CHAPTER 152

South Carolina First Steps to School Readiness

**SECTION 59-152-10. First Steps to School Readiness initiative established; permanent enactment.**

 (A) There is established the South Carolina First Steps to School Readiness, a comprehensive, results-oriented initiative for improving early childhood development by providing, through local partnerships, public and private funds, and support for high-quality early childhood development and education services for children by providing support for their families' efforts toward enabling their children to reach school ready to succeed.

 (B) The provisions of the South Carolina First Steps to School Readiness Act, as enacted by Act 99 of 1999, and as subsequently amended, and this chapter are permanently enacted, and future reauthorization is not necessary.

HISTORY: 1999 Act No. 99, § 2; 2014 Act No. 287 (H.3428), § 6, eff June 18, 2014; 2023 Act No. 81 (H.4023), § 9, eff June 19, 2023.

**SECTION 59-152-20. Purpose.**

 The purpose of the First Steps initiative is to develop, promote, and assist efforts of agencies, private providers, and public and private organizations and entities, at the state level and the community level, to collaborate and cooperate in order to focus and intensify services, assure the most efficient use of all available resources, and eliminate duplication of efforts to serve the needs of young children and their families. First Steps funds must not be used to supplant or replace any other funds being spent on services but must be used to expand, extend, improve, or increase access to services or to enable a community to begin to offer new or previously unavailable services in their community. The South Carolina First Steps to School Readiness Board of Trustees, Office of First Steps to School Readiness, and the local First Steps Partnerships shall ensure that collaborations, the existence and continued development of partnerships, and the sharing and maximizing of resources occur so that the funding of grants and services, as provided in this chapter, may continue.

HISTORY: 1999 Act No. 99, § 2; 2014 Act No. 287 (H.3428), § 7, eff June 18, 2014.

**SECTION 59-152-25. Definitions.**

 For the purposes of this title:

 (A) "Evidence-based program" means a program based on a clear and consistent program model that is designated as such by the South Carolina First Steps to School Readiness Board of Trustees because the program:

 (1)(a) is grounded in published, peer-reviewed research that is linked to determined outcomes;

 (b) employs well-trained and competent staff to whom the program provides continual professional development that is relevant to the specific model being delivered;

 (c) demonstrates strong linkages to other community-based services; and

 (d) is operated to ensure program fidelity; or

 (2) is commonly recognized by experts in the field as such a program.

 (B) "Board of trustees" or "board" means the First Steps to School Readiness Board of Trustees pursuant to Article 17, Title 63.

 (C) "Evidence-informed program" means a program that does not satisfy the criteria of an evidenced-based program model but that the South Carolina First Steps to School Readiness Board of Trustees determines is supported by research indicating its potential effectiveness.

 (D) "Partnership" refers to a local First Steps organization designated as such by the South Carolina First Steps to School Readiness Board of Trustees, organized under Section 501(c)(3) of the Internal Revenue Code as a nonprofit corporation, and formed to further, within the coverage area, the purpose and goals of the First Steps initiative as stated in Sections 59-152-20 and 59-152-30.

 (E) "Preschool child" means a child from the prenatal stage to entry into five-year-old kindergarten.

 (F) "Prevalent program investment" means a program administered by a partnership and funded with state grant money, which accounts for at least ten percent of total programmatic spending in First Steps.

 (G) "School readiness" means the level of child development necessary to ensure early school success as measured in the following domains: physical health and motor skills; emotional and social competence; language and literacy development; and mathematical thinking and cognitive skills. School readiness is supported by the knowledge and practices of families, caregivers, healthcare providers, educators, and communities.

HISTORY: 2014 Act No. 287 (H.3428), § 1, eff June 18, 2014.

**SECTION 59-152-30. Goals.**

 The goals for South Carolina First Steps to School Readiness are to:

 (1) provide parents with access to the support they might seek and want to strengthen their families and to promote the optimal development of their preschool children;

 (2) increase comprehensive services so children have reduced risk for major physical, developmental, and learning problems;

 (3) promote high-quality preschool programs that provide a healthy environment that will promote normal growth and development;

 (4) provide services so all children receive the protection, nutrition, and health care needed to thrive in the early years of life so they arrive at school ready to succeed; and

 (5) mobilize communities to focus efforts on providing enhanced services to support families and their young children so as to enable every child to reach school healthy and ready to succeed.

