would affect as many as 900 children served by the Local Partnerships. Other costs could be absorbed. For 2%, a reduction of 25 children for 4K and 600 children in the Local Partnerships, for 1%, a reduction of 13 children in 4K and 300 children in the Local Partnerships.

# Highlights from FY 2022

- Expanded Reach & Increased Impact: Highest number of children ever served by SC First Steps
- Maximized use of grant funding from multiple sources
- Efficiencies Fueled by Interagency Collaboration
- Received national recognition from State Collaborative efforts



Nurse-Family  
Partnership, York  
County First Steps



Parents as Teachers,  
Beaufort County First  
Steps



Quality Counts,  
Spartanburg County  
First Steps



Countdown to  
Kindergarten, Lancaster  
County First Steps