HISTORY: 1999 Act No. 99, § 2; 2014 Act No. 287 (H.3428), § 8, eff June 18, 2014.

**SECTION 59-152-32. Comprehensive long-range initiative.**

 (A) In Section 63-11-1720, the South Carolina First Steps to School Readiness Board of Trustees may carry out its assigned functions by developing a comprehensive long-range initiative for improving early childhood development, increasing school readiness and literacy, establishing results-oriented measures and objectives, and assessing whether services provided by First Steps Partnerships to children and families are meeting the goals and achieving the results established in this chapter. The board shall do the following to fulfill these duties before July 1, 2015:

 (1) in consultation with the State Board of Education, and with the advice and consent of that board, adopt a description of school readiness that includes specific:

 (a) characteristics and development levels of a ready child that must include, but are not limited to, emerging literacy, numeracy, and physical, social, and emotional competencies;

 (b) characteristics of school, educators, and caregivers that the board considers necessary to create an optimal learning environment for the early years of students' lives; and

 (c) characteristics of the optimal environment which would lead to the readiness of students and their continued success;

 (2) establish specific benchmarks and objectives for use by the board of trustees, local partnership boards, and any agency that administers a program to benefit preschool children. The benchmarks and objectives must be approved by the board and posted on the website of the Office of First Steps;

 (3) determine whether state and local programs and activities are effective and contribute to achieving the goals established in Section 59-152-30; and

 (4) publish and distribute a list of approved evidence-based and evidence-informed programs.

 (B) The board of trustees shall review the school readiness description, benchmarks, and objectives and adopt any revisions it considers appropriate before December 31, 2014, again before December 31, 2019, and every five years afterward.

HISTORY: 2014 Act No. 287 (H.3428), § 2, eff June 18, 2014; 2018 Act No. 152 (H.3591), § 1, eff April 12, 2018.

**SECTION 59-152-33. School readiness assessment.**

 (A) Before July 1, 2015, the South Carolina Education Oversight Committee shall recommend an assessment to evaluate and measure the school readiness of students prior to their entrance into a prekindergarten or kindergarten program per the goals pursuant to Section 59-152-30 to the State Board of Education. Prior to submitting the recommendation to the State Board, the Education Oversight Committee shall seek input from the South Carolina First Steps to School Readiness Board of Trustees and other early childhood advocates. In making the recommendation, the South Carolina Education Oversight Committee shall consider assessments that are research-based, reliable, and appropriate for measuring readiness. The assessment chosen must evaluate each child's early language and literacy development, numeracy skills, physical well-being, social and emotional development, and approaches to learning. The assessment of academic readiness must be aligned with first and second grade standards for English language arts and mathematics. The purpose of the assessment is to provide teachers, administrators, and parents or guardians with information to address the readiness needs of each student, especially by identifying language, cognitive, social, emotional, and health needs, and providing appropriate instruction and support for each child. The results of the screenings and the developmental intervention strategies recommended to address the child's identified needs must be provided, in writing, to the parent or guardian. Reading instructional strategies and developmental activities for children whose oral language and emergent literacy skills are assessed to be below the national standards must be aligned with the district's reading proficiency plan for addressing the readiness needs of each student. The school readiness assessment adopted by the State Board of Education may not be used to deny a student admission or progress to kindergarten or first grade. Every student entering the public schools for the first time in prekindergarten and kindergarten must be administered a readiness screening by the forty-fifth day of the school year.

 (B) The results of individual students in a school readiness assessment may not be publicly reported.

 (C) Following adoption of a school readiness assessment, the State Board of Education shall adopt a system for reporting population-level results that provides baseline data for measuring overall change and improvement in the skills and knowledge of students over time. The Department of Education shall house and monitor the system.

 (D) The South Carolina First Steps to School Readiness Board of Trustees shall support the implementation of the school readiness assessment and must provide professional development to support the readiness assessment for teachers and parents of programs supported with First Steps funds. The board shall utilize the annual aggregate literacy and other readiness assessment information in establishing standards and practices to support all early childhood providers served by First Steps. The South Carolina First Steps to School Readiness Board of Trustees shall report the results of the kindergarten readiness assessment by state and by county on the annual report to the General Assembly required in Section 59-152-50(6), and use the results to assist county partnerships to support local initiatives to improve readiness for all students.

HISTORY: 2014 Act No. 287 (H.3428), § 3, eff June 18, 2014; 2018 Act No. 152 (H.3591), § 2, eff April 12, 2018.

**SECTION 59-152-40. Board of Trustees to oversee initiative.**

 The South Carolina First Steps to School Readiness Board of Trustees established in Section 63-11-1720 shall oversee and be accountable for the South Carolina First Steps to School Readiness initiative.

HISTORY: 1999 Act No. 99, § 2; 2014 Act No. 287 (H.3428), § 9, eff June 18, 2014.

**SECTION 59-152-50. Office of South Carolina First Steps to School Readiness established; duties.**

 Under supervision of the South Carolina First Steps to School Readiness Board of Trustees, there is created an Office of South Carolina First Steps to School Readiness. The office shall:

 (1) provide to the board information on best practice, successful strategies, model programs, and financing mechanisms;

 (2) review the local partnerships' plans and budgets in order to provide technical assistance and recommendations regarding local grant proposals and improvement in meeting statewide and local goals;

 (3) provide technical assistance, consultation, and support to local partnerships to facilitate their success including, but not limited to, model programs, strategic planning, leadership development, best practice, successful strategies, collaboration, financing, and evaluation;

 (4) evaluate each program funded by the South Carolina First Steps to School Readiness Board of Trustees on a regular cycle to determine its effectiveness and whether it should continue to receive funding;

 (5) recommend to the board the applicants meeting the criteria for First Steps partnerships and the grants to be awarded;

 (6) submit an annual report to the board, the House Ways and Means Committee, the House Education and Public Works Committee, the Senate Finance Committee, and the Senate Education Committee by December first which includes, but is not limited to, the following information:

 (a) the needs and resources available to meet the goals and purposes of the First Steps to School Readiness initiative statewide, to include each local partnership;

 (b) a list of risk factors the office considers to affect school readiness;

 (c) identification of areas where client-level data is not available;

 (d) an explanation of how First Steps programs reach the most at-risk children;

 (e) the ongoing progress and results of the First Steps to School Readiness initiative statewide and locally;

 (f) fiscal information on the expenditure of funds, and recommendations and legislative proposals to further implement the South Carolina First Steps to School Readiness initiative statewide;

 (g) kindergarten readiness results for the prior school year as well as longitudinal data to document progress toward improving kindergarten readiness;

 (h) annual and five-year goals to serve a high proportion of at-risk children in the State along with a plan and timetable to reach the goals that align to the benchmarks and objectives established by the board;

 (i) the evidence-based and evidence-informed programs provided and number of children and families served for the past three fiscal years. The data must include the percentage of total at-risk children served by the initiative;

 (j) the total amount of state, local, federal, and other revenues received and the total amount of these funds expended by the State Office of First Steps and by each local partnership for services to children and families;

 (k) availability of high-quality and affordable professional development and high-impact strategies such as coaching for child care providers to include the number of individuals, by partnership, who receive the professional development;

 (l) innovative practices in counties that are making progress toward the benchmarks and objectives;

 (m) technical assistance provided by State Office of First Steps to county partnerships with information related to the type of assistance provided and outcomes of the assistance;

 (n) evidence of each local partnership's collaboration with public and private stakeholders; and

 (o) performance reviews of the local partnership boards referenced in Section 59-152-70(F);

 (7) provide for ongoing data collection. Before June 30, 2015, the board shall develop a response to the November 2014 external evaluation of each prevalent program and the overall goals of the initiative, as provided in Section 59-125-160. The office shall contract with an external evaluator to develop a schedule for an in-depth and independent performance audit designed to measure the success of each prevalent program in regard to its success in supporting the goals of the State Board and those set forth in Section 59-152-20 and Section 59-152-30. Results of all external performance audits must be published in the First Steps annual report;

 (8) coordinate the First Steps to School Readiness initiative with all other state, federal, and local public and private efforts to promote good health and school readiness of young children and support for their families;

 (9) complete an annual accountability report pursuant to Section 1-1-820 and identify key program area descriptions and expenditures and link these to key financial and performance results measures, and provide this report to the General Assembly to post on its Internet website; and

 (10) submit to the Agency Head Salary Commission, pursuant to Sections 8-11-160 and 8-11-165, justification of and recommendations for the salary and any salary increases for the Executive Director of the South Carolina Office of First Steps to School Readiness.

HISTORY: 1999 Act No. 99, § 2; 2014 Act No. 287 (H.3428), § 10, eff June 18, 2014; 2018 Act No. 152 (H.3591), § 3, eff April 12, 2018.

**SECTION 59-152-60. Local First Steps Partnership Boards.**

 (A) Each county must be represented on a Local First Steps Partnership Board and each local board must provide services within every county it represents. A local partnership board must be comprised of individuals with resources, skills, knowledge, and interest in improving the readiness of young children for school. A list of all local partnership board members must be published in the partnership's annual report, be reported annually to the local legislative delegation, and be on file with the Office of First Steps.

 (B) The South Carolina First Steps to School Readiness Board of Trustees must establish bylaws for use by each local partnership board. These bylaws must, in addition to other requirements provided in this section, require that a meeting or election of a local partnership board comply with all Freedom of Information Act and IRS disclosure requirements.

 (C) In accordance with the bylaws established by the board of trustees, appointed members shall comprise a voting majority of the board.

 (1) No more than four may be elected to sit on a First Steps Partnership Board.

 (2) Each county legislative delegation shall appoint six members to a local partnership board. In multicounty partnerships, the legislative delegations shall modify their appointments based on the plan approved by the South Carolina First Steps to School Readiness Board of Trustees pursuant to Section 59-152-70(E).

 (3) Each of the following entities located within a particular First Steps Partnership coverage area shall recommend one member to the legislative delegation for appointment by the delegation to serve as a member of the local First Steps Partnership Board:

 (a) Department of Social Services;

 (b) Department of Health and Environmental Control; and

 (c) Head Start or early Head Start.

 (4) The county public library system staff located within a particular First Steps Partnership coverage area shall recommend one employee of the system for appointment by its county council to serve as a member of the partnership, and the council either shall make the appointment or reject the appointment and ask the library staff to make another recommendation.

 (5) Each public school district board located within a particular First Steps Partnership coverage area shall appoint one of its employees to serve as a member of the local First Steps Partnership.

 (6) The legislative delegation may by resolution delegate some or all of its appointments to county council.

 (D) In conjunction with the independent external program evaluation established in Section 59-152-160, the South Carolina First Steps to School Readiness Board of Trustees shall conduct a formal review of the membership categories for First Steps Partnership Board composition. Upon completion of the review, the South Carolina First Steps to School Readiness Board of Trustees shall submit to the General Assembly a statement either verifying the continued applicability and appropriateness of the composition categories for First Steps Partnership Boards in place at that time, or recommending any appropriate and necessary changes.

 (E)(1) Members who miss more than three consecutive meetings without excuse are considered terminated from membership and a vacancy is created.

 (2) When any membership vacancy occurs, the vacancy timely must be filled with a person from the same category and in the same manner of election or appointment as the vacated member.

 (3) The terms of the members of a local First Steps Partnership Board are for four years; however, excluding all appointed members, membership on the board may not exceed eight consecutive years. Elected members may not serve in a holdover capacity after their term ends.

 (F) The chairman of a local partnership board must be elected by majority vote of the board. The chairman shall serve a one-year term; however, the chairman may be elected to subsequent terms not to exceed a total of four consecutive years.

 (G) A local First Steps Partnership Board must have policies and procedures for conducting meetings and disclosing records comparable to those provided for in the Freedom of Information Act. Prior to every vote taken by the board, members must abstain from voting if the issue being considered would result in a conflict of interest. The abstention must be noted in the minutes of the meeting.

HISTORY: 1999 Act No. 99, § 2; 2014 Act No. 287 (H.3428), § 11, eff June 18, 2014; 2023 Act No. 81 (H.4023), § 1.A, eff June 19, 2023.

**SECTION 59-152-70. Local partnership boards; comprehensive plans; staff costs; efficiency collaborations; performance reviews.**

 (A) A First Steps Partnership Board shall, among its other powers and duties:

 (1) adopt bylaws as established by the First Steps to School Readiness Board to effectuate the provisions of this chapter which must include the creation of a periodic meeting schedule;

 (2) coordinate a collaborative effort at the county or multicounty level which will bring the community together to identify the area needs related to the goals of First Steps to School Readiness; develop a strategic long-term plan for meeting those needs; develop specific initiatives to implement the elements of the plan; and integrate service delivery where possible;

 (3) coordinate and oversee the implementation of the comprehensive strategic plan including, but not limited to, direct service provision, contracting for service provision, and organization and management of volunteer programs;

 (4) effective July 1, 2016, each partnership's comprehensive plan shall include the following core functions:

 (a) service as a local portal connecting families of preschool children to community-based services they may need or desire to ensure the school readiness of their children;

 (b) service as a community convener around the needs of preschool children and their families; and

 (c) support of state-level school readiness priorities as determined by the State Board;

 (5) update a needs assessment every three years;

 (6) implement fiscal policies and procedures as required by the First Steps office and as needed to ensure fiscal accountability of all funds appropriated to the partnership;

 (7) keep accurate records of the partnership's board meetings, board member's attendance, programs, and activities for annual submission to the First Steps to School Readiness Board of Trustees;

 (8) collect information and submit an annual report by October first to the First Steps to School Readiness Board of Trustees, and otherwise participate in the annual review and the three-year evaluation of operations and programs. Before December 1, 2017, and annually before December first thereafter, the Office of South Carolina First Steps shall publish each local partnership's comprehensive plan and annual report on the office's website. Reports must include, but not be limited to:

 (a) determination of the current level and data pertaining to the delivery and effectiveness of services for young children and their families, including the numbers of preschool children and their families served;

 (b) strategic goals for increased availability, accessibility, quality, and efficiency of activities and services for young children and their families which will enable children to reach school ready to succeed;

 (c) monitoring of progress toward strategic goals;

 (d) report on implementation activities;

 (e) recommendations for changes to the strategic plan which may include new areas of implementation;

 (f) evaluation and report of program effectiveness and client satisfaction before, during, and after the implementation of the strategic plan, where available; and

 (g) estimation of cost savings attributable to increased efficiency and effectiveness of delivery of services to young children and their families, where available;

 (9) submit for approval by the South Carolina First Steps to School Readiness Board of Trustees requests to hire a local First Steps partnership executive director. Such a request should provide the rationale for the request and include such information as qualifications of applicants, current and requested salaries of applicants, resumes of candidates, and any information to justify the salary requested;

 (10) submit for approval by the South Carolina First Steps to School Readiness Board of Trustees justification of and recommendations for the salary and any salary increases for the local First Steps partnership executive director;

 (11) implement and document an annual performance evaluation for the local First Steps partnership executive director. The completed document shall be submitted annually to the South Carolina First Steps to School Readiness Board of Trustees.

 (B) Each local partnership may, in the performance of its duties, employ or acquire staff pursuant to the local partnership bylaws established by the South Carolina First Steps to School Readiness Board of Trustees. Overhead costs of a First Step partnership's operations may not exceed thirteen percent of the total state funds appropriated for partnership grants. The South Carolina First Steps to School Readiness Board of Trustees shall contract with an independent cost accountant to provide recommendations as to an adequate, and not excessive, overhead cost rate for individual partnerships no later than July 1, 2017. Once these recommendations are received, the First Steps to School Readiness Board of Trustees may adjust the overhead percentage for the local partnership. Once the overhead rates are established, the rates may not be amended or revised for at least five years, and the board may not grant a waiver from this provision to the local partnership. Local partnerships that are not part of a multicounty partnership and exceed the overhead cost rate are ineligible to receive state funds.

 (C) Each First Steps partnership may apply for, receive, and expend federal, state, and local funds, grants, and other funding in order to improve programs as provided in Section 59-152-25(A).

 (D) To be designated a First Steps partnership, the local partnership must be a nonprofit corporation organized under Section 501(c)(3) of the Internal Revenue Code.

 (E)(1) Multiple First Steps local partnerships may collaborate in a manner they determine will maximize the efficient and effective provision of First Steps services and programs to children and their families and best enable the partnerships to execute their duties and powers established in this chapter. In such a collaboration, partnerships may merge or work in concert with one or more of their programs, administrative, or development functions or establish multicounty partnerships.

 (2) To establish a multicounty partnership, the partnerships shall submit a joint proposal to the South Carolina First Steps to School Readiness Board of Trustees including, but not limited to, a plan to ensure each county in the partnership coverage area is equally represented on the local partnership board. In furtherance of this process, the South Carolina First Steps to School Readiness Board of Trustees shall have the authority to set aside the local First Steps Partnership board requirements listed within Section 59-152-60(C)(1)-(6), as is necessary to establish a multicounty partnership. No multicounty partnership shall be established nor separated without prior approval by the South Carolina First Steps to School Readiness Board of Trustees.

 (F) As a condition of receiving state funds, each local partnership must be subject to performance reviews by South Carolina First Steps, including, but not limited to, local board functioning and collaboration and compliance with state standards and fiscal accountability. If any significant operational deficiencies or misconduct is identified within the partnership, the South Carolina First Steps Board of Trustees must identify a remedy with input from the local legislative delegation.

HISTORY: 1999 Act No. 99, § 2; 2014 Act No. 287 (H.3428), § 12, eff June 18, 2014; 2018 Act No. 152 (H.3591), § 4, eff April 12, 2018; 2023 Act No. 81 (H.4023), § 2, eff June 19, 2023.

**SECTION 59-152-90. Local partnership boards; grant funding.**

 (A) A local partnership's grant may be funded annually by the First Steps School to Readiness Board of Trustees and must be contingent on the General Assembly's appropriation of funds to use for offering grants.

 (B) To obtain a grant, a First Steps partnership must qualify by meeting the grant requirements established pursuant to subsection (C). A First Steps Partnership shall submit an application to the Office of First Steps in a format specified by the First Steps to School Readiness Board. The application shall include the level of funding requested, a description of needs of children and families; assets and resources available; and the proposed strategies to address needs as they relate to the goals of South Carolina First Steps to School Readiness.

 (C)(1) Pursuant to Section 63-11-1730, the South Carolina First Steps to School Readiness Board of Trustees shall establish the grant qualification requirements. The board shall develop and promulgate grant qualification requirements in regulation pursuant to the Administrative Procedures Act. These requirements must include, but not be limited to, the following:

 (a) adoption and adherence to bylaws promulgated by the South Carolina First Steps to School Readiness Board of Trustees, which includes, but is not limited to, compliance with the board composition, attendance, voting, and disclosure requirements;

 (b) utilization of the South Carolina First Steps to School Readiness benchmarks and objectives;

 (c) implementation of programs and activities, which are effective and contributing to state goals, and otherwise acceptable pursuant to the requirements of Chapter 152, Title 59; and

 (d) fulfillment of all the duties in Section 59-152-70.

 (2) The South Carolina First Steps to School Readiness Board of Trustees shall establish a formula, which includes the identification of the most relevant and effective factors, by which the allocations for qualifying partnership grants are calculated. The board shall identify the factors, develop the funding formula, and promulgate both in regulation pursuant to the Administrative Procedures Act. The factors utilized in the funding formula, and the weight given to each factor by the formula, must reflect that the intent of the General Assembly is to ensure that the money allocated to each local partnership is in proportion to the following:

 (a) population of eligible children;

 (b) population of at-risk children; and

 (c) population with below average income.

 (3) First Steps shall include the grant qualification requirements and funding formula on its website. The website information shall include formula details, announcements regarding proposed changes to the formula, and directions for public input.

 (D) In conjunction with the independent external program evaluation established pursuant to Section 59-152-160, the board of trustees shall conduct a formal review of the grant qualification requirements and funding process adopted pursuant to subsection (C) and, upon completion of the review, shall submit to the General Assembly a statement either verifying the continued applicability and appropriateness of the grant qualification requirements and funding process in use at that time or recommending any appropriate and necessary changes.

 (E) Funding must reflect the combined total allocations of the coverage area of a multicounty partnership.

HISTORY: 1999 Act No. 99, § 2; 2014 Act No. 287 (H.3428), § 13, eff June 18, 2014.

**SECTION 59-152-100. Local partnership boards; use of grant funding.**

 (A) Grant funds expended by First Steps partnerships must be used to address the needs of young children and their families as identified in the partnerships' comprehensive plans. The funds must be used to expand, extend, or improve the quality of provided services if there is evidence as to existing programs' effectiveness; offer new or previously unavailable services in the area; or increase access to services. Partnership grant funds may not supplant comparable current expenditures by counties or state agencies on behalf of young children and their families, and may not be used where other state or federal funding sources are available. Partnerships are expected to collaborate with other community organizations or entities expending funds on early childhood services designed to impact school readiness in order to maximize impact and minimize duplication of efforts.

 (B) At least seventy-five percent of state funds appropriated for programs must be used by the local partnership for evidence-based programs. Not more than twenty-five percent of state funds appropriated for programs to a local partnership may be used for evidence-informed programs.

 (C) All activities and services provided by a local partnership must be made available to young children and families on a voluntary basis and must focus solely on "school readiness" as defined in Section 59-152-25 by implementing programs geared specifically toward the achievement of First Steps goals pursuant to Section 59-152-30.

 (D) Any part of the initiative within the county strategic plan using local district resources within a school district must be conducted only with approval of the district's board of trustees.

HISTORY: 1999 Act No. 99, § 2; 2014 Act No. 287 (H.3428), § 14, eff June 18, 2014.

**SECTION 59-152-120. Local partnerships; funding use restrictions.**

 Funds received by a local partnership may not be used for capital expenses, new construction, or to renovate, refurbish, or upgrade existing facilities without prior approval by the South Carolina First Steps to School Readiness Board of Trustees.

HISTORY: 1999 Act No. 99, § 2; 2014 Act No. 287 (H.3428), § 15, eff June 18, 2014.

**SECTION 59-152-130. Matching funds.**

 (A) Local partnerships shall provide an annual match of at least fifteen percent, to include private donations, grant funds, and in-kind donated resources, or any combination of them. The South Carolina First Steps to School Readiness Board of Trustees may decrease this percentage requirement for a partnership based on their capacity to provide that match. The First Step partnership shall encourage private individuals and groups to contribute to a partnership's efforts to meet its match. The match required of individual partnerships by the First Steps board should take into consideration such factors as:

 (1) local wealth, using such indicators as the number and percentage of children eligible for free and reduced lunches in grades 1-3; and

 (2) in-kind donated resources.

 Only in-kind donations, as defined by the standard fiscal accountability system provided for in Section 59-152-150, which meet the criteria established by the South Carolina First Steps to School Readiness Board of Trustees and that are quantifiable may be applied to the in-kind match requirement.

 (B) The Office of South Carolina First Steps to School Readiness shall establish guidelines and reporting formats for partnerships to document expenses to ensure they meet matching fund requirements. The office shall compile a report annually on the private cash and in-kind contributions received by the South Carolina First Steps to School Readiness Board of Trustees and First Steps partnerships.

HISTORY: 1999 Act No. 99, § 2; 2014 Act No. 287 (H.3428), § 16, eff June 18, 2014.

**SECTION 59-152-140. Carrying funds forward into subsequent years.**

 To ensure effective use of funds, awards under contract for First Steps Partnerships, with the approval of the Office of First Steps to School Readiness, may be carried forward and used in the following fiscal year. Funds appropriated to South Carolina First Steps to School Readiness may also be carried forward into subsequent years.

HISTORY: 1999 Act No. 99, § 2; 2014 Act No. 287 (H.3428), § 17, eff June 18, 2014.

**SECTION 59-152-150. Development and adoption of standard fiscal accountability system; private and nonstate funds; disbursements; applicable offenses.**

 (A) The Office of South Carolina First Steps to School Readiness shall develop and require local partnerships to adopt and implement a standard fiscal accountability system including, but not limited to, a uniform, standardized system of accounting, internal controls, payroll, fidelity bonding, chart of accounts, and contract management and monitoring. The Office of First Steps, in consultation with the Office of State Procurement, must adopt and develop procurement policies and procedures. Local partnerships must adopt these policies and procedures for the purchase of goods and services. The Office of First Steps may contract with outside firms to develop and ensure implementation of this standard fiscal accountability system, and the Office of First Steps may inspect fiscal and program records of partnerships and developing partnerships to ensure their compliance with the required system. The Office of First Steps may contract with a state entity with existing means for developing contracts and disbursing funds in order to make use of the existing infrastructure, if it is efficient and not administratively burdensome to partnerships.

 (B) Each local First Steps partnership shall expend funds through the South Carolina First Steps to School Readiness Board of Trustees or its fiscal designees until the capacity of the local partnership to manage its fiscal and administrative responsibilities in compliance with the standard accountability system has been reviewed and certified by the South Carolina First Steps to School Readiness Board of Trustees or its designee.

 (C) All private and nonstate funds sought by local partnerships must be used exclusively for meeting the goals and purpose of First Steps as specified in Section 59-152-20 and Section 59-152-30. Private funds received by a First Steps partnership must be deposited in a separate fund subject to review by the Office of First Steps and the State Board.

 (D) Disbursements may be made only on the written authorization of the individual designated by the partnership board and only for the purposes specified. A person violating this section is guilty of a misdemeanor and, upon conviction, must be fined five thousand dollars or imprisoned for six months, or both.

 (E) The offenses of misuse, misappropriation, and embezzlement of public funds apply to this chapter.

HISTORY: 1999 Act No. 99, § 2; 2014 Act No. 287 (H.3428), § 18, eff June 18, 2014; 2023 Act No. 81 (H.4023), § 3, eff June 19, 2023.

**SECTION 59-152-160. Internal evaluation policies and procedures.**

 (A) The South Carolina First Steps to School Readiness Board of Trustees shall establish internal evaluation policies and procedures for local partnerships for an annual review of the functioning of the partnership, implementation of strategies, and progress toward the interim goals and benchmarks. In instances where no progress has been made, the Office of First Steps to School Readiness shall provide targeted assistance and/or the South Carolina First Steps to School Readiness Board of Trustees may terminate the grant. An independent evaluation of each prevalent program investment using valid and reliable measures must be completed and published by the First Steps Board of Trustees no less than every five years. The First Steps board shall adopt a cyclical evaluation calendar including each major program investment no later than June 30, 2015. After publication of a baseline report for each major program investment as defined in Section 59-152-25, subsequent reports will be published no later than five calendar years from the date of each prior publication. In addition to the independent evaluation of each prevalent program, an evaluation of the progress on the initiative's goals and purpose must be completed by November 1, 2014, and every five years thereafter by an independent, external evaluator under contract with the South Carolina First Steps to School Readiness Board of Trustees. The purpose of this evaluation will be to gauge First Steps' progress in meeting the goals established in Section 59-152-20 and Section 59-52-30.

 (B) Local partnerships must agree to participate in such an evaluation in order to receive a First Steps grant. Subsequent grant approval and grant allocations must be dependent, in part, on the results of the evaluations. If an evaluation finds no progress has been made in meeting local goals or implementing strategies as agreed to in the First Steps grant, the grant may be terminated.

 (C) The purpose of the evaluation is to assess progress toward achieving the First Steps goals and to determine the impact of each strategy in supporting improved school readiness as defined in Section 52-152-15. The impact assessment shall include, but is not limited to, school readiness measures; benefits from child development services; immunization status; low birth-weight rates; parent literacy; parenting skills; parental involvement; transportation; and developmental screening results. During the course of the evaluation, if an evaluator determines that any state agency has failed to comply with the coordination and collaboration provisions as required in this chapter, the final report must reflect that information. Each program evaluation report must be reported to the General Assembly no later than three months after conclusion of the evaluation. Local partnerships shall cooperate fully in collecting and providing data and information for the evaluation of their funded strategies.

HISTORY: 1999 Act No. 99, § 2; 2014 Act No. 287 (H.3428), § 19, eff June 18, 2014.